Ethics and Technology: Navigating Tricky Ethical Dilemmas in a 21st Century SALT Practice

ABA 2020 Midyear Tax Meeting
January 30 – February 1, 2020
Ethics and Technology

• The information in this document is not intended to be “written advice concerning one or more Federal tax matters” subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230.

• You (and your employees, representatives, or agents) may disclose to any and all persons, without limitation, the tax treatment or tax structure, or both, of any transaction described in the associated materials provided to you, including, but not limited to, any tax opinions, memoranda, or other tax analyses contained in the materials.

• The information in this document is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.
Speakers

Michelle DeLappe
Principal
Foster Garvey PC
Seattle, WA
Michelle.delappe@foster.com
206-816-1403

Mark E. Holcomb
Partner
Dean Mead
Tallahassee, FL
mholcomb@deanmead.com
850-270-5519
Moderator & Speaker

Glenn C. McCoy, Jr.
Director
KPMG, LLP
New York, NY
gmccoy@kpmg.com
212-954-2668
Agenda

• Recognize and understand proper application of attorney ethics rules in technology-driven 21st century SALT practice

• Analyze common ethical issues within that framework

• Apply professional ethics standards to real-life problems, based on ABA Model Rules and select state bar ethics opinions
Ethical Framework

- Professional Requirements
  - State Bar Associations (Mandatory and Elective)
- Professional Standards
  - ABA Model Rules
  - State Standards of Conduct
  - Industry Associations (e.g., IPT Canons of Ethics)
- Company Policies and Standards
  - E.g., Cisco Systems
Legal Standards

- Treasury Circular 230
- Foreign Corrupt Practices Act (FCPA)
- State Statutes, Regulations and Rules
- Civil Penalties
- Criminal Sanctions
<table>
<thead>
<tr>
<th>Rule</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3</td>
<td>Due Diligence</td>
</tr>
<tr>
<td>1.6</td>
<td>Confidentiality of Information</td>
</tr>
<tr>
<td>1.8</td>
<td>Conflict of Interest: Current Clients Specific Rules</td>
</tr>
<tr>
<td>3.3</td>
<td>Candor Toward the Tribunal</td>
</tr>
<tr>
<td>4.1</td>
<td>Truthfulness in Statements to Others</td>
</tr>
<tr>
<td>7.2</td>
<td>Advertising</td>
</tr>
</tbody>
</table>
Personal Considerations

May vary across:
- Cultural environment
- Religious affiliations
- Family structure
- Community groups, and,
- Societal accepted norms
Overarching Thoughts

“The fact is that all sorts of things go awry in the electronic universe in which we now live, and lawyers are obliged to protect their clients’ interests even if that requires something more than blind reliance on the proper and timely transmission, receipt and filing of computer generated electronic mail.”

And……..

Describing one lawyer’s efforts to blame his email system as the cause for delay as “the digital age equivalent of ‘the dog ate my homework.’”

See: Emerald Coast Utilities Authority v. Bear Marcus Pointe, LLC, 227 So. 3d 752 (Fla. 1st DCA 2017)(collecting ‘excusable neglect’ cases involving lawyer email glitches)
Ethical Scenario #1

Mark, an attorney, is concerned about the privacy rights of his electronic communications with his clients. Mark has decided to only communicate with his clients through Google Hangouts, an instant messaging service that after a period of time automatically deletes messages.

A. Ethical

B. Unethical
Ethical Scenario #2

Michelle (CPA, and lawyer) states on her Facebook page that she and her firm, a medium-sized consulting firm, have authority to represent clients in all matters of state and local taxation. In reality, she and her firm only have expertise in sales and use tax. But Michelle is quite smart and experienced and can certainly read and interpret state laws, regulations and case law on any state and local tax imposed. Is her Facebook page ethical?

A. Ethical.
B. Unethical
Ethical Scenario #3

Stephanie, Taxpayer’s counsel, sends a draft settlement agreement in Word format to her client, SALT-R-Us, LLC, for review. The general counsel for SALT-R-Us redlines some changes and embeds comments in the document before emailing it back to Stephanie. Stephanie accepts the changes, deletes the comments and forward’s the draft to DOR’s counsel for review, but Stephanie forgets to strip metadata out of the document. DOR’s counsel accesses the metadata, and uses that information to drive a hard bargain. Has anyone breached their ethical obligations:

A. Stephanie, because she did not ensure that confidential metadata was removed from the document
B. SALT-R-Us’ general counsel, because he did not delete the metadata before sending the document to Stephanie
C. DOR’s counsel, because she accessed metadata that she should have known was confidential

D. A and B
E. A and C
F. B and C
G. None of the above.
Ethical Scenario #4

Leah, is a New York attorney and local tax counsel for The Jersey Short Co., an online retailer located in New Jersey. Although Jersey Short Co. is relatively obscure, it has customers in all 50 states (including a significant number in New York) and has advertised this fact on its Facebook account. On June 22, 2018 (the day after the Wayfair decision was handed down), Leah contacted The Jersey Short Co. and advised them to remove all Facebook references to customers in New York and instead to begin posting status updates emphasizing that The Jersey Short Co. is a locally based, “mom and pop” retailer. Is this ethical?

A. Yes, this is ethical so long as the statements are accurate and not misleading.
B. Yes, this is ethical so long as The Jersey Short Co. maintains an appropriate record of the Facebook postings referencing New York customers.
C. No, it is unethical to remove the statements about New York under these circumstances because the intent is to hide from the New York taxing authorities.
D. No, lawyers cannot advise their clients on the propriety of social media postings under recent ABA Formal Opinions.
Ethical Scenario #5

Matt is a SALT partner in a nationwide law firm. Matt’s firm utilizes a well-vetted third-party cloud computing service provider to store confidential client information – technology that Matt utilizes on a daily basis, but really does not understand. The firm’s cloud storage is hacked and the confidential information of some of Matt’s clients is accessed. Matt promptly notifies the affected clients regarding the breach. Has Matt satisfied his ethical obligations?

A. Yes, because Matt’s firm used a well-vetted cloud storage service provider and Matt promptly notified the affected clients.
B. Yes, because Matt is entitled to rely on his firm’s IT department and CIO to protect clients’ confidential information.
C. No, because Matt does not understand the basic features of the relevant technology.
D. No, because Matt’s duty to notify affected clients of the breach is continuing and must include material developments in post-breach investigations affecting the client’s confidential information.
E. A and B
F. C and D
Ethical Scenario #6

Glenn is both a CPA and a lawyer, and a sole SALT practitioner. Glenn is Matt’s good friend and, after learning of Matt’s disastrous experience with using third-party cloud storage services, Glenn determines to store client information only on his local PC and in paper files stored in his office. Hurricane Gandhi blows through town and floods his office, destroying Glenn’s computer system and paper files and rendering his clients’ information inaccessible. Has Glenn complied with his ethical obligations to secure his clients’ information?

A. Yes, because Glenn avoided subjecting his clients’ information to a data breach.
B. Yes, because paper files are always an acceptable method for storing client information, just like in the good ol’ days.
C. No, because Glenn should have seen the storm coming and moved back to Oklahoma.
D. No, because Glenn did not maintain either a paper copy or an electronic copy of client files in a secure, off-site location.
Ethical Scenario #7

Michelle is both a CPA and a lawyer, and a sole SALT practitioner. Michelle wants to expand her client base, and enters into an online deal-of-the-day or group-coupon marketing program to offer his services to a wider audience of potential clients. Stew is the owner of Here-Come-Da-Judge, LLC and purchases a coupon entitling him to a 50% discount on Michelle’s fees, which he intends to use for his company’s pending sales and use tax audit. Is either Stew or his company a prospective or current client of Michelle’s?

A. Yes, Stew is but his company isn’t.
B. Yes, his company is but Stew isn’t.
C. No, because Michelle does not owe any duty to Stew or his company until she has first determined conflicts of interest and that she can competently handle the matter.
D. No, because attorneys and CPAs cannot ethically use deal-of-the-day or group-coupon marketing programs for their services.
Ethical Scenario #8

Mary, a SALT attorney licensed in Florida, focuses her practice on the burgeoning alligator farm industry. She participates in an Internet chat room dedicated to expanding business opportunities for alligator farmers. Mary responds to specific SALT-related questions posed in the chat room, and occasionally posts messages in the chat room regarding her availability to handle such work. Is Mary’s conduct ethical?

A. Yes, because Mary is allowed to respond to specific SALT-related questions posted in the chat room, and to let users know of her availability to help them with SALT matters.

B. No, because Mary’s unsolicited communications must first be submitted to and approved by the Bar.
Ethical Scenario #9

Fred has been retained by Overnight Consulting to review a state tax restructuring idea that will significantly reduce state income tax for those entities that utilize it. After months of reviewing statutes, case law and articles online, Fred finishes his memo, marks it as "Attorney-Client Privileged Communication," and emails it to Overnight Consulting. Must it be encrypted or sent in some manner other than by email?

A. Encryption is not required unless the email includes trade secrets.
B. Attorneys are not permitted to communicate on any privileged matter by email.
C. Encryption is not required but Fred must secure a read receipt.
D. Unencrypted emails are an acceptable means of communicating such conclusions.
E. If the lawyer undertakes reasonable efforts to prevent inadvertent or unauthorized disclosure, the email need not be encrypted.
Ethical Scenario #10

Alysse is an attorney licensed in the State of New York. She has been practicing in SALT for 30 years, and has attended the ABA Midyear Tax Meeting annually for the past 28 years. On her LinkedIn profile, she lists herself as a "Specialist in State Taxation?" Is this ethical?

A. Yes
B. No
Ethical Scenario #11

Phil is a state and local tax attorney who maintains a blog titled “Seasoned SALT.” Phil recently won an administrative decision against the Department of Revenue on a hotly contested SUT refund claim. Phil is hoping the win will take his practice to the next level, so he decides, without asking his client, to write an article on his blog about the decision. In the article, Phil lists the name of his client, the name of the case, the amount of the refund, the docket number, and a brief description of the issues – all matters of public record. Because the Department was so difficult, Phil is sure to mention that the Department rejected his client’s last settlement offer of 70% of the refund claim.

A. Phil’s article is ethical.

B. Phil’s article is ethical if he removes the reference to his client’s settlement offer.

C. Phil’s article is ethical so long as he limits it to information found in the administrative decision which is publically available.

D. Phil’s article is unethical.
Ethical Scenario #12

Gregg and Bob are SALT lawyers and partners in a boutique, two-man firm. Gregg and Bob upgrade and consolidate their office equipment into one do-it-all machine, finally getting rid of their old printer, copier, scanner and thermal fax machine. Gregg and Bob sell their old equipment on eBay, recouping some of their capital expenditure and improving the firm’s bottom line. Have Gregg and Bob complied with their ethical obligations to their clients?

A. Yes, because they upgraded their office equipment and disposed of the old equipment in a reasonable manner.
B. No, because they did not take reasonable steps to ensure that the old equipment was sanitized of confidential client information before disposing of it.
Ethical Scenario #13

You are an attorney and recently purchased a smart home assistant that you use to listen to music, set your calendar, receive news and check the weather. While working at home recently, you participated in a conference call where the status of the IRS examination and taxpayer return information was discussed. In the middle of the call, your smart assistant unexpectedly said, “I’m sorry, I didn’t catch that.” Should you be concerned?

A. No, you have not violated any ethics rules, because your smart assistant didn’t understand your conversation.
B. No, you can’t be expected to worry about new technology.
C. Yes, you have exposed confidential information.
Ethical Scenario #14

The Taxpayer’s counsel receives an email from the DOR scheduling an appeals conference. Attached to the email is a memo from DOR counsel to her client that includes a detailed analysis of the weaknesses in the DOR’s case, marked “Attorney-Client Privileged Communication.” What should the Taxpayer’s counsel do?

A. Shred it.
B. Notify the sender.
C. Use it in preparing for the appeals conference.
D. Break out the champagne in anticipation of the Taxpayer’s looming victory.
Ethical Scenario #15

Dirk is a tax practitioner (CPA & Attorney) who maintains a website that includes a forum that allows visitors to pose SALT questions. The website contains bold font language disclaiming any confidentiality obligations or attorney/client relationship created by communications through the forum. One day, a visitor sends a vague question about whether her company would be required to collect and remit tax to State A this year. Dirk responds, asking for more detailed facts in order to be able to determine if he can help. The visitor replies and proceeds to explain that she is the tax director for ABC Corp., and that the DOR has taken the position that ABC Corp.’s sales of software are not subject to tax in State A and she would like to retain Dirk to finalize the settlement and file the appropriate settlement and dismissal pleadings. Dirk is jubilant, as he has an appeal for XYZ Corp. pending in State A on the same issue in which the Department is taking the opposite position. Unfortunately, Dirk’s firm has a conflict of interest and cannot represent ABC Corp. and so Dirk informs the visitor that he must decline the representation. However, Dirk immediately calls his contact at XYZ Corp. to share the good news and discuss how they can use this information in their case. Is Dirk’s conduct in sharing the good news with XYZ Corp. ethical?

A. Yes, Dirk does not owe any confidentiality obligations to ABC Corp. because there was no attorney/client relationship created.
B. Yes, Dirk’s website disclaimed any confidentiality obligations owed to ABC Corp.
C. Yes, both A and B apply.
D. No, Dirk owes a duty of confidentiality to ABC Corp. even though no attorney/client relationship was created.
Ethical Scenario #16

During the course of a contentious unitary audit the New York Department of Taxation and Finance issues IDR’s asking about intercompany transactions, including services, between the Taxpayer and its subsidiaries. Notably the IDR does ask about Taxpayer’s parent corporation or other non-corporate affiliates. As it turns out Taxpayer’s parent performs HQ services for Taxpayer and all of its subsidiaries. In addition, Taxpayer has a number of LLC’s in its corporate structure that are treated as corporations for federal tax purposes.

How do you answer the IDRs?
Ethics Standards - ABA
Standards of the American Bar Association
Model Rules of Professional Conduct. Scope, Sections 16 & 21 provide:

• Compliance with the Rules, as with all law in an open society, depends primarily upon understanding and voluntary compliance, secondarily upon reinforcement by peer and public opinion and finally, when necessary, upon enforcement through disciplinary proceedings.

• The Rules do not, however, exhaust the moral and ethical considerations that should inform a lawyer, for no worthwhile human activity can be completely defined by legal rules. The Rules simply provide a framework for the ethical practice of law.

• The Comment accompanying each Rule explains and illustrates the meaning and purpose of the Rule.

• The Preamble and the note on Scope provide general orientation. The Comments are intended as guides to interpretation, but the text of each Rule is authoritative.
Select ABA Model Rules Applicable to Tax Professionals

<table>
<thead>
<tr>
<th>ABA</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule 1.1</td>
<td>Competence</td>
</tr>
<tr>
<td>Rule 1.2</td>
<td>Scope of Representation and Allocation of Authority between Client and Lawyer</td>
</tr>
<tr>
<td>Rule 1.3</td>
<td>Due Diligence</td>
</tr>
<tr>
<td>Rule 1.4</td>
<td>Communication</td>
</tr>
<tr>
<td>Rule 1.6</td>
<td>Confidentiality of Information</td>
</tr>
<tr>
<td>Rule 1.7</td>
<td>Conflict of Interest: Current Clients</td>
</tr>
<tr>
<td>Rule 1.8</td>
<td>Conflict of Interest: Current Clients Specific Rules</td>
</tr>
<tr>
<td>Rule 3.3</td>
<td>Candor toward the tribunal</td>
</tr>
<tr>
<td>Rule 4.1</td>
<td>Truthfulness in Statements to Others</td>
</tr>
<tr>
<td>Rule 7.2</td>
<td>Advertising</td>
</tr>
<tr>
<td>Rule 8.4</td>
<td>Misconduct</td>
</tr>
</tbody>
</table>
Ethics Standards – Circular 230

Circular 230 contains “standards of practice” to promote ethical practice before the IRS.

- Imposes affirmative duties.
- Prohibits certain types of conduct.
- Establishes a legal process for disciplining tax professionals for violation.
- Disciplinary action includes censure, suspension, disbarment, fines & injunctive relief.
Who is subject to Circular 230 jurisdiction?

- State licensed Attorneys and Certified Public Accountants authorized and in good standing with their state licensing authority who interact with tax administrative at any level and in any capacity.

- Persons enrolled to practice before the IRS – Enrolled Agents, Enrolled Retirement Plan Agents, and Enrolled Actuaries.

- Persons providing appraisals used in connection with tax matters (e.g., charitable contributions; estate and gift assets; fair market value for sales gain, etc.).

- Unlicensed individuals who represent taxpayers before the examination, customer service and the Taxpayer Advocate Service in connection with returns they prepared and signed.
Who is subject to Circular 230 jurisdiction?

• Licensed and unlicensed individuals who give written advice with respect to any entity, transaction, plan or arrangement; or other plan or arrangement, which is of a type the IRS determines as having a potential for tax avoidance or evasion. For this purposes “written advice” contemplates all forms of written material, including the content of an email, given in connection with any law or regulation administered by the IRS.

• Any person submitting a power of attorney in connection with limited representation or special authorization to represent before the IRS with respect to a specific matter before the Agency.
What does “Practice before the IRS” entail?

• “Practice before the IRS” comprehends all matters connected with a presentation to the IRS, or any of its officers or employees, relating to a taxpayer’s rights, privileges, or liabilities under laws or regulations administered by the IRS. Such presentations include, but are not limited to, preparing documents; filing documents; corresponding and communicating with the IRS; rendering oral and written advice with respect to any entity, transaction, plan or arrangement, or other plan or arrangement having a potential for tax avoidance or evasion; and representing a client at conferences, hearings and meetings.
Non Standardization of Rules

• While the various rules of ethical tax conduct are all, in general, designed to prohibit “bad conduct” and, in general, address similar issues that tend to overlap, they are not uniform by any means. As a result, the action taken to resolve a conflict may differ depending on the governing authority. Consequently, the tax practitioner should determine which ethical rules are applicable and in what particular capacity the tax practitioner is acting.

• Example: A, an attorney, determines that an ethical conflict may require his withdrawal from a client matter. A’s conduct will be dictated by his particular state bar association rules of conduct and Circular 230. Contrast this with B, a tax return preparer, who is asked by a client to take a potentially unreasonable tax position. B’s conduct will be governed by Circular 230 and IRC § 6694.
Circular 230 Select Provisions

§ 10.21 Knowledge of client’s omission. A practitioner who, having been retained by a client with respect to a matter administered by the Internal Revenue Service, knows that the client has not complied with the revenue laws of the United States or has made an error in or omission from any return, document, affidavit, or other paper which the client submitted or executed under the revenue laws of the United States, must advise the client promptly of the fact of such noncompliance, error, or omission. The practitioner must advise the client of the consequences as provided under the Code and regulations of such noncompliance, error, or omission.
§ 10.22 Diligence as to accuracy.

(a) In general. A practitioner must exercise due diligence –
1) In preparing or assisting in the preparation of, approving, and filing tax returns, documents, affidavits, and other papers relating to Internal Revenue Service matters;
2) In determining the correctness of oral or written representations made by the practitioner to the Department of the Treasury; and
3) In determining the correctness of oral or written representations made by the practitioner to clients with reference to any matter administered by the Internal Revenue Service.
§ 10.22 Diligence as to accuracy.

b) Reliance on others. Except as modified by §§ 10.34 and 10.37, a practitioner will be presumed to have exercised due diligence for purposes of this section if the practitioner relies on the work product of another person and the practitioner used reasonable care in engaging, supervising, training, and evaluating the person, taking proper account of the nature of the relationship between the practitioner and the person.
Circular 230 Select Provisions (continued)

§ 10.23 Prompt disposition of pending matters. A practitioner may not unreasonably delay the prompt disposition of any matter before the Internal Revenue Service.

§ 10.29 Conflicting interests.

a) Except as provided by paragraph (b) of this section, a practitioner shall not represent a client before the Internal Revenue Service if the representation involves a conflict of interest. A conflict of interest exists if –

1) The representation of one client will be directly adverse to another client; or

2) There is a significant risk that the representation of one or more clients will be materially limited by the practitioner's responsibilities to another client, a former client or a third person, or by a personal interest of the practitioner.
§ 10.29 Conflicting interests.

b) Notwithstanding the existence of a conflict of interest under paragraph (a) of this section, the practitioner may represent a client if –

(1) The practitioner reasonably believes that the practitioner will be able to provide competent and diligent representation to each affected client;
(2) The representation is not prohibited by law; and
(3) Each affected client waives the conflict of interest and gives informed consent, confirmed in writing by each affected client, at the time the existence of the conflict of interest is known by the practitioner. The confirmation may be made within a reasonable period of time after the informed consent, but in no event later than 30 days.

c) Copies of the written consents must be retained by the practitioner for at least 36 months from the date of the conclusion of the representation of the affected clients, and the written consents must be provided to any officer or employee of the Internal Revenue Service on request.
§ 10.32 Practice of law. Nothing in the regulations in this part may be construed as authorizing persons not members of the bar to practice law.

§ 10.34 Standards with respect to tax returns and documents, affidavits and other papers.

(a) Tax returns
1) A practitioner may not willfully, recklessly, or through gross incompetence –

2) Sign a tax return or claim for refund that the practitioner knows or reasonably should know contains a position that –
   A. Lacks a reasonable basis;
   B. Is an unreasonable position as described in section 6694(a)(2) of the Internal Revenue Code (Code) (including the related regulations and other published guidance);
   C. Is a willful attempt by the practitioner to understate the liability for tax or a reckless or intentional disregard of rules or regulations by the practitioner as described in section 6694(b)(2) of the Code (including the related regulations and other published guidance).
§ 10.34 Standards with respect to tax returns and documents, affidavits and other papers.

b) Documents, affidavits and other papers –

(1) A practitioner may not advise a client to take a position on a document, affidavit or other paper submitted to the Internal Revenue Service unless the position is not frivolous.

(2) A practitioner may not advise a client to submit a document, affidavit or other paper to the Internal Revenue Service –
   (i) The purpose of which is to delay or impede the administration of the Federal tax laws;
   (ii) That is frivolous; or
   (iii) That contains or omits information in a manner that demonstrates an intentional disregard of a rule or regulation unless the practitioner also advises the client to submit a document that evidences a good faith challenge to the rule or regulation.
§ 10.34 Standards with respect to tax returns and documents, affidavits and other papers.

(c) Advising clients on potential penalties –

(1) A practitioner must inform a client of any penalties that are reasonably likely to apply to the client with respect to –
   (i) A position taken on a tax return if –
       (A) The practitioner advised the client with respect to the position; or
       (B) The practitioner prepared or signed the tax return; and
   (ii) Any document, affidavit or other paper submitted to the Internal Revenue Service.

(2) The practitioner also must inform the client of any opportunity to avoid any such penalties by disclosure, if relevant, and of the requirements for adequate disclosure.

3) This paragraph (c) applies even if the practitioner is not subject to a penalty under the Internal Revenue Code with respect to the position or with respect to the document, affidavit or other paper submitted.
§ 10.34 Standards with respect to tax returns and documents, affidavits and other papers.

• Relying on information furnished by clients. A practitioner advising a client to take a position on a tax return, document, affidavit or other paper submitted to the Internal Revenue Service, or preparing or signing a tax return as a preparer, generally may rely in good faith without verification upon information furnished by the client.

• The practitioner may not, however, ignore the implications of information furnished to, or actually known by, the practitioner, and must make reasonable inquiries if the information as furnished appears to be incorrect, inconsistent with an important fact or another factual assumption, or incomplete.
§ 10.35 Competence.

- A practitioner must possess the necessary competence to engage in practice before the Internal Revenue Service. Competent practice requires the appropriate level of knowledge, skill, thoroughness, and preparation necessary for the matter for which the practitioner is engaged. A practitioner may become competent for the matter for which the practitioner has been engaged through various methods, such as consulting with experts in the relevant area or studying the relevant law.
IPT Canons of Ethics
IPT Code of Ethics

PREAMBLE

The Institute for Professionals in Taxation® has established this Code of Ethics to govern the conduct of members in connection with the performance of their professional duties as tax professionals and as members of IPT.

As tax professionals, the members of IPT have an obligation for the competence and integrity of their work and conduct.

Each member of IPT is bound by this Code of Ethics and agrees to report to the Committee on Professional Ethics any violation of the Code known to such member.

An IPT member having supervisory responsibility for other tax professionals should make those subordinates aware of this Code of Ethics and instruct them to adhere to its provisions.

The Committee on Professional Ethics, and in the event of an appeal, the Board of Governors, interprets the provisions of this Code in rendering opinions and in conducting investigations and hearings pursuant to regulations and procedures established by the Board.
IPT Canons

1. IT IS UNETHICAL to engage in any conduct that discredits IPT, its membership, or the tax profession.

2. IT IS UNETHICAL to engage in any activity that results in a conviction of any crime committed in connection with the member's involvement in a tax matter.

3. IT IS UNETHICAL to operate beyond the boundaries of an agreed relationship with an employer or client.

4. IT IS UNETHICAL for a member of IPT to state or imply that such member represents a person that the member does not represent, or to file any document on behalf of such person without authorization.

5. IT IS UNETHICAL to disclose confidential employer or client documents or information except with the consent of the employer or client or as required by law.
IPT Canons

6. IT IS UNETHICAL to offer or give anything of value to a public official to induce that official to take any action with respect to a tax matter.

7. IT IS UNETHICAL to offer or give anything of material value to an individual in an employment, advisory or representative relationship with a business to induce that individual to recommend the purchase of goods or services by the business, and IT IS UNETHICAL for such individuals to receive such value.

8. IT IS UNETHICAL to pay, retain, or accept a share of a fee or other monetary compensation for the referral of a person to another for the provision of tax services in which the recipient of such compensation does not participate, unless advance notice is given to the person for whom such services are to be performed. The amount of the compensation for the referral need not be disclosed unless requested by the person for whom the services are to be performed.
9. IT IS UNETHICAL to solicit a tax assignment by assuring a specific result or to solicit, assign, accept or perform a tax assignment that is conditioned upon producing a preconceived opinion or conclusion.

10. IT IS UNETHICAL to initiate or pursue an appeal, protest, refund claim or other action on behalf of a taxpayer for which there is known to be no basis in fact or law. When the basis is unknown, the determination of whether a basis in fact or law exists must be made as soon as reasonably possible.

11. IT IS UNETHICAL for a member, in the performance of a tax assignment, to fail to exercise independent judgment in advising and representing a client.

12. IT IS UNETHICAL in the performance of a tax assignment to knowingly furnish or knowingly rely upon inaccurate, deceitful or misleading information, or to knowingly withhold information which lawfully should be revealed.
IPT Canons

13. IT IS UNETHICAL to prepare or use in any manner, for any purpose, a resume or statement of professional qualifications that is misleading or false.

14. IT IS UNETHICAL in promoting a tax practice or soliciting tax assignments to make misleading or false representations.

15. IT IS UNETHICAL to use client listings or references without specific authorization.

16. IT IS UNETHICAL to state or imply IPT authorization, endorsement or approval of any business, product or service.
17. IT IS UNETHICAL in any representation of fact to IPT, in a membership application, renewal form, or otherwise, to knowingly furnish inaccurate, deceitful, or misleading information, or to knowingly withhold material information.

18. IT IS UNETHICAL for a member having supervisory responsibility for another tax professional to knowingly authorize, direct, permit or ratify any subordinate's act or omission that is declared unethical by this Code, regardless whether the subordinate is a member of IPT.

19. IT IS UNETHICAL to represent a client if such representation would be, or would risk being, adverse to the interests of another client unless each affected client gives informed written consent to such representation.

20. IT IS UNETHICAL to have, acquire, or seek a personal interest in a matter that is adverse to the interests of a client or employer.
Ethics and Technology

Questions?
Thank you!