

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NORTH CAROLINA  
WESTERN DIVISION

NO. 1:07-CV-117( )

UNITED STATES OF AMERICA,	)
	)
Plaintiff,	)
	)
vs.	) COMPLAINT FOR PERMANENT
	) INJUNCTION AND OTHER
RAYMOND A. RENFROW,	) EQUITABLE RELIEF
individually and d/b/a	)
IDEAL TAX SERVICES and	)
FIRST CLASS LIMOUSINE,	)
	)
Defendant.	)
_____	)

The plaintiff, the United States of America, complains and alleges against defendant Raymond A. Renfrow, individually and doing business as Ideal Tax Services and First Class Limousine, as follows:

1. This is a civil action brought by the United States pursuant to sections 7402(a), 7407, and 7408 of the Internal Revenue Code (26 U.S.C.) (“I.R.C.”) to restrain and enjoin Renfrow and all those in active concert or participation with him from:

- a. Acting as a federal tax return preparer or requesting, assisting in, or directing the preparation and/or filing of federal tax returns for any person or entity other than himself;
- b. Appearing as a representative on behalf of any person or organization before the Internal Revenue Service;
- c. Understating customers’ tax liabilities as penalized by I.R.C. § 6694;
- d. Failing to list a tax identification number or to sign tax returns for which he is a tax-return preparer and other conduct subject to penalty under

I.R.C. § 6695;

- e. Engaging in activity subject to penalty under I.R.C. § 6700, including making, in connection with the organization or sale of any plan or arrangement, any statement about the securing of any tax benefit that the defendant knows or has reason to know is false as to any material matter;
- f. Engaging in activity subject to penalty under I.R.C. § 6701, including preparing or assisting in the preparation of a document related to a matter material to the internal revenue laws that includes a position that he knows would result in an understatement of another person's tax liability; and
- g. Engaging in any other conduct subject to any penalty under the Internal Revenue Code or any conduct that interferes with the administration and enforcement of the internal revenue laws.

#### **Jurisdiction**

2. This suit is brought under Sections 7402, 7407, and 7408 of the Internal Revenue Code (26 U.S.C.) to restrain and enjoin defendant from preparing federal income tax returns for others, engaging in any activity subject to penalty under 26 U.S.C. §§ 6694, 6695, 6700 or 6701, and engaging in conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws.

3. Jurisdiction is conferred on this Court by Sections 1340 and 1345 of Title 28, United States Code, and I.R.C. §§ 7402(a), 7407, and 7408.

#### **Defendant**

- 4. Renfrow resides in Elm City, North Carolina within this judicial district.
- 5. Renfrow conducts business through Ideal Tax Services and First Class Limousine, which are located in Elm City, North Carolina, within this judicial district.

**Activities of Defendant, Concept Marketing International,  
National Trust Services and Trust Educational Services**

6. Renfrow, operating under the business names of Ideal Tax Services and First Class Limousine, prepares and files fraudulent and frivolous federal income tax returns or claims for refunds for customers. Renfrow generally signs as a paid preparer on the returns he prepares, but he does not list his own Social Security number but instead lists Employer Identification Number issued for Ideal Tax Services and First Class Limousine.

7. Renfrow prepares income tax returns primarily for customers of Concept Marketing International (“CMI”), National Trust Services (“NTS”), and Trust Educational Services (“TES”).

8. CMI was founded by James E. Aldridge, Jr., in October 1991, as a retail and direct sales company that primarily operated a multi-level marketing scheme involving the sale of American Silver Eagle coins.

9. In March, 1993, Renfrow helped Aldridge form a purported trust known as CMI Trust. Aldridge purportedly transferred his CMI business to the CMI Trust. Renfrow, as the principal of Ideal Tax Services, acted as a trustee of the CMI Trust along with Aldridge and his wife, Shirley Aldridge.

10. In 1993, Renfrow formed Ideal Tax Services in order to provide bookkeeping guidance and tax preparation services for CMI clients. As a CMI sales representative, Renfrow also promoted and sold to customers CMI’s purported business plan at nationwide seminars.

11. CMI’s business plan contemplates a four-tiered pyramid commission sales strategy as follows:

- a. The first-tier sales representative recruited a customer to purchase \$1,000

worth of silver coins and would receive a \$100 commission.

- b. Next, the first-tier customer would recruit a second-tier customer to purchase the silver coins. For this sale, the second-tier salesperson received a \$50 commission and the first-tier salesperson received a \$100 commission.
- c. This chain of sales extended through two additional tiers. At the third and fourth tier, the first through third-tier CMI customer, who they called members, received commissions for any lower-tier sales.

12. CMI representatives, including Renfrow, falsely advised prospective CMI customers that their purchasing the American Silver Eagle coins would constitute a legitimate home-based business. This was part of a tax-fraud scheme Renfrow devised and promoted under which CMI customers could falsely claim to have home-based businesses in order to fraudulently deduct personal living expenses from their taxable income, including deductions for such non-deductible items as groceries, furniture, clothing, housekeeping, utilities, and rent.

13. CMI explained its false promise to increase customers' income while reducing tax liability in its mission statement, entitled "A Different Economic Reality," which stated that CMI has the resources, resolve, and intent to return control of a family's financial destiny back to the family, and out of the hands of the employer, the Internal Revenue Service, and the Government.

14. CMI has sponsored numerous promotional seminars, mainly in the Kansas City area. As part of these seminars, CMI directed customers to purchase American Silver Eagle coins, and form so-called Unincorporated Business Organizations or business trusts, which CMI promoters falsely promised to reduce their taxes by 97% or more. In addition to urging

customers to use sham trusts, CMI instructs customers on how to use sham home-based businesses to fraudulently deduct personal living expenses from their taxable income, including non-deductible items such as groceries, furniture, clothing, housekeeping, utilities, and rent.

15. In the mid-1990s, Renfrow and Aldridge formed a series of sham trusts to be used in connection with the CMI promotion. These trusts were used to promote the sale of a sham-trust tax-fraud scheme.

16. In January of 1994, Renfrow helped Aldridge establish the Aldridge Family Trust (“AFT”) and the Liberty Commerce Group Trust (“LCGT”). AFT was both the grantor and beneficiary of the LCGT trust. Aldridge and his wife Shirley were the trustees of LCGT.

17. Renfrow and Aldridge created LCGT to market and distribute sham-trust packages consisting of a multi-tiered web of sham trusts, designed to purportedly receive customers’ income and purportedly hold title to customers’ assets and pay their expenses, while purporting to exempt their income and assets from taxation.

18. LCGT contracted with a sham-trust promoter called National Trust Services (“NTS”), which was created by Leroy E. Fritts and Roderick Prescott, to have NTS sell its sham-trust scheme to LCGT and CMI customers. Renfrow, as CMI’s principal income tax preparer, also prepared fraudulent federal income tax returns for NTS customers based on the NTS sham-trust tax-fraud scheme. By 2002, Renfrow was preparing false and fraudulent income tax returns for CMI, NTS, and TES customers.

19. NTS and TES salespersons instructed customers to create at least two so-called “complex” trusts generally consisting of a sham business trust and a sham family trust. NTS and TES representatives further advised customers to purportedly transfer their businesses and

business assets into the business trust.

20. Thereafter, the business continued to operate as it did before, except that: (1) the business trust would pay rent to either the family trust or a “holding” trust for the purported use of equipment or office space and then take a tax deduction for the rent paid as a “business expense”; (2) the business trust distributed any net income to the family trust; and (3) the family trust purported to reduce its federal income tax liability by 97% by deducting non-deductible personal expenses, including personal household expenses.

21. Prescott directed many TES and TES customers who purchased TES and NTS sham trusts to have their federal income tax returns prepared by Samuel Fung. As part of the tax-fraud scheme, Fung prepared income tax returns that falsely understated his customers’ income tax liabilities by deducting personal expenses that customers purportedly assigned to the sham TES and NTS trusts.

22. On June 2, 2003, a federal court permanently enjoined Prescott from selling the sham-trust tax-fraud scheme, individually and through TES, Case No. 03:02-cv-692-L-JFS (S.D. Cal.). The injunction order is available at [www.usdoj.gov/tax/prtax/txdv03332.htm](http://www.usdoj.gov/tax/prtax/txdv03332.htm).

23. While the injunction suit against Prescott was pending, Renfrow purchased his own series of sham trusts from TES in 2002 and 2003. This included the Renfrow Family Foundation Trust, Renfrow Group Trust, and the Renfrow Family Trust. In keeping with Prescott’s sham-trust tax-fraud scheme, Renfrow named himself and his wife as both the beneficiary and trustee of each trust.

24. On February 11, 2004, a federal court permanently enjoined Fung from preparing income tax returns and representing that customers can deduct personal expenses on their trusts’

federal income tax returns. Case No. 03-cv-3123 (D. Ore. 2003). The injunction order is available at [www.usdoj.gov/tax/prtax/txdv04081.htm](http://www.usdoj.gov/tax/prtax/txdv04081.htm).

25. Thereafter, on April 12, 2005, Fritts and Prescott were indicted in the Northern District of California for tax evasion, under 26 U.S.C. § 7201, and conspiracy to defraud the United States, pursuant to 18 U.S.C. § 371 for their role in the TES and NTS tax-fraud schemes.

26. The CMI entities and directors have faced similar law-enforcement actions. On January 23, 2004, Aldridge, CMI and Liberty Commerce Group Trust were ordered by the State of Missouri to cease and desist offering or selling notes or evidences of indebtedness in CMI, Liberty Commerce Group Trust, and Continental Fiduciary Management.

27. On June 27, 2006, James and Shirley Aldridge were indicted for filing false income tax returns and aiding and abetting others to file false tax returns.

28. On information and belief, Renfrow is aware of the injunctions issued against Fung and Prescott. Nevertheless he continues to sell sham trusts and prepare fraudulent federal income tax returns based on the fraudulent methods described above.

29. On August 11, 2004, IRS agents interviewed Renfrow and advised him that he was being investigated in connection with possible conduct subject to penalty under IRC §§ 6700 and 6701 and possible improper conduct in preparing tax returns for customers. During this meeting, Renfrow asserted the frivolous argument that the Constitution does not require individuals to file income tax returns and he referred to himself as a “tax protester.”

30. Following Renfrow’s meeting with the IRS, Renfrow has continued to prepare false income tax returns based on the tax-fraud schemes promoted by NTS and TES, while working with CMI.

31. Renfrow continues to promote the same tax-fraud schemes sold by NTS and TES, at CMI seminars that he has arranged nationwide in 2006 and 2007.

**Renfrow's Fraudulent Trust Promotion and Return Preparation**

32. From about 1994 through 2002 Renfrow sold a "Complex Trust System" package through his affiliation with NTS and TES. Renfrow has also prepared false and fraudulent federal income tax returns for NTS and TES customers who have used the complex-trust scheme.

33. The typical "Complex Trust Package" sold by NTS, TES, and CMI calls for an individual to create a family trust, a business trust, and a private charitable trust, all of which are shams. NTS and TES representatives promoting this trust arrangement, including Renfrow, advised customers to transfer their businesses into the business trust, and to transfer personal property into the family trusts.

34. In each instance, the trust instruments provided as part of the Complex Trust System names the individual customer as the grantor and trustee of the trusts. In many cases, Renfrow is also named as the trustee of the trusts he has sold to customers of NTS, TES, and CMI.

35. The individual customer, as grantor or trustee, continues to have complete control over the assets that were purportedly transferred to the trusts. In addition, the customer who purchased the Complex Trust System is usually the signatory on the bank accounts opened in the various trusts' names, thereby giving the individual control over any funds purportedly belonging to the trusts.

36. As CMI's tax advisor, Renfrow directs customers to conduct their purported CMI

businesses through the business trusts. Renfrow prepares business trust returns for customers based on this fraudulent method, which includes improper deductions for the customers cell phone use, CMI meeting fees, and the cost of the silver coins purchased from CMI as purported business expenses.

37. Next, Renfrow prepares trust tax returns that falsely purport to distribute the net income of the business trust to the customer's family trust in an attempt to prevent the business trust from incurring any federal income tax liability.

38. The Complex Trust System then calls for the customer, as the trustee of the family trust, to sign a resolution designating his or her personal residence as the "trust headquarters." Thereafter, under Renfrow's sham-trust scheme, the family trust improperly deducts — as purported business expenses — all expenses associated with the maintenance and operation of the "trust headquarters." These include the customer's personal expenses such as insurance on the house, utilities, home repairs, and homeowner's association fees.

39. The effect of complex-trust tax-fraud scheme is that participants live in the same residence and operate the same business as they did before participating in the program. Under the program, participants' living expenses are paid from the participants' earnings just as they were before creating the trusts. The trusts are shams because participants receive the full benefit of, and have full control over, all trust funds. The only substantive change in the participants' regular business and lifestyle activities is the purported benefit of no taxation.

40. The trusts used by Renfrow's customers are operated for the benefit of the owner, are devoid of economic substance and are shams for federal tax purposes. The program constitutes an improper assignment of income and a fraudulent transfer of assets.

41. For example, Renfrow prepared the 2002 and 2003 federal trust income tax returns for the purported trusts of a customer in Raytown, Missouri. In furtherance of the scheme, Renfrow prepared federal trust returns (Forms 1041) for the business trust that both reported income paid from CMI. On the business trust returns, Renfrow reported distributions of the net income to the family trust. On the Forms 1041 for the family trust for the same year, Renfrow deducted the Raytown, Missouri customer's personal living expenses on the return, including expenses paid to maintain the trust "headquarters," which was the customer's home.

42. Renfrow knew or had reason to know this trust arrangement was a sham.

**Renfrow's Participation in the  
Concept Marketing International Tax-Fraud Scheme**

43. Renfrow is the Regional Sales Director and a trustee of the CMI trust. In 2000, Renfrow, individually and through his business, Ideal Tax Services, agreed to provide tax preparation and training courses for CMI customers.

44. As part of that agreement, Renfrow has conducted monthly "Income Tax Boot Camps" throughout the country in 2006 and 2007, to promote tax-fraud schemes.

45. At these seminars, Renfrow instructs customers on the use of a sham home-based business to deduct personal living expenses from the customer's taxable income, including among other things, groceries, furniture, clothing, housekeeping, utilities, and rent. Renfrow promotes a tax-fraud schemes that use multiple sham Schedule C businesses for the ostensible purpose of legal tax savings.

46. As part of the scheme, Renfrow and CMI sell to customers American Silver Eagle coins, and falsely advise customers that purchasing the coins from CMI constitutes a *bona fide* business for the participant.

47. Renfrow falsely advises customers that they can legally deduct the cost of the coins purchased from CMI as part of their fictitious business, even though CMI's promotional materials state that the coins are held for investment by the customers.

48. Renfrow also prepares income tax returns for CMI participants that fraudulently deduct their personal expenses as fictitious CMI business expenses.

49. The non-deductible personal expenses Renfrow deducts as business expenses on customers' federal income tax returns include, *inter alia*, (1) the cost of the silver coins, which Renfrow falsely and fraudulently reports as "CMI association dues" on customers' income tax returns, (2) driving expenses, (3) the cost of attending CMI meetings, and (4) personal expenses related to the customers' homes.

50. The CMI businesses Renfrow reports on customers' income tax returns are shams for federal income tax purposes. Renfrow's customers' fictitious businesses are operated for the sole purpose of falsely deducting personal expenses or the cost of purchasing CMI products as purported legitimate businesses. The only substantive change in the participants' regular business and lifestyle activities is the purported benefit of no taxation.

51. Thus far, the IRS has examined more than sixty false and fraudulent income tax returns Renfrow has prepared for CMI customers. All of the federal income tax returns examined by the IRS include expenses for "CMI association dues" on Schedule C forms. The purported "association dues" are, in fact, the cost of the American Eagle Coins that the CMI customers bought.

52. Not one of the federal income tax returns that Renfrow has prepared for CMI customers that has been examined by the IRS is accurate.

53. Renfrow failed to list his name, or a trade name, as preparer on some of the income tax returns he has prepared for customers.

**Defendant's Knowledge of the Falsity  
of the Tax Benefits of His Tax-Fraud Schemes**

54. Renfrow knows that the positions he is asserting on his customers' income tax returns are contrary to law because he has referred to himself as a "tax protester."

55. Renfrow knows or has reason to know the federal income tax returns he prepares for NTS and TES customers fraudulently reduced their reported tax liabilities.

56. Renfrow knows or has reason to know the federal income tax returns he prepares for NTS and TES customers fraudulently reduced their reported income tax liabilities because he knows that Roderick Prescott and Samuel Fung were enjoined from selling the TES and NTS sham-trust schemes.

57. Renfrow knows or has reason to know that the CMI tax-fraud scheme is illegal.

58. Renfrow knows or has reason to know that trust misuse and preparer fraud scams are identified in the IRS's annual consumer alert of tax scams that taxpayers should avoid.

59. Renfrow is also aware that his customers have been the subject of IRS audits because the income tax returns he prepares for them contain false information.

**Harm to the Public**

60. The tax-fraud schemes that Renfrow promotes and markets harm the government by fraudulently reducing customers' reported tax liabilities.

61. The Internal Revenue Service is harmed because it must dedicate scarce resources to detecting and examining inaccurate returns filed by defendant's customers, to preparing substitute returns for customers failing to file tax returns, and to attempting to recover unpaid

taxes.

62. Thus far, the IRS has identified over sixty federal individual income tax returns and fifty federal trust returns that Renfrow has prepared for customers that have resulted in a tax loss exceeding \$347,640.

63. Since 2001, Renfrow has prepared 993 individual income tax returns for customers. The potential tax loss from Renfrow's conduct based on the returns examined could exceed \$2,907,792.

64. The United States is also harmed because the IRS is forced to devote its limited resources to identifying defendant's customers and recovering any erroneous refunds that are issued. Given these limited resources, identifying and recovering all revenues lost from defendant's preparation of false and fraudulent returns may be impossible.

65. For Renfrow's customers that the IRS has identified, the IRS must review and respond to correspondence, request that they file correct returns, assess penalties, and audit them to determine the correct tax liability. This effort is required for each return filed.

66. In addition to the harm caused by his preparation of tax returns that understate his customers' tax liabilities, Renfrow's activities undermine public confidence in the administration of the federal tax system and incite noncompliance with the internal revenue laws.

67. Defendant's customers have been harmed because they have paid defendant fees to prepare tax returns that understate their correct federal income tax liabilities. Customers who receive erroneous refunds then must pay back the taxes plus interest. Regardless of whether the IRS issues a refund, customers may have to pay penalties and some customers could also face criminal prosecution.

68. The IRS estimates that during 2001 the difference between the amount of taxes paid by U.S.-taxpayers, and the amount that should have been paid, equaled \$345 billion. *See* <http://www.irs.gov/newsroom/article/0,,id=154496,00.html>. Tax-fraud schemes such as those promoted by defendant contribute to the under-reporting of taxes estimated in the report.

69. Despite notice from the IRS of this investigation in 2004, Renfrow and CMI continue to promote their tax-fraud schemes and false and fraudulent return preparation services and have schedule monthly seminars promoting their tax-fraud schemes in 2007. Defendant's background and extensive involvement in these elaborate tax-fraud schemes indicate that the misconduct described in this complaint or other similar misconduct is likely to recur unless he is permanently enjoined.

**Count I: Injunction under I.R.C. § 7407 for violation of I.R.C. §§ 6694 and 6695**

70. The United States incorporates by reference the allegations in paragraphs 1 through 69.

71. Section 7407 of the Internal Revenue Code authorizes a district court to enjoin an income tax preparer from:

- a. engaging in conduct subject to penalty under I.R.C. § 6694 (which penalizes a tax return preparer who prepares or submits a return that contains an unrealistic position);
- b. engaging in conduct subject to penalty under I.R.C. § 6695 (which penalizes a tax return preparer who fails to sign a return as a paid preparer or to furnish an identifying number on the return or to keep a list of customers or copies of tax returns and turn over the list or copies to the IRS upon request); or

c. engaging in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of the internal revenue laws,

if the court finds that injunctive relief is appropriate to prevent the recurrence of such conduct. Additionally, if the court finds that a preparer has continually or repeatedly engaged in such conduct, and the court finds that a narrower injunction (*i.e.*, prohibiting only that specific enumerated conduct) would not be sufficient to prevent that person's interference with the proper administration of the internal revenue laws, the court may enjoin the person from further acting as a federal income tax return preparer.

72. Defendant has prepared at least 993 federal income tax returns that included false or fraudulent deductions for his customers' non-deductible personal expenses and their fictitious CMI businesses. In so doing, he understated his customers' federal tax liabilities and asserted positions which he knew or reasonably should have known were unrealistic under I.R.C. § 6694.

73. On some of these returns, defendant failed to list his name or a trade name as preparer, subjecting him to penalty under I.R.C. § 6695.

74. Defendant's actions, as described above, are subject to penalty under I.R.C. § 7407(b)(1)(A) and (D), and are, thus, subject to being enjoined under I.R.C. § 7407.

75. If he is not enjoined, defendant is likely to continue to prepare and file tax returns that include false or fraudulent deductions and the use of sham trusts as a device to evade the proper payment of tax.

**Count II: Injunction under I.R.C. § 7408 for violation of I.R.C. §§ 6700 and 6701**

76. The United States incorporates by reference the allegations in paragraphs 1 through 75.

77. I.R.C. § 7408 authorizes a court to enjoin persons engaging in any conduct subject to penalty under I.R.C. § 6701 from engaging in such conduct or any conduct subject to penalty under the Internal Revenue Code if the court finds that injunctive relief is appropriate to prevent the recurrence of such conduct.

78. Section 6700 imposes a penalty on any person who organizes or participates in the sale of a plan or arrangement and in so doing makes a statement with respect to the allowability of any deduction or credit, the excludability of any income, or the securing of any tax benefit by participating in the plan or arrangement which that person knows or has reason to know is false or fraudulent as to any material matter.

79. I.R.C. § 6701 imposes a penalty on any person who prepares or assists in the preparation of a return, affidavit, or other document that the person knows or has reason to believe will be used in connection with any material matter arising under the internal revenue laws, and that the person knows would result in an understatement of tax liability.

80. Defendant prepares false and fraudulent individual and trust income tax returns, trust documents, individual income tax returns, and other documents that he files for his customers. Renfrow knows or has reason to believe, that the returns he prepared would be used in connection with material matters arising under the internal revenue laws.

81. Defendant knows that the returns and other documents he prepares will result in understatements of his customers' tax liabilities because he knowingly deducts his customers' personal expenses on trust returns, false and fraudulently deducts the cost of coins purchased as part of his customers fictitious businesses, and prepares other documents that inflate expenses report on his customers' federal income tax returns.

82. Renfrow sells and organizes tax-fraud schemes that falsely promised tax benefits to customers.

83. Renfrow knew or had reason to know that these statements were false or fraudulent statements within the meaning of 26 U.S.C. § 6700.

84. If he is not enjoined, Renfrow is likely to continue to organize and sell tax-fraud schemes.

**Count III: Injunction under I.R.C. § 7402(a) for unlawful interference with the enforcement of the internal revenue laws**

85. The United States incorporates by reference the allegations of paragraphs 1 through 84.

86. Section 7402 of the Internal Revenue Code authorizes a court to issue orders of injunction as may be necessary or appropriate for the enforcement of the internal revenue laws.

87. Defendant, through his actions as described above, has engaged in conduct that substantially interferes with the enforcement of the internal revenue laws.

88. The federal income tax returns that defendant prepared for his customers improperly and illegally understated his customers' federal income tax liabilities.

89. If defendant is not enjoined from engaging in fraudulent and deceptive conduct, such as preparing false or fraudulent tax returns, the United States will suffer irreparable injury from revenue losses caused by defendant.

90. While the United States will suffer irreparable injury if he is not enjoined, defendant will not be harmed by being compelled to obey the law.

91. The public interest would be advanced by enjoining defendant because an injunction, backed by the Court's contempt powers if needed, will stop his illegal conduct and the

harm the conduct is causing to the United States Treasury.

92. If defendant is not enjoined, he is likely to continue to interfere with the enforcement of the internal revenue laws.

WHEREFORE, the plaintiff, the United States of America, respectfully prays as follows:

A. That the Court find that Raymond A. Renfrow, individually or doing business as Ideal Tax Services or First Class Limousine, has continually and repeatedly engaged in conduct subject to penalty under I.R.C. §§ 6694 and 6695 and has continually and repeatedly engaged in other fraudulent or deceptive conduct substantially interfering with the administration of the tax laws, and that a narrow injunction prohibiting only this specific misconduct would be insufficient;

B. That the Court find that Raymond A. Renfrow, individually or doing business as Ideal Tax Services or First Class Limousine, has engaged in conduct subject to penalty under I.R.C. §§ 6700 and 6701 and that injunctive relief under I.R.C. § 7408 is appropriate to prevent a recurrence of that conduct;

C. That the Court find that Raymond A. Renfrow, individually or doing business as Ideal Tax Services or First Class Limousine, has engaged in conduct that interferes with the enforcement of the internal revenue laws, and that injunctive relief is appropriate to prevent the recurrence of that conduct pursuant to the Court's inherent equity powers and IRC § 7402(a);

D. That the Court, pursuant to IRC §§ 7402(a), 7407, and 7408, enter a permanent injunction prohibiting Raymond A. Renfrow, individually or doing business as Ideal Tax Services or First Class Limousine, and all those in active concert or participation with him from:

- (1) Acting as a federal tax return preparer or requesting, assisting in, or directing the preparation and/or filing of federal tax returns for any person or entity other than himself;

- (2) Appearing as a representative on behalf of any person or organization before the Internal Revenue Service;
- (3) Understating customers' tax liabilities as penalized by IRC § 6694;
- (4) Failing to list a tax identification number or to sign tax returns for which he is a tax-return preparer and other conduct subject to penalty under IRC § 6695;
- (5) Engaging in activity subject to penalty under IRC § 6701, including preparing or assisting in the preparation of a document related to a matter material to the internal revenue laws that includes a position that he knows would result in an understatement of another person's tax liability;
- (6) Organizing, promoting, marketing, or selling any tax shelter, plan or arrangement that advises or assists customers to attempt to violate the internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities, including by means of Pure Trust and sovereignty programs;
- (7) Falsely representing that customers may continue to control and receive beneficial enjoyment from assets irrevocably transferred to a trust without regard to the grantor trust rules of IRC §§ 673 through 677;
- (8) The false representation that customers' personal residences can be transferred to a trust for the purpose of claiming personal expenses in order to reduce their federal tax liability;
- (9) The false representation that the purchasing of American Silver Coins is a deductible business expense; and
- (10) Engaging in any other conduct subject to any penalty under the Internal Revenue Code or any conduct that interferes with the administration and enforcement of the internal revenue laws.

E. That the Court, pursuant to IRC §§ 7402(a), 7407, and 7408, enter an injunction requiring Raymond A. Renfrow within fifteen days to contact by United States Mail and, if an e-mail address is known, by e-mail, all persons for whom he and those in active concert with him prepared a federal tax return to inform them of the Court's findings concerning the falsity of his prior representations and enclose a copy of the permanent injunction against him;

F. That the Court, pursuant to IRC §§ 7402(a), 7407, and 7408, enter an injunction requiring Raymond A. Renfrow to produce to counsel for the United States within fifteen days a list that identifies by name, social security number, address, e-mail address, and telephone number and tax period(s) all persons for whom he prepared federal tax returns or claims for refund since January 1, 2001;

G. That the Court retain jurisdiction over Raymond A. Renfrow, individually or doing business as Ideal Tax Services or First Class Limousine, and over this action for the purpose of enforcing any permanent injunction entered against defendant;

H. That the United States be entitled to conduct discovery for the purpose of monitoring defendant's compliance with the terms of any permanent injunction entered against him; and

I. That this Court grant the United States such other and further relief, including costs, as is just and equitable.

DATED this 22<sup>nd</sup> day of March 2007.

FRED D. WHITNEY  
United States Attorney

/s/Thomas M. Newman  
THOMAS M. NEWMAN  
Trial Attorney, Tax Division  
United States Department of Justice  
Post Office Box 7238  
Washington, DC 20044  
Telephone: (202) 616-9926  
Fax: (202) 514-6770