

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Civil No.
)	
GREGORY J. BOONE)	
)	
Defendant.)	

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF

Plaintiff, United States of America, for its complaint against Gregory J. Boone (“Boone”) states as follows:

1. Jurisdiction is conferred on this Court by 28 U.S.C. §§ 1340 and 1346 and 26 U.S.C. §§ 7402(a).
2. This action has been requested by the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury, and commenced at the direction of a delegate of the Attorney General under 26 U.S.C. § 7408.
3. This suit is brought under §§ 7402 and 7408 of the Internal Revenue Code (26 U.S.C.) (“I.R.C.”) to enjoin Boone from the following activities:
 - a. Organizing, promoting, marketing, or selling, or assisting in organizing, promoting, marketing, or selling, any plan or arrangement that assists or incites taxpayers to attempt to violate internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities, including those that promote, sell, or advocate the use of tax returns with false withholding claims based on false Forms 1099 or other withholding documents;

- b. Engaging in conduct subject to penalty under I.R.C. § 6700, including organizing or selling a plan or arrangement and making or furnishing a statement regarding the right or ability to claim withholding based on Forms 1099 or other withholding documents prepared by or for the taxpayers or any other plan or arrangement which he knows or has reason to know is false or fraudulent as to any material matter;
- c. Advertising, marketing, or otherwise promoting any false, misleading, or deceptive tax position in any media, including a website, for the purpose of assisting or inciting taxpayers to unlawfully evade the assessment or payment of federal income taxes, including the positions that:
 - i. Taxpayers can draw on the Treasury of the United States to pay their tax debt or other debt using Forms 1099, bonded promissory notes, sight drafts, or other documents;
 - ii. The issuance of a Form 1099 by a taxpayer to a creditor allows the taxpayer to claim that he or she has withholding of income taxes in the amount of the Form 1099 issued by the taxpayer; or
 - iii. Taxpayers have an account, possibly a secret account, with the Treasury Department which they can use to pay their debts or which they can draw on for refunds through a process that is often called “commercial redemption.”
- d. Instructing or assisting others to hinder or disrupt the enforcement of internal revenue laws by instructing or assisting them to file file frivolous returns based

- on “commercial redemption” or other frivolous arguments;
- e. Owning or operating any website that participates in preparing or filing false documents for use in preparing federal income tax returns;
 - f. Preparing his own federal individual income tax returns claiming income tax withholding and refunds based on amounts shown in Forms 1099 issued to or in the name of his creditors;
 - g. Preparing tax forms, including Forms 1099, which Boone knows or has reason to know is false or fraudulent as to any material matter;
 - h. Engaging in any other conduct that is subject to penalty under the Internal Revenue Code or that interferes with the proper administration and enforcement of the internal revenue laws.

Defendant

- 4. Defendant Boone resides in Riverview, Florida, located in this judicial district. Venue is thus proper under 28 U.S.C. §§ 1391 and 1396.
- 5. Boone previously conducted business as Provident Holdings International, LLC or PHI, LLC, (“PHI, LLC”) in Riverview, FL, in this judicial district.
- 6. PHI, LLC was dissolved on September 8, 2010.

**Proper Reporting Procedures for
Certain Income and Tax Withholdings**

- 7. The IRS requires that certain entities file documents called “information returns.” These documents provide the IRS information about, for example, money paid to an individual taxpayer by an entity and any federal income tax that the entity withheld. A common

information return is the Form W-2 that an employer files with the IRS to report income paid to an employee and federal income tax withheld on the employee's behalf.

8. Another information return is Form 1099-OID, which is used to report original issue discount ("OID") income and any federal income tax withheld from that income. OID income refers to the difference between the discounted price at which a debt instrument is sold at issuance, and the stated redemption price at maturity.
9. For example, if a taxpayer buys for \$950 a 10-year bond with a stated redemption price at maturity of \$1,000, the OID is \$50. The taxpayer must account for the interest that accrues during each of the ten years, toward the ultimate \$50 of total OID interest. Although the taxpayer does not actually receive the interest each year, it must be reported on the taxpayer's income tax return each year.
10. If any federal tax is withheld from the OID amount each year, the withholding is also reported on Form 1099-OID.
11. The party that issues a debt instrument that generates OID must issue a Form 1099-OID. The Form 1099-OID must be filed with the IRS and is typically sent to the taxpayer for reference.
12. If a taxpayer has OID interest income to report, he or she must record it on IRS Form Schedule B. Schedule B must be attached to the taxpayer's federal income tax return, and information from Schedule B is reported on the taxpayer's federal income tax return.
13. An entity that issues information returns like Form 1099-OID must also submit to the IRS a Form 1096, "Annual Summary and Transmittal of U.S. Information Returns." Form 1096 contains a summary of the total contents of all of the Forms 1099-OID that the

entity filed for a particular tax year.

14. An additional “information return” that must be filed with the IRS and is relevant to this Complaint is IRS Form 1099-A, “Acquisition or Abandonment of Secured Property” and IRS Form 1099-C, “Cancellation of Debt.” A taxpayer must file Form 1099-A to report income resulting from cancellation of a borrower’s indebtedness because of the acquisition of property as security for the debt.

Boone’s Abusive Tax Fraud Scheme

15. On November 22, 2008, Boone filed an Application for Filing Information Returns, Form 4419, with the IRS.
16. Boone received approval to be a transmitter through the Filing Information Returns Electronically (“FIRE”) system.
17. On April 16, 2009, Boone filed for another transmitter number for PHI, LLC and received another transmitter control number.
18. Boone, through PHI, LLC, promoted an abusive tax scheme by offering the service of filing fraudulent information returns Forms 1099-OID and other forms to generate outlandish and false claims for refunds by his customers.
19. Boone’s customers filed their tax forms through www.efileoid.com, a website that featured a picture of a scarecrow below the phrase: “MY STRAWMAN WORKS FOR ME!”
20. www.efileoid.com further stated: “The sooner your information is in the system, the sooner your 1040 can be filed and the sooner you will receive the refund to which you are entitled.”

21. The www.efileoid.com website is currently inactive and Boone has indicated to the IRS that he is willing to discontinue his activities through this website. Boone is also associated with the following websites:
- a. www.notaryacceptor.com, an active website which offers the service of third party witnesses and sending documents on behalf of others and documenting the responses. It references using the service for the purpose of responding to IRS notices.
 - b. www.validatethedebt.com, an active website purporting to provide information about how banks loan money and describing a loan as an “even exchange;” and
 - c. www.freemyloan.com, an active website that offers a loan remedy process and refers to a loan as an “even exchange.”
 - i. In July of 2009, www.freemyloan.com contained information on Forms 1099-A and Forms 1099-OID.
 - ii. The website suggested that individuals electronically file their Forms 1099-OID.
 - iii. The website stated: “I found two companies providing this “e-file” service. TFF charges \$75.00, [click for order form](#). Efileoid.com charges \$55.00 and has this website: <http://efileoid.com>.”
22. The scheme generated money for Boone. In exchange for Boone and PHI, LLC’s services in electronically filing tax forms such as Form 1099-OID,, customers paid between \$55 and \$85 per year. For example, one of the programs offered on the www.efileoid.com website in December of 2009 was a \$55 program for 1 year of filing Forms 1099-OID.

23. The website www.efileoid.com also offered a 1099A program, also for \$55 a year.
24. According to www.efileoid.com in December of 2009, the package for a Form 1099-OID/A included:
 - a. “Electronic filing of your 1099 OID/A
 - b. Forwarding a PDF copy of your filing for your records. This includes Copies B & C.
 - c. Notifying you of any information that has been ‘flagged’ by the IRS and re-submitting your data if you declare it to be correct.
 - d. 2 free EIN lookups per order; \$10 after that.”
25. Boone electronically filed tax forms such as the Form 1099-OID through the FIRE system with the IRS. Those forms showed fabricated amounts of tax withheld. The fabricated tax withholding reported to the IRS resulted in fraudulent refund claims by Boone’s customers in amounts as large as \$488,081.00.
26. To date, Boone has filed at least 4,915 false tax forms electronically through the FIRE system using either his transmitter number or the number issued to PHI, LLC.
27. At least eight refunds were erroneously issued to taxpayers, totaling \$1,262,187.01.
28. The Forms 1099-OID falsely state that federal income taxes were withheld in the equivalent amount of income purportedly paid or received by the customer.
29. The frivolous IRS Forms 1099-OID purport to show that Boone’s customer has lent money to a creditor of the customer, usually a credit card company or a mortgage company. The amount of the false OID income reported purports to be in an amount needed to satisfy a debt (usually a mortgage, car loan, or credit card debt) owed by the

customer to the creditor, or nearly the total amount of debt owed by the customer to the creditor. The Forms 1099-OID submitted also report tax withholding for the same amount or nearly the same amount of the phony OID income.

30. The false OID income and false withholding from the fraudulent Forms 1099-OID are then reported on the customer's federal income tax return, Form 1040, or amended federal income tax return, Form 1040X. The result is an inflated tax liability for the customer, but with a correspondingly inflated false refund claim.
31. Consequently, Boone's customers fail to file correct federal income tax returns and falsely claim tax refunds to which they are not entitled.
32. The central purpose of Boone's abusive tax scheme is to state fraudulent claims for income tax refunds in order to steal from the United States Treasury.
33. The corresponding federal tax returns are filed by taxpayers throughout the country.
34. For example:
 - a. On March 21, 2010, Mr. Henry T. Johnson of Knoxville, TN filed a Form 1040 for the 2006 tax year.
 - i. The 2006 federal income tax return falsely claims that Johnson earned interest income in 2006 in the amount of \$396,736.00.
 - ii. The \$396,736.00 interest income figure is based on two bogus Forms 1099-OID showing purported original issue discount income totaling \$396,500.94, filed electronically through PHI, LLC's transmittal number on March 9, 2010.¹

¹It also includes two smaller amounts of interest income reported on the Schedule B.

- iii. Each Form 1099-OID reports an original issue discount in an amount identical to a reported federal income tax withholding on the same form.
 - iv. That purported interest income results in a grossly inflated taxable income of \$396,841.00.
 - v. The return also falsely claims that \$396,501.00 of federal income tax was withheld on their behalf, which is the amount of the federal withholding reported on the two false Forms 1099-OID filed through PHI, LLC's transmittal number..
 - vi. Based on the amount of false taxable income, the resulting tax reported on the tax return was \$125,444.00.
 - vii. As a result, Johnson requested a refund in the amount of \$271,057.00, although he did not pay any tax or have any tax withheld from him.
 - viii. The IRS did not pay Mr. Johnson the refund.
- b. For the 2008 tax year, Mr. Zackory J. Corzine filed a Form 1040 federal income tax return. Mr. Corzine listed an address of Las Vegas, NV on his tax return.
- i. Mr. Corzine's federal income tax return falsely claims that he earned interest income in the amount of \$581,919.00.
 - ii. The \$581,919.00 of interest income is based on 10 bogus Forms 1099-OID filed through Boone's transmitter number.
 - iii. That purported interest income, combined with Corzine's other income and deductions, result in a grossly inflated taxable income of \$592,172.00.
 - iv. The return also falsely claims that \$583,990 of federal income tax was

withheld on his behalf.

- v. Based on the amount of taxable income, the resulting tax reported on Corzine's federal income tax return was \$185,857.00.
- vi. As a result, Corzine requested a refund of \$398,133.00 for tax year 2008.
- vii. As a result of Boone's tax-fraud scheme, the IRS erroneously paid out \$398,133.00 to Corzine through a direct deposit to his bank account in April of 2009.

35. In addition to generating false forms for his customers, Boone also prepared federal income tax returns for himself in an attempt to claim false refunds.

36. In May 2009, he prepared a fraudulent amended income tax return for the 2005 tax year that added 1099-OID income and withholding. He was attempting to obtain a \$210,478 refund.

a. On May 30, 2009, Mr. Boone sent a letter to the IRS that enclosed an amended federal income tax return for the 2006 tax year, along with 2006 schedules A, B, D, and a wage and tax statement. The amended return stated, among other things, that it had failed to include \$104,127 of 1099 income, among other things.

- i. The \$104,127.00 of income included amounts from 15 bogus Forms 1099-OID.
- ii. On each of the 15 Forms 1099-OID, the purported amount of the original issue discount was identical to the purported amount of federal income tax withheld.
- iii. That purported interest income, combined with Boone's other income and

deductions, result in a grossly inflated taxable income of \$120,009.00 on his amended federal income tax return.

- iv. Based on the amount of taxable income, the resulting tax reported on Boone's amended federal income tax return was \$27,934.00.
 - v. As a result, Boone requested a refund of \$77,276 for the 2006 tax year.
- b. Similarly, in a letter dated August 12, 2009, Boone wrote to the Internal Revenue Service enclosing an amended federal income tax return for the 2007 tax year, after the withholding based on his Form 1099-OIDs for that year was disallowed.
- i. Boone enclosed, among other things, a copy of his original Form 1040 for 2007, which reported \$248,366 in false Form 1099-OID income and withholding.
 - ii. Boone's 2007 federal income tax return claimed a refund in the amount of \$162,228.00.
- c. In July of 2009, the IRS received a formal protest sent from Boone regarding the 2007 tax year. In this document, Boone maintained that the withholding he claimed on his 2007 Form 1040 was accurate.
- d. On or around June 9, 2009, Boone sent a document entitled "constructive notice and formal complaint," and an "affidavit of truth and fact" to the IRS, in regard to tax years 2005, 2006, 2007, and 2008.
- i. In these documents, Boone again represented to the IRS that the tax returns he filed contained valid amounts of withholding and valid claims for refund.

- ii. In the “constructive notice” Boone referred to himself as “the authorized representative for Trust entity known as Gregory Joel Boone . . .”
- iii. The “affidavit of truth and fact” purported to give the IRS 20 days to respond, or the IRS’s silence “shall be construed as constructive silence and concealment of incriminating evidence and shall create the legal presumption or conclusion that the authorities stated by the IRS do not exist . . .”

37. Boone was employed by United Maritime Group, LLC, but was terminated from employment in 2010.

Context for Boone’s Abusive Tax Fraud Scheme

38. Boone’s scheme is part of a growing, nationwide trend to file frivolous tax returns and Forms 1099-OID with the IRS in an attempt to escape federal tax obligations and steal from the U.S. Treasury.

39. This scheme, and related schemes, may be identified as falling under the category of “commercial redemption.” Proponents of commercial redemption claim that the United States government is in possession of money rightfully owned by the taxpayer.

40. Boone has told, and may continue to tell customers that they can recover their money from the United States through filing bogus Forms 1099 OID and/or 1099-A financial instruments based on the theory that the U.S. government has created a “straw man” for each United States citizen. Boone has generated and filed, and may continue to generate and file, fraudulent Forms 1099-OID and/or Forms 1099-A to support fraudulent income tax returns claiming refunds of federal tax payments that were never made.

41. Courts have enjoined individuals for promoting the same and similar tax-fraud schemes, and for preparing or promoting the same type of documentation under theories related to commercial redemption. *United States v. Johnston et al.*, Case No. 5:09-cv-359/RS-MD (Aug. 4, 2010 N.D. Fl.) (Permanently enjoining all defendants from preparing false Forms 1099-OID even though defendants had ceased filing fraudulent Forms 1099-OID.) *See also United States v. Knupp*, No. 1:09-CV-2724, 2010 WL 2245551, at *2-3 (N.D. Ga. May 14, 2010) (describing the commercial redemption theory as “frivolous[]” and the preparer’s use of false Forms 1099-OID as “fraudulent”); *United States v. Marty*, No. CIV S-09-0600 FCD EFB PS, 2010 WL 323518 (E.D. Cal. Jan. 14, 2010); *United States v. Miller*, No. 3:09-cv-01030, 2009 WL 4060274, at *2 (M.D. Tenn. Nov. 23, 2009); *see also United States v. Kahn*, No. 5:03CV-436-OC-10GRJ, 2004 WL 1089116, at *1 (M.D. Fla. Mar. 30, 2004) (holding defendants in contempt of injunction that arose from defendants’ promotion of tax schemes involving “outlandish mechanisms” such as using counterfeit bonds and checks to draw on fictitious treasury accounts supposedly in their customers’ names).
42. Other courts have condemned this or similar tax-fraud schemes. *Ray v. Williams*, No. CV-04-863-HU, 2005 WL 697041, at *5-6 (D. Or. Mar. 24, 2005) (discussing the fraudulent claims of “redemptionists” when assessing the constitutionality of a prison denying a prisoner access to a book containing the theory and explaining how to exploit it); *Monroe v. Beard*, No. 05-04937, 2007 WL 2359833, at *2 (E.D. Pa. Aug. 16, 2007) (characterizing redemption as an “anti-government scheme that utilizes commercial law to harass and terrorize its targets”).

43. On October 10, 2008, the IRS issued a nationwide “problem alert” warning taxpayers about the very tax-fraud scheme that Boone has promoted and is promoting relating to fraudulent Forms 1099-OID. IRS, “Problem Alerts,” *available at* <http://www.irs.gov/newsroom/article/0,,id=98129,00.html>. (“The IRS cautions taxpayers to avoid getting caught up in a new tax fraud disguised as a debt payment option for credit cards or mortgage debt. The fraud is also marketed as a way to reduce taxes or pay outstanding tax liabilities.”)

Public Harm Caused by Boone’s Abusive Tax Fraud Scheme

44. The harm caused by Boone’s abusive tax scheme is widespread. The United States Treasury, Boone’s customers, and the taxpaying public are all adversely affected.
45. The United States Treasury has been defrauded through tax refunds wrongfully issued and rightful tax liabilities uncollected. Many of the fraudulently requested refunds identified to date exceed \$200,000.
46. While the IRS is able to detect most fraudulent refund claims and stop related refunds from being issued, Boone’s tax scheme has resulted in the issuance of at least \$1.2 million in erroneous refunds to Boone’s customers. In addition, the scheme increases the administrative costs of the government. It requires, for example, a high volume of correspondence from the IRS to the filers of the documents.
47. Boone’s tax fraud scheme is part of a growing, nationwide trend among unscrupulous individuals to assist customers in filing frivolous tax returns and Forms 1099 with the IRS in an attempt to escape their federal tax obligations and steal from the U.S. Treasury under the baseless “commercial redemption” theory.

48. In reliance on Boone's services, his customers have failed to file proper federal income tax returns, which has either deprived his customers of proper tax refunds to which they may have been entitled or deprived the United States of tax revenue owed by Boone's customers.
49. Boone's customers have also incurred direct financial harm because they remain liable for any lawful tax unpaid, may be liable for interest and substantial penalties, and could be subject to criminal prosecution.
50. Furthermore, the scheme causes harm to the creditors that have entered into business relationships with these taxpayers. If creditors receive fraudulent Forms 1099-OID from the taxpayers, they must spend time and resources to determine their falsity and risk receiving audit or penalty notices from the IRS.

Injunction Under 26 U.S.C. § 7408

51. Section 7408(a), I.R.C., authorizes a district court to enjoin any person from engaging in conduct subject to penalty under I.R.C. §§ 6701 and 6700, if injunctive relief is appropriate to prevent recurrence of that conduct.
52. Section 6700, I.R.C., imposes a penalty on a person who engages in certain specified conduct that promotes an abusive tax shelter.
53. Section 6701, I.R.C., imposes a penalty on a person who aids and abets the understatement of a taxpayer's tax liability.

**Count I: Injunction Under 26 U.S.C. § 7408 for
Violation of 26 U.S.C. § 6700(a)(2)(A)**

54. The United States incorporates by reference the allegations contained in paragraphs 1 through 53.

55. Under I.R.C. § 6700(a)(2)(A), a penalty may be imposed upon any person who, in connection with organizing, promoting, or selling a plan or arrangement, or assisting in organizing, promoting or selling a plan or arrangement makes or furnishes, or causes another person to make or furnish a statement as to, among other things:
- a. the allowability of a deduction or credit, or
 - b. the securing of any other tax benefit by reason of holding an interest in the participating in the plan or arrangement
- which statement the person knows or has reason to know, is false or fraudulent as to any material matter.
56. Boone through PHI, LLC, organized, promoted, and sold, or assisted in organizing, promoting, and selling, a plan or arrangement to defraud the United States Treasury.
57. In doing so, he made or furnished, or caused to be made or furnished, false or fraudulent statements with respect to a taxpayer's ability to claim false withholdings and other tax benefits.
58. Boone knew or had reason to know that his statements were false or fraudulent, because they were predicated on the submission of false or fraudulent documents to the IRS.
59. As a result, Boone has engaged in conduct subject to penalty under 26 U.S.C. § 6700(a)(2)(A) and he should be enjoined from engaging in such conduct in the future under 26 U.S.C. § 7408.

**Count II: Injunction Under 26 U.S.C. § 7408 for
Violation of 26 U.S.C. § 6701**

60. The United States incorporates by reference the allegations contained in paragraphs 1 through 59.

61. Section 6701, I.R.C., imposes a penalty on any person who:
 - a. aids or assists in, procures, or advises with respect to, the preparation or presentation of any portion of a return, claim or other document;
 - b. who knows (or has reason to believe) that such portion will be used in connection with any material matter arising under the internal revenue laws; and
 - c. who knows that such portion would result in an understatement of the liability for tax of another person.
62. Boone prepared and/or aided, and/or assisted in, and/or advised in the preparation and filing of fraudulent Forms 1099-OID and other fraudulent tax forms.
63. Boone filed the Forms 1099-OID using either Boone's or PHI, LLC's transmitter numbers through the Filing Information Returns Electronically ("FIRE") system.
64. Boone knew or had reason to believe that the fraudulent documents he prepared and/or aided, and/or assisted in, and/or advised in creating would be used in connection with other taxpayers' federal income tax returns, material matters under the internal revenue laws.
65. Boone knew that the filing of the fraudulent documents would result in drastically understating other taxpayers' federal income tax liabilities.
66. As a result, Boone engaged in conduct subject to penalty under 26 U.S.C. § 6701.
67. Injunctive relief is appropriate to prevent recurrence of Boone's penalty conduct.

Count III: Injunction Under 26 U.S.C. § 7402(a)

68. The United States incorporates by reference the allegations contained in paragraphs 1 through 67.

69. Section 7402(a), I.R.C., authorizes a court to issue injunctions as may be necessary or appropriate for the enforcement of the internal revenue laws, even if the United States has other remedies available for enforcing those laws.
70. Boone substantially interferes with the enforcement of the internal revenue laws by promoting an abusive tax scheme under one or more theories of “commercial redemption” and filing, frivolous federal documents on behalf of other taxpayers. These activities are part of the nationwide effort among unscrupulous promoters to steal from the United States Treasury with similar schemes.
71. As a result of Boone’s misconduct, customers fail to file proper tax returns and some have received erroneous refunds of hundreds of thousands of dollars. These customers may be liable for substantial penalties, including penalties for 20 percent of the excessive refund claim pursuant to 26 U.S.C. § 6676, as a result of their fraudulent refund claims.
72. Boone’s conduct results in irreparable harm to the United States and to the public for which there is no adequate remedy at law.
73. Boone’s conduct interferes with the proper administration of the Internal Revenue Code because it has resulted, and may continue to result, in hundreds of frivolous filings with the IRS that hinder the IRS’s ability to determine the correct tax liabilities of Boone’s customers and other taxpayers.
74. Unless enjoined by this Court, Boone may continue to promote and administer this abusive tax scheme.
75. Injunctive relief under I.R.C. § 7402(a) is appropriate to prevent the recurrence of this misconduct.

WHEREFORE, Plaintiff, the United States of America, prays for the following relief:

- A. That the Court find that Gregory J. Boone has continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. §§ 6700, and 6701, and that injunctive relief is appropriate under 26 U.S.C. §§ 7402 and 7408 to bar him from engaging in conduct subject to penalty under 26 U.S.C. §§ 6700, and 6701;
- B. That the Court, under 26 U.S.C. §§ 7402 and 7408, enter a permanent injunction prohibiting Boone and his representatives, agents, servants, employees, attorneys, independent contractors, and anyone in active concert or participation with him, from directly or indirectly;
 - 1. preparing tax forms, and from providing, signing, filing, or advising about the Form 1099-OID or other Forms 1099, or preparing other tax forms for other persons or entities;
 - 2. Owning and/or operating any website that participates in preparing false documents, including any type of Form 1099, for use in preparing federal income tax returns;
 - 3. Engaging in any other activity subject to penalty under the Internal Revenue Code; and
 - 4. Engaging in other conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws.
- C. That this Court, under 26 U.S.C. §§ 7402 and 7408, enter a permanent injunction prohibiting Boone and his representatives, agents, servants, employees, and anyone in active concert or participation with him, from directly or indirectly by

means of false, deceptive, or misleading commercial speech:

1. Organizing, promoting, or selling tax shelters, plans or arrangements that advise or assist taxpayers in attempting to evade the assessment or collection of such taxpayers' correct federal tax;
 2. Engaging in any other activity subject to penalty under 26 U.S.C. § 6700, including organizing or selling a plan or arrangement and making a statement regarding the excludability of income or securing of any other tax benefit by participating in the plan that he knows or has reason to know is false or fraudulent as to any material matter;
 3. Engaging in any activity subject to penalty under 26 U.S.C. § 6701; and
 4. Directly or indirectly organizing, promoting, marketing, or selling any plan or arrangement that assists or incites taxpayers to attempt to violate internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities, including promoting, selling, or advocating the use of false Forms 1099.
- D. That this Court, under 26 U.S.C. § 7402, enter a permanent injunction prohibiting Boone from preparing his own federal income tax returns claiming false income tax withholding and refunds based on amounts shown on false Forms 1099;
- E. That this Court, under 26 U.S.C. § 7402, enter an injunction requiring Boone to contact by mail (and also by e-mail, if an address is known) all persons who have purchased any products, services, or advice associated with the false or abusive tax scheme described in this complaint, from Boone, PHI, LLC, or any other

entity controlled by Boone, and inform those persons of the Court's findings by providing them with a copy of the permanent injunction against Boone;

- F. That this Court, under 26 U.S.C. § 7402, enter an injunction prohibiting Boone and his representatives, agents, servants, employees, attorneys, and those persons in active concert or participation with him, from posting content regarding the tax scheme described herein on any website, including www.efileoid.com, www.notaryacceptor.com, www.validatehedebt.com, and www.freemyloan.com, and requiring Boone to post a copy of the Court's injunction on the www.efileoid.com website for a period of three years.
- G. That this Court retain jurisdiction to allow the United States full post-judgment discovery to monitor Boone's compliance with the injunction; and
- H. That this Court grant the United States such other and further relief as the Court deems just and appropriate.

Date: May 2, 2011

Respectfully submitted,

ROBERT E. O'NEILL
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/s/ Miranda Bureau
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