

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION

Case No.

UNITED STATES OF AMERICA,

Plaintiff,

v.

JEAN-MARIE BOUCICAUT;
MARIE THELEMARQUE; and
TAX REVIEW CORPORATION,

Defendants.

CIV-ZLOCH

**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF
UNITED STATES' MOTION FOR PRELIMINARY INJUNCTION**

Pursuant to Fed. R. Civ. P. 65(a), the United States moves for a preliminary injunction against defendants Jean-Marie Boucicaut, Marie Thelemarque, and Tax Review Corporation. Defendants prepare tax returns claiming fraudulent credits and deductions and file them without their customers' knowledge. The IRS has issued at least 593 erroneous refund checks totaling over \$770,000 to defendants' customers based on defendants' scheme. Defendants improperly intercept these refund checks, forge endorsements, and deposit the checks into their checking accounts, keeping some or all of the tax refunds for themselves.

These activities result in potential liability to the defendants' unwitting customers for the erroneous refunds they never or only partially received, as well as for related interest and penalties. In addition to the refund checks issued, the IRS estimates that defendants have submitted an additional

2,800 fraudulent returns that requested an additional \$3.3 million in tax refunds but that were caught by the IRS before erroneous refunds were issued.

The defendants' continued operation will lead to further irreparable injury to their customers and to the federal government. Through their filing of fraudulent amended returns seeking refunds of prior-years' taxes, defendants inflict harm year-round, not just during tax-filing season. Thus, defendants should be enjoined quickly from preparing any federal income tax returns for others, and should be required to notify their past customers of the defendants' illegal activities.

FACTS

Jean-Marie Boucicaut and Marie Thelemarque, operating currently through Tax Review Corporation and formerly through Leadership Network Corporation, prepare tax returns for the public. (Decl. Townshend, ¶¶ 8, 11, 27, 30.) They, in effect, operate two return-preparation practices. The first typically involves the preparation of original (non-amending) income tax returns for which defendants charge an up-front fee that must be before defendants will deliver the returns to their customers. The first typically involves the preparation of original (non-amending) income tax returns for which defendants charge a set fee regardless of the amount of the refund (if any) yielded by the return preparation. (*Id.* ¶ 13.) The second involves the review of customers' past tax returns and the preparation of amended tax returns. (*Id.*) This second practice appears to be targeted at immigrants from Haiti and their families who primarily live in Broward and Miami-Dade counties. (*Id.* ¶ 20.) Defendants and their agents solicit customers for this practice through direct-mail advertising and through visits to potential customers in their homes. (*Id.* ¶¶ 18, 19.)

Defendants' customers

The example of Jean Claude and Vercilia Lacoste illustrates how defendants recruit customers for this second practice. A man who identified himself as Carl visited the Lacostes in their North Miami home and informed them that they were “supposed to get money” because the government owed money to “everybody in the U.S.” (*Id.* ¶ 31.)¹ Like the Lacostes, Carl appeared to be a fellow immigrant from Haiti. (*Id.*) Upon Carl’s request, the Lacostes provided Carl with copies of recent tax returns and signed an IRS change-of-address form that he presented to them. (*Id.*) They never heard again from Carl or defendants or other agents. (*Id.*)

The IRS then received the change-of-address form requesting that the Lacostes’ address of record be changed to defendants’ post office box. (*Id.*)² The IRS also received an amended tax return for 2001 purportedly signed by the Lacostes and decreasing their reported tax liability from \$3,184 to \$0 and requesting refund of the \$3,184. (*Id.* ¶ 32.)³ The return listed defendants’ post office box as the Lacostes’ address. (*Id.* Ex. B.) The return sought a refund by falsely claiming the Hope education credit related to attending college and by claiming additional false deductions. (*Id.*) The Lacostes did not attend college or incur the job expenses or make the charitable contributions listed on the amended returns filed with the IRS. (*Id.* ¶ 32.)

The Lacostes had not signed the return. In fact they first saw it when an IRS agent investigating defendants’ activities showed it to them. (*Id.*) A review of the original return and other documents

¹ See also the affidavit of Jean Claude Lacoste, attached to the Declaration as Exhibit C.

² A copy of the form, Form 8822, is attached to the Declaration as Exhibit A.

³ A copy of the amended return, Form 1040X, is attached to the Declaration as Exhibit B.

signed by the Lacostes reveals that the signatures on the amended returns are not theirs.⁴ The Lacostes never received a refund. (*Id.*)

Similarly, Leguy and Gladys Balthazar recall a Haitian man visiting their Miami home claiming that he was from the government and that he could legally get them more money on their tax returns. (*Id.* ¶ 34.)⁵ Like the Lacostes, the Balthazars are Haitian immigrants. (*Id.*) The man reviewed their returns and said that they were entitled to an additional refund but did not explain why. (*Id.*) Upon his request, the Balthazars provided the man with copies of recent tax returns. (*Id.*) They never heard again from the man or defendants or other agents. (*Id.*)

The IRS then received amended tax returns for 1999 and 2000 for the Balthazars that decreased the Balthazars' reported tax liabilities from \$3,509 to \$79 for 1999 and from \$1,271 to \$0 for 2000 and requested refunds of the differences, \$3,430 and \$1,271. (*Id.* ¶ 35.)⁶ The returns listed defendants' post office box as the Balthazars' address. (*Id.* Exs. D and E.) The returns sought a refund by falsely claiming the Hope education credit related to attending college and by falsely claiming additional charitable contributions. (*Id.*) The Balthazars did not attend college or incur the job expenses or make the contributions reported on the amended returns. (*Id.* ¶ 35.) The Balthazars did not sign the amended returns. In fact they saw them when an IRS revenue agent investigating defendants' activities showed them to them. (*Id.*) The Balthazars never received any refunds. (*Id.*)

⁴ Comparing Declaration Exhibits A, B, and C.

⁵ See also the affidavit of Leguy Balthazar, attached to the Declaration as Exhibit F.

⁶ Copies of the amended returns are attached to the Declaration as Exhibits D and E.

Jacques Metellus does not recall ever having any contact with defendants or their agents. (*Id.* ¶ 37.)⁷ The IRS received a change-of-address form bearing a signature similar in appearance to his, but Metellus does not believe that he signed it. (*Id.* ¶ 38.)⁸ The IRS also received an amended 1999 tax return that decreased Metellus's reported tax liability from \$2,216 to \$176 and requested a refund of the \$2,040 difference. (*Id.* ¶ 39.)⁹ The return listed defendants' post office box as Metellus's address. (*Id.* Ex. H.) The return reduced reported tax by falsely claiming the Hope education credit and additional deductions. (*Id.*) Metellus did not attend college, incur the job expenses, or make the charitable contributions listed on the amended return. (*Id.* ¶ 39.) Metellus did not file an amended return or ask defendants' to do so. (*Id.*) He first saw the amended 1999 return received by the IRS when an IRS revenue agent investigating defendants' activities showed it to him. (*Id.*) Metellus never received a refund. (*Id.*)

Jerry Papillon similarly does not recall ever having any contact with defendants or their agents. (*Id.* ¶ 41.)¹⁰ The IRS received an amended 2001 tax return purporting to be from him, listing defendants' P.O. box as his address, seeking a \$1,500 refund by falsely claiming the Hope education credit. (*Id.* ¶ 42.)¹¹ Although Papillon did attend college in 2001, he had not heard of the Hope

⁷ See also the affidavit of Jacques Metellus, attached to the Declaration as Exhibit I.

⁸ A copy of the form is attached to the Declaration as Exhibit G.

⁹ A copy of the amended return is attached to the Declaration as Exhibit H.

¹⁰ See also the affidavit of Jerry Papillon, attached to the Declaration as Exhibit K.

¹¹ A copy of the amended return is attached to the Declaration as Exhibit J.

education credit and was unsure whether he was eligible for the credit. (*Id.*) He did not prepare, file, authorize, or sign the amended return purporting to bear his signature and received no tax refund. (*Id.*)

Aubinais and Marie Brave Cherizol also do not recall any contact with defendants and do not recall giving anyone their tax information. (*Id.* ¶ 44.) The IRS, however, received amended tax returns for the Cherizols for 1999 and 2000 that listed defendants' post office box as the Cherizols' address and requested refunds of \$124 and \$926 by claiming the Hope education credit. (*Id.* ¶ 46.)¹²

Although Aubinais Cherizol did attend college in 1999, he had not heard of the Hope education credit and was unsure whether he was eligible for the credit. (*Id.*) The Cherizols did not prepare, file, authorize, or sign the returns which bear their purported signatures and did not receive either of these refunds. (*Id.*)

Navilus and Gerta Baptiste present a different variation of the defendants' scheme. They received a notice from the IRS adjusting their income tax. (*Id.* ¶ 47.) Navilus sought out a man in Miami who he was told could help him with the notice. (*Id.*) This man worked for Boucicaut and Navilus recalls speaking with Boucicaut on the phone. (*Id.*) Boucicaut told him that there were available credits that he could take to increase his refund, but did not provide any details. (*Id.*) The Baptistes sent Boucicaut copies of their income tax returns and signed a power-of-attorney form created by Boucicaut. (*Id.*)

The IRS then received two amended tax returns purporting to be signed by the Baptistes for 1999 and 2001 that listed defendants' post office box as the Baptistes' address and requested refunds

¹² Copies of the amended returns are attached to the Declaration as Exhibits M and N.

of \$3,130 and \$1,810. (*Id.* ¶ 48.)¹³ The returns sought the refunds by falsely claiming the Hope education credit for the Baptistes and their son in 1999 and for Gerta and their daughter in 2001. (*Id.* Exs. O and P.) No members of the family attended college in these years. (*Id.* ¶ 48.) The Baptistes had not signed these returns and in fact first saw them when an IRS revenue agent showed them to them. (*Id.*) They did not receive any of these refunds. (*Id.*)

Defendants

Boucicaut has stated that, in 2002, he prepared approximately 400 returns. (*Id.* ¶ 15.) Of these, he stated that half were amended returns that generated refunds by claiming Hope education credits and additional Schedule A deductions such as the ones described above. (*Id.*) He has admitted to using agents such as Carl identified above to solicit new clients. (*Id.* ¶ 19.) He has admitted that he filed amended returns using defendants' post office box as the taxpayers' address. (*Id.* ¶ 21.) He also admitted that he signed taxpayers' names on their returns without separately signing his name or identifying himself as a return preparer. (*Id.*) Boucicaut also admitted that he received refund checks at defendants' post office boxes, signed taxpayers' names to these refund checks, and deposited the checks into their bank accounts. (*Id.* ¶ 22.)

Thelemarque has admitted she picked up and sent out mail and made copies for the tax preparation business. (*Id.* ¶¶ 27, 28.) The IRS has found amended income tax returns with false information of the type described above that were filed using Thelemarque's electronic filing identification number issued by the IRS. (*Id.* ¶ 30.)

¹³ Copies of the amended returns are attached to the Declaration as Exhibits O and P.

Need for injunction

Within a week of his initial interview with the IRS regarding the investigation into these practices, Boucicaut promised to stop filing amended returns with false credits and deductions. (*Id.* ¶ 23.) But defendants did not stop, and, since that time, the IRS has discovered over 100 amended returns filed by them that claim similar false credits and deductions. (*Id.*) Defendants continue to maintain an office in Fort Lauderdale and have recently opened a second office in Orlando. (*Id.* ¶ 24.) Defendants continue to receive mail at their post office boxes. (*Id.*)

In total, the IRS has discovered 593 refund checks totaling over \$770,000 issued to taxpayers other than the defendants that Boucicaut has deposited in defendants' bank accounts. (*Id.* ¶ 16.) The IRS estimates that Boucicaut submitted an additional 2,800 returns fraudulent claiming refunds totaling more than \$3.3 million that the IRS detected and thus did not issue the claimed refunds. (*Id.*)

ARGUMENT

The evidence submitted with this motion establishes that the Court should preliminarily enjoin defendants under §§ 7407, 7408, and 7402 from preparing any federal tax returns for others and from interfering with the administration or enforcement of internal revenue laws.

- I. Because they have continually and repeatedly asserted unrealistic positions on returns they prepared and have failed to identify themselves properly on the returns, defendants should be enjoined under I.R.C. § 7407 from preparing any federal income tax returns.**

Section 7407 authorizes a court to enjoin a person from acting as an income tax return preparer if that person continually or repeatedly: (1) engaged in conduct subject to penalty under § 6694, (2) engaged in conduct subject to penalty under § 6695, or (3) engaged in any other fraudulent or

deceptive conduct substantially interfering with the proper administration of the tax laws. In addition, the court must find that a narrower injunction prohibiting only specific misconduct would be insufficient.¹⁴ Because I.R.C. § 7407 expressly authorizes the issuance of an injunction, the Government does not need to prove the traditional requirements for equitable relief.¹⁵

A. Defendants have continually and repeatedly engaged in conduct subject to penalty under I.R.C. § 6694.

A return preparer is subject to penalty under I.R.C. § 6694 if (1) the preparer submits a return that contains an understatement of liability; (2) the understatement is based upon a position taken for which there was not a realistic possibility of being sustained; (3) the preparer knew or should have known of such position; and (4) the position is either frivolous or not disclosed as provided in the law.¹⁶

In this case, the evidence establishes that defendants prepared and submitted tax returns for their customers and for people who had not agreed to be their customers.¹⁷ Boucicaut admitted that he prepared and either submitted or directed subordinates to submit tax returns to the IRS. Thelemarque filed amended returns for others using her electronic filing identification number issued by the IRS. They are, thus, tax return preparers.

¹⁴ 26 U.S.C. (I.R.C.) § 7407.

¹⁵ See *United States v. Estate Pres. Servs.*, 202 F.3d 1093, 1098 (9th Cir. 2000); *United States v. DeAngelo*, No. SA CV 03-251-GLT (MLGx), 2003 WL 23311522, *1 (C.D. Cal. Apr. 14, 2003).

¹⁶ I.R.C. § 6694(a).

¹⁷ The taxpayers for whom defendants prepared tax returns are sometimes referred to as defendants' "customers" in this memorandum. Defendants refer to these taxpayers as their customers even though the taxpayers have stated that they did not solicit any services from defendants, and in some cases, that they were even aware of defendants.

These returns claimed credits and deductions for which the taxpayers were not eligible. Defendants did this by fabricating expenses about which they never even asked their customers. Overstating credits and deductions does, and did, understate their taxpayers' correct tax liabilities. Thus, the returns contained understatements of liability.

Defendants' position justifying the claimed refunds is that their customers were eligible for additional credits or deductions based on money spent by their customers for education, charity, or business-related purposes. Had their customers incurred the expenses claimed on the returns, the requests for refund would have been proper. But defendants had no basis for claiming these expenses. As the record shows, the customers did not attend school, give to charity in the amounts claimed, or incur the business expenses listed. Rather than ask their customers whether they incurred these expenses the defendants simply fabricated them. Thus, the fraudulent claims resulted in understatements of tax liability that the defendants knew would not be sustained.

Boucicaut admits to filing 200 amended returns that claim these false credits and deductions in 2002. The IRS, however, has discovered almost 600 refunds totaling over \$770,000 that have been erroneously issued based on defendants' fraudulent scheme. The IRS estimates that defendants have submitted an additional 2,800 fraudulent returns that requested an additional \$3.3 million in refunds that were detected in time to prevent issuing erroneous refunds.

Even after Boucicaut told the IRS in 2003 they would stop, defendants have filed at least 100 more amended returns that claim false credits and deductions and have continued to endorse and deposit customer refund checks into their bank accounts. In addition, defendants continue to maintain

an office in Fort Lauderdale and have expanded their business by opening a second office in Orlando. They continue to receive mail at their post office boxes.

Thus, defendants have continually and repeatedly engaged in conduct subject to penalty under I.R.C. § 6694.

B. Defendants have continually and repeatedly engaged in conduct subject to penalty under I.R.C. § 6695.

A return preparer is subject to penalty under I.R.C. § 6695 if the preparer fails to sign a return or furnish an identifying number.¹⁸ Defendants have violated § 6695 by failing to sign returns as preparers and failing to furnish their identifying numbers on the tax returns that they prepare. They have done this on hundreds if not thousands of returns.

I.R.C. § 6695 also imposes a penalty on return preparers who fail to deliver copies of tax returns to their customers.¹⁹ Here, defendants' customers were unaware that defendants had prepared and filed amended returns in the customers' names. Defendants consistently did not provide copies of the filed returns to their customers, which enabled defendants to abscond with the refunds they had fraudulently obtained in the customers' names. Section 6695 penalties are also imposed on return preparers who endorse customer refund checks and deposit the proceeds in the preparer's bank account.²⁰ Boucicaut admitted that he received customer refund checks at his post office box, signed customers' names on them, and deposited them in his bank accounts.

¹⁸ *Id.* § 6695(b), (c).

¹⁹ *Id.* § 6695(a).

²⁰ I.R.C. § 6695(f).

C. Defendants have continually and repeatedly interfered substantially with the administration of the tax laws.

Defendants' scam substantially interferes with the administration of the tax laws.²¹ Defendants in effect engage in identify theft to steal money from their customers and the United States Treasury. Further, the IRS is forced to devote its limited resources to identifying and attempting to recover revenue lost as a result of the defendants' fraud.

D. Because an injunction prohibiting only these violations would be insufficient to prevent defendants from interfering with the proper administration of the tax laws, defendants should be barred from the preparation of any tax returns.

The Government requests that defendants be enjoined not merely from the violations described above, but from preparing any tax returns for others, because a narrower injunction prohibiting only specific misconduct would likely not deter defendants from their abusive return-preparation activities. There is no assurance that, if they are merely barred from one fraudulent practice, defendants will not come up with another scheme and falsely claim that they believe it is appropriate. Defendants previously promised to stop preparing and filing fraudulent claims in October 2003, and then broke that promise. A narrower injunction—barring only violations of I.R.C. §§ 6694 and 6695—will be ineffective. Stated simply, to protect the public and the public fisc, defendants should not be in the return-preparation business.

²¹ See *id.* § 7407(b)(1)(D).

II. A preliminary injunction should issue under I.R.C. § 7408 before defendants engage in further conduct subject to penalty under I.R.C. § 6701.

This Court has authority to under I.R.C. § 7408 to preliminarily enjoin defendants from conduct subject to any penalty under the Internal Revenue Code if the Government proves that the defendants engaged conduct subject to the I.R.C. § 6701 penalty and that injunctive relief is appropriate to prevent the recurrence of such conduct.²² Because I.R.C. § 7408 expressly authorizes the issuance of an injunction, the Government does not need to prove the traditional requirements for equitable relief.²³ The record submitted with this motion makes the showing required for the preliminary injunction.

A. Defendants have engaged in conduct subject to penalty under I.R.C. § 6701.

I.R.C. § 6701 imposes a penalty if (1) the defendants aided or assisted in the preparation of any portion of a tax return, claim for refund, or other document; (2) they knew or had reason to believe that the document would be used in connection with any material matter arising under the internal revenue laws; and (3) they knew that the document, if used, would result in an understatement of tax liability of another person.²⁴

In this case, Boucicaud admits that he prepared and filed tax returns for his customers. Thelemarque admits to assisting with the business's administrative functions and the record shows that fraudulent amended income tax returns were filed using Thelemarque's electronic filing identification number. These activities meet the first requirement of aiding and assisting in the preparation of a tax

²² I.R.C. § 7408.

²³ *Estate Pres. Servs.*, 202 F.3d 1093 at 1098.

²⁴ I.R.C. § 6701(a).

return. This also demonstrates the second requirement that defendants knew that the filed returns would be used in connection with a material matter, namely the determination of customers' tax liabilities.

With regard to the third requirement of the § 6701 penalty, defendants knew the returns would result in understatements of customers' tax liabilities. The customers did not incur the expenses on which the credits and deductions were claimed. They did not tell defendants that they had incurred these expenses and typically did not inform defendants of any of their financial background. Defendants simply fabricated the purported expenses underlying the credits and deductions listed on the returns. Defendants knew that their fabrications would understate customers' tax liabilities.

B. Injunctive relief is appropriate to prevent the recurrence of defendants' violations of I.R.C. § 6701.

The need for injunctive relief in order to prevent future violations of I.R.C. § 6701 in the present case is readily apparent. Defendants inflict grave harm both on their customers and the Treasury. Defendants gather past customers' tax information under false pretenses and proceed to wreak havoc on their accounts with the IRS. Defendants instead engage in identity theft and steal money from their customers and the United States. Defendants should be enjoined under I.R.C. § 7408.

III. A preliminary injunction and other equitable relief should issue under I.R.C. § 7402 to prevent defendants from engaging in activities that interfere with the enforcement of the internal revenue laws.

I.R.C. § 7402 authorizes this Court to issue an injunction “as may be necessary or appropriate for the enforcement of the internal revenue laws.”²⁵ That statute manifests “a Congressional intention to provide the district courts with a full arsenal of powers to compel compliance with the internal revenue laws,”²⁶ and “has been used to enjoin interference with tax enforcement even when such interference does not violate any particular tax statute.”²⁷ The legislative history of § 7408 explicitly states that “the court will continue to have full authority [under § 7402] and will continue to possess the great latitude inherent in equity jurisdiction to fashion appropriate equitable relief.”²⁸

Here, injunctive relief under § 7402 is appropriate to prevent defendants from promoting services that interfere with tax enforcement. Their activities undermine public confidence in the fairness of the federal tax system.

²⁵ I.R.C. § 7402.

²⁶ *Brody v. United States*, 243 F.2d 378, 384 (1st Cir. 1957). *See United States v. First Nat’l City Bank*, 568 F.2d 853 (2d Cir. 1977).

²⁷ *United States v. Ernst & Whinney*, 735 F.2d 1296, 1300 (11th Cir. 1984) (“the statute has been relied upon to enjoin activities of third parties that encourage taxpayers to make fraudulent claims.”), *cert. denied*, 470 U.S. 1050 (1985). *See United States v. Kaun*, 633 F. Supp. 406, 409 (E.D. Wis. 1986) (“federal courts have routinely relied on [§ 7402(a)] to preclude individuals . . . from disseminating their rather perverse notions about compliance with the Internal Revenue laws or from promoting certain tax avoidance schemes”), *aff’d*, 827 F.2d 1144 (7th Cir. 1987).

²⁸ S. Rep. No. 97-494, at 269 (1982), *reprinted in* 1982 U.S.C.C.A.N. 781, 1017.

Although § 7402 is a statutory-injunction provision, the Eleventh Circuit has required a showing of the traditional equitable factors.²⁹ To obtain a preliminary injunction under I.R.C. § 7402, the United States must show (1) a substantial likelihood of success on the merits; (2) a substantial threat of irreparable injury to the United States if the injunction is not granted; (3) that the threatened injury to the United States outweighs the harm an injunction may cause the defendants; and (4) that granting the injunction would not disserve the public interest.³⁰

Here, the overwhelming evidence of the defendants' fraud makes it substantially likely that the Government will succeed on the merits of the case to show that defendants interfere with the enforcement of the tax laws.

The ongoing harm to the public and the Government from the defendants' scheme outweighs the harm to the defendants of barring them from acting as return preparers. Putting a person out of business is a serious action indeed, but it is entirely appropriate here in light of the defendants' repeated egregious misconduct. Congress provided such a strong remedy in I.R.C § 7407 because it recognized there would be situations where a lesser remedy would be inadequate. This is such a case. It would be

²⁹ *Ernst & Whinney*, 735 F.2d at 1301 (“the decision to issue an injunction under § 7402(a) is governed by the traditional factors shaping the district court’s use of the equitable remedy.”)

³⁰ *United States v. Prater*, No. 8:002-cv-2052-T23-MSS, 2002 WL 32107640, *1 (M.D. Fla. Dec. 19, 2002) citing *Ernst & Whinney*, 735 F.2d at 1301 (11th Cir.1984) and *American Red Cross v. Palm Beach Blood Bank, Inc.*, 143 F.3d 1407, 1410 (11th Cir.1998) (listing the equitable factors for a preliminary injunction).

difficult to imagine a case where defendants' misconduct was more deserving of putting them out of business. Preparers have been barred from the business for misconduct equally or less egregious.³¹

Thus, immediate injunctive relief to prevent defendants from preparing tax returns is necessary and appropriate. The Government also requests that the Court, under I.R.C. § 7402(a)'s broad authority, order defendants to furnish the Government with the identities of those persons for whom they have prepared and filed tax returns and to notify those customers of the Court's ruling in this matter. These actions are necessary to publicize the false and fraudulent nature of their program. The Government also seeks to bar defendants from representing customers before the IRS, and to enjoin them from encouraging or abetting noncompliance with the IRS during examinations of customers' tax returns.

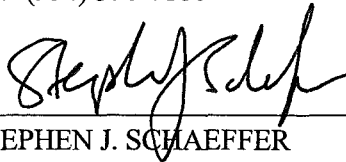
³¹ See, e.g., *United States v. Nordbrock*, 38 F.3d 440, 447 (9th Cir. 1994) (upholding permanent injunction barring all return preparation against a preparer who willfully and continually refused to provide the IRS a requested client list and copies of tax returns); *United States v. Paul*, No. C04-0916L, 2004 WL 3250168, *3 (W.D. Wash. Sept. 17, 2004) (imposing preliminary injunction barring all return preparation against a preparer who claimed fictitious business losses, charitable contributions, and unreimbursed employee business expenses and used a frivolous theory to eliminate tax liability).

CONCLUSION

This is a case of massive fraud committed against vulnerable customers and against the U.S. Treasury. The defendants' egregious misconduct fully warrants a preliminary injunction barring them from preparing federal tax returns for others.

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