O

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, Plaintiff, v. DENNIS E. GIROUD, INDIVIDUALLY AND D/B/A REFUNDS R US, Defendant.	Case No. EDCV 11-00608 VAP (OPx) **ORDER GRANTING PLAINTIFF'S MOTION FOR DEFAULT JUDGMENT** **[Motion filed on August 18, 2011]**

On April 18, 2011, Plaintiff (hereafter "the United States") filed a complaint alleging that Defendant Dennis E. Giroud, individually and doing business as Refunds R US, received over one million dollars in fraudulent tax refunds for himself and Refunds R US's clients (a fraction of the alleged $19,443,873.40 in fraudulent refunds sought by Defendant on his and his clients' behalf). (See Doc. No. 1 (Complaint) ¶¶ 21, 35.) The United States asks the Court to enjoin Defendant permanently from acting as a federal tax return preparer and from filing, and helping others to file, fraudulent tax returns. (See Compl. ¶¶ A-F.) The United States further asks the Court to order Defendant "to contact . . . all persons for whom he has prepared federal tax returns since 2008, and inform those persons of the Court's findings concerning the falsity of [Defendant]'s prior representations . . . ." (Compl. ¶ G.) Additionally, the United States asks the Court to order Defendant "to provide to the United States a list of all persons for whom he has prepared federal tax returns since 2008." (Compl. ¶ H.)

On June 13 and June 28, 2011, Defendant submitted various documents, which the Court rejected as non-compliant with multiple Local Rules. On July 7, the United States requested, and the clerk entered, a default against Defendant. (Doc. Nos. 8, 9.) On August 18, the United States filed a Motion for a Default Judgment. (Doc. No. 10.) On September 13, Defendant filed another document, entitled "Demand to Quash Permanent Injunction Against Dennis E. Giroud." (Doc. No. 12.) Defendant has yet to file an answer to the United States' Complaint. The Court therefore GRANTS the United States's Motion for a Default Judgment and finds that:

- Defendant has continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. § 6694, and that injunctive relief is appropriate under 26

U.S.C. § 7407 to prevent Defendant, and anyone acting in concert with him, from further engaging in such conduct.

- Defendant should be enjoined from acting as a federal tax return preparer under 26 U.S.C. § 7407, because his unlawful conduct was continual and repeated, and a narrower injunction would be insufficient to prevent Defendant's interference with the proper administration of the internal revenue laws.

- Defendant engaged in conduct subject to penalty under 26 U.S.C. § 6701, and that injunctive relief is appropriate under 26 U.S.C. § 7408 to prevent Defendant, and anyone acting in concert with him, from further engaging in such conduct.

- Defendant engaged in conduct that interferes with the enforcement of the internal revenue laws, and that injunctive relief is appropriate pursuant to the Court's inherent equity powers and 26 U.S.C. § 7402(a) to prevent the recurrence of such conduct.

The Court therefore ORDERS that Defendant, and those persons in active concert and participation with him, are enjoined from directly or indirectly:

1. Acting as a federal tax return preparer, or assisting in or directing the preparation or filing of federal tax returns, amended returns, or other related documents or forms for any person or entity other than himself, or appearing as a representative on behalf of any person or organization whose tax liabilities are under examination by the Internal Revenue Service;

2. Engaging in conduct subject to penalty under 27 U.S.C. §§ 6694 and 6701, including preparing and filing tax returns and other documents that understate that tax liabilities of others;

3. Preparing his own federal tax returns with fabricated income tax withholding and refunds based on amounts shown in Forms 1099-OID issued to his creditors;

4. Filing, providing forms for, or otherwise aiding or abetting the filing of frivolous Forms 1040, 1099, and other IRS forms for himself or others, including the notarization or signing of certificates of service or similar documents in connection with the frivolous tax returns; and

5. 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.

The Court further ORDERS that Defendant shall contact, within 15 days of this Order, by United States mail, and if an e-mail address is known, by e-mail, all persons for whom he prepared federal tax returns or claims for a refund for tax years 2006 through 2010, to inform them of the permanent injunction entered against him.

The Court further ORDERS that Defendant shall produce to counsel for the United States, within 15 days of this Order, a list that identifies by name, Social Security number, address, e-mail address, telephone number, and tax period(s) all persons for whom he prepared federal tax returns or claims for a refund for tax years 2006 through 2010.

The Court further ORDERS Defendant to provide a copy of this Order to all of his principals, officers, managers, employees, and independent contractors within 15 days of this Order.

The Court further ORDERS that the United States is permitted to engage in post-judgment discovery to ensure compliance with the terms of this permanent injunction.

The Court further ORDERS that the Court will retain jurisdiction over Defendant and over this action to implement and enforce this Order.

Dated: September 20, 2011

Virginia A. Phillips

VIRGINIA A. PHILLIPS
United States District Judge