

IN THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Civil No. 08-CV-61651-ZLOCH-SNOW
)	
CAROLE EXANTUS, and)	
JS CORPORATION a/k/a)	
J'S CORPORATION, JS UNLIMITED)	
CORP., and J'S UNLIMITED CORP.,)	
)	
Defendants.)	

ORDER OF PERMANENT INJUNCTION ON DEFAULT

This action comes before the Court upon the entry of default by the Court on November 18, 2008, against Defendant JS Corporation, a/k/a J's Corporation, JS Unlimited Corp., and J'S Unlimited Corp. ("J's Corporation"), and the United States' Motion for Entry of Default Judgment and Permanent Injunction under Federal Rule of Civil Procedure 55(b)(2), supported by a memorandum of points and authorities. Accordingly, judgment is hereby entered in favor of the plaintiff, United States of America, and against Defendant JS Corporation.

Findings of Fact

1. This Court has jurisdiction over the parties and subject matter of this case.
2. Defendant J's Corporation is a Florida corporation. It provides tax-preparation services to customers to prepare original and amended individual tax returns.
3. Defendant has prepared and filed numerous tax returns that claim improper credits and deductions for which their customers are not eligible.

4. In particular, the Defendant has repeatedly and continually prepared tax returns for individuals containing false or excessive fuel tax credit claims pursuant to I.R.C. §§ 6421 and/or 6427. It has also included other fraudulent or false claims in their customers' tax returns, such as improper Earned Income Tax Credit ("EITC") claims, dependency exemptions, and unverifiable or false business credits and deductions.

5. Defendant knew that the false fuel tax credits, false EITC claims, and other false deductions reported in the returns its prepared would result in understatements of its customers' tax liabilities.

6. Defendant's conduct caused its customer's returns to understate their tax liability. Defendant knew or had reason to know that the statements it included in the returns were misrepresentations. Defendant fabricated these expenses and, thus, knew or should have known that their position for the understatements of tax liability—that the expenses were incurred—was frivolous and had no realistic possibility of being sustained.

7. By preparing returns for their customers, Defendant has aided or assisted in the preparation of tax returns. Defendant knew or had reason to know that the returns would be used in connection with the determination of its customers' tax liabilities, a material matter, and that the returns would result in an understatement of its customers' tax liabilities.

8. Defendant's activities substantially interfere with the administration of the tax laws.

9. Defendant's activities undermine public confidence in the fairness of the federal tax system and incite violations of the internal revenue laws. They cause the Government irreparable harm. The Government's remedies at law are inadequate.

10. Injunctive relief is appropriate and necessary to prevent defendant from promoting services that interfere with tax enforcement and from future occurrences of this conduct.

Conclusions of Law

1. Based upon the factual findings and evidence presented by the United States that Defendant has not opposed, the Court finds that J's Corporation 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. The Court also finds that a narrower injunction prohibiting only this specific misconduct would be insufficient.

2. Accordingly, the Court finds that J's Corporation, and all those in active concert or participation with it, should be permanently enjoined under I.R.C. § 7407.

3. The Court also finds that JS Corporation has engaged in conduct in violation of I.R.C. § 6701, and that injunctive relief is appropriate to prevent the recurrence of that conduct.

4. Accordingly, the Court finds that J's Corporation, and all those in active concert or participation with it, should be permanently enjoined under I.R.C. § 7408.

5. The Court further finds that J's Corporation has engaged in conduct that interferes with the enforcement of the internal revenue laws, and that the United States and the public will suffer irreparable harm in the absence of a permanent injunction. The public interest will be served by granting a permanent injunction. Also, it is evident that J's Corporation will continue to violate the Internal Revenue Code absent an injunction.

6. Accordingly, the Court finds that J's Corporation, and all those in active concert or participation with it, should be permanently enjoined under I.R.C. § 7402(a).

Order

Based on the foregoing factual findings and for good cause shown, entry of default judgment and a permanent injunction is appropriate. Therefore,

Pursuant to I.R.C. §§ 7402, 7407, and 7408, J's Corporation and its representatives, agents, servants, employees, attorneys, and anyone in active concert or participation with it, is permanently enjoined from directly or indirectly:

- (1) Acting as a federal tax return preparer, or requesting, assisting in, or directing the preparation or filing of federal tax returns for any person other than itself, or appearing as a representative on behalf of any person or entity whose tax liability is under examination or investigation by the Internal Revenue Service, or representing any former or present customers before the Internal Revenue Service;
- (2) Instructing, assisting, or advising or assisting others to violate the tax laws, including to evade the payment of taxes;
- (3) Engaging in conduct subject to penalty under I.R.C. § 6701, *i.e.* aiding, assisting in, procuring, or advising with respect to the preparation of any portion of a return, affidavit, claim or other document, when Defendant knows or has reason to believe that portion will be used in connection with a material matter arising under the federal tax law, and Defendant knows that the relevant portion will result in the material understatement of the liability for the tax of another person;
- (4) Engaging in any other conduct that interferes with the administration and enforcement of the internal revenue laws; and
- (5) Engaging in any activity subject to penalty under any other section of the Internal Revenue Code;

IT IS FURTHER ORDERED that J's Corporation shall contact by mail (or by e-mail, if a mailing address is unknown) those persons and entities who have, since January 1, 2003, previously paid or otherwise retained them to prepare their income tax returns, and inform those persons and entities of the Court's findings concerning the falsity of its prior representations and attach a copy of the permanent injunction against Defendant, and to file with the Court, within 60 days of the date

the permanent injunction is entered, a certification signed under penalty of perjury stating that it has done so;

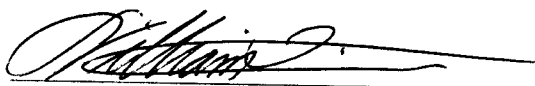
IT IS FURTHER ORDERED that Defendant shall produce to counsel for the United States a customer list including the names, addresses, e-mail addresses, telephone numbers, and social security or tax identification numbers, of all persons and entities who have, since January 1, 2003, previously paid or otherwise retained it to prepare their income tax returns, and to file with the Court, within 60 days of the date the permanent injunction is entered, a certification that it has done so;

IT IS FURTHER ORDERED that The United States is permitted to engage in post-judgment discovery to ensure compliance with the permanent injunction;

IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this action for purposes of implementing and enforcing this injunction; and

IT IS FURTHER ORDERED that pursuant to Rule 65(d)(2), F. R. Civ. P., counsel for the United States is authorized to arrange for personal service of this order on the Defendant.

SO ORDERED this 9th day of July, 2009



WILLIAM J. ZLOCH
United States District Judge

Copies furnished:
All Counsel and parties of record