

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Case No. 24-cv-00158

UNITED STATES OF AMERICA,

Plaintiff,

v.

DANIEL MATTISON,

Defendant.

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER RELIEF

The United States of America, through its undersigned counsel, complains and alleges as follows:

1. The United States brings this civil action under 26 U.S.C. §§ 7402(a) and 7407 to enjoin Defendant Daniel Mattison, any entity through which he conducts business, and anyone acting in concert or participation with him, from directly or indirectly:
 - a. Acting as a federal tax return preparer, including preparing, directing the preparation of, or assisting in the preparation of federal tax returns, amended tax returns, or other related documents and forms for any other person or entity other than himself or his lawful spouse;
 - b. Aiding and assisting in preparing federal tax returns that Mattison knows or reasonably should know will result in the understatement of any tax liability or the overstatement of a federal tax refund;

- c. Owning, managing, controlling, working for, profiting from, or volunteering for any business or entity engaged in tax return preparation;
- d. Using an Electronic Filing Identification Number (“EFIN”), Employer Identification Number (“EIN”), Preparer Tax Identification Number (“PTIN”), Social Security Number (“SSN”), Taxpayer Identification Number (“TIN”), or any other federally issued identification number in order to file or remit federal income tax returns for other persons or entities;
- e. Using, maintaining, renewing, obtaining, transferring, selling, or assigning any PTIN(s) or EFIN(s);
- f. Engaging in any activity subject to penalty under 26 U.S.C. §§ 6694, 6695, 6701, or any other penalty provision in the Internal Revenue Code; and
- g. Engaging in conduct that substantially interferes with the proper administration and enforcement of the Internal Revenue laws and from promoting any false tax scheme.

JURISDICTION AND VENUE

2. Pursuant to 26 U.S.C. §§ 7402 and 7407, this action has been requested by the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury, and is brought at the direction of a delegate of the Attorney General of the United States.

3. This Court has subject-matter jurisdiction over this action under 28 U.S.C. §§ 1340 and 1345 and under 26 U.S.C. §§ 7402(a) and 7407.

4. Venue is proper in the United States District Court for the District of Colorado under 28 U.S.C. § 1391 and under 26 U.S.C. § 7407 because Mattison resides in Colorado; his

principal place of business is in Colorado; and a substantial part of the actions giving rise to this action took place in Colorado.

DEFENDANT

5. Defendant Daniel Mattison (hereinafter “Mattison”) resides in Denver County, Colorado and currently operates a tax return business in an office located in Lakewood, Colorado.

6. Mattison is a paid federal tax return preparer who operates through a business incorporated as DCM Financial, Inc. (“DCM”).

7. Before starting DCM, Mattison worked with his father, Hieu Mattison, at AAAE Financial, Inc. (“AAAE”), located in Lakewood, Colorado. At the time, Hieu Mattison was the owner of AAAE and prepared taxes for customers there. Mattison became the registered agent for his father’s company, AAAE, in June 2016.

8. In 2017, Mattison’s father, Hieu Mattison, pleaded guilty to preparing and filing false federal income tax returns while owning and preparing tax returns at AAAE. *See* Plea Agreement as to Hieu C. Mattison, *United States v. Mattison*, No. 1:16-cr-00044-MSK (D. Colo. July 20, 2016), ECF No. 22. The Court sentenced Hieu Mattison, on May 24, 2017. *See id.* at ECF No. 50.

9. About a week after his father’s sentencing, in June 2017, Mattison incorporated his own business called DCM, located in Lakewood, Colorado, through which he offers federal tax return preparation services.

10. DCM is an S-Corporation.

11. Mattison owns 100 percent of and makes all decisions on behalf of DCM.

12. At all relevant times, Mattison was the only tax return preparer for DCM.

13. Mattison caters his business to individuals and small business owners. He advertises DCM as a “one-stop solution for all your tax needs.” He claims that his “team of seasoned professionals has the expertise to assist you in preparing your taxes efficiently” and to “help you get your taxes done right.”

14. Mattison has no formal tax or accounting training.

15. He went to community college for one year but dropped out before receiving any degree or certificate.

16. Mattison has admitted that he gained all of his knowledge and experience preparing federal tax returns while working with his father.

MATTISON’S ACTIVITIES

17. From around 2016, and continuing to the present, Mattison has prepared tax returns. He has worked as a paid income tax return preparer for individuals and entities (sometimes referred herein as “customers”).

18. Mattison has continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. § 6694 while owning, working, and purporting to serve his customers at DCM.

19. He has, among other things:

- a. taken unrealistic and unsustainable positions on customers’ tax returns, resulting in understatements of taxes due;
- b. willfully or recklessly understated the tax due and overstated the refund due on customers’ tax returns; and

- c. willfully or recklessly disregarded the rules and regulations related to the preparation of tax returns.

20. Mattison has continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. § 6695 while owning, working, and purporting to serve his customers at DCM.

21. He has, among other things:

- a. failed to comply with regulatory due diligence requirements when determining his customers' eligibility to file as head of household and to claim education and earned income credits;
- b. failed to furnish to his customers completed copies of returns he prepared as required by 26 U.S.C. § 6107(a); and
- c. prepared and filed returns for his customers that did not bear his PTIN or identifying number.

22. Further, Mattison has continually and repeatedly engaged in fraudulent and deceptive conduct that has substantially interfered with the proper administration of the Internal Revenue laws while owning, working, and purporting to serve his customers at DCM.

23. He has, among other things:

- a. claimed false or inflated credits on his customers' tax returns;
- b. improperly and falsely reported income on his customers' tax returns;
- c. failed to establish any verification process as to information provided by customers, resulting in the understatement of the tax due on customers' tax returns;

- d. improperly reduced and understated customers' tax liabilities by fabricating business schedules, business expenses, and business income, including creating wage expenses that equal, or nearly equal, the amount of gross receipts; and
- e. filed returns under the improper filing status in order for customers to qualify for tax credits and for a higher standard deduction to which they were not entitled.

24. The Internal Revenue Service ("IRS") has repeatedly informed Mattison that his conduct is improper and illegal. For example, from April 2017 to May 2018, the IRS sent at least five warnings to Mattison about his failure to meet due diligence requirements, his failure to follow refundable credit procedures, and his use of an expired PTIN.

25. These warnings have gone unheeded and have not deterred Mattison. Mattison has continued to file improper and illegal tax returns for his customers, despite these warnings.

26. The IRS assessed civil penalties against Mattison under 26 U.S.C. § 6695(g) for failure to act with due diligence in determining his customers' eligibility to file as head of household and to claim education and earned income credits. The civil penalties were assessed as follows:

Table 1 – Civil Penalty Assessments

Tax Period	Assessment Date	Amount Assessed	Reason for Penalty
12/31/2016	10/23/2017	\$5,610	Violating Section 6695(g)
12/31/2017	03/04/2019	\$8,670	Violating Section 6695(g)

27. The IRS's civil penalties similarly did not deter Mattison. Mattison has continued to file improper and illegal tax returns for customers, despite these penalties.

28. In 2019, the IRS temporarily suspended Mattison's EFIN for failing to comply with filing and payment requirements.

29. The IRS's suspension of the EFIN again did not deter Mattison. Mattison has continued to file improper and illegal tax returns for customers despite this suspension, by utilizing the EFIN of another person. Around the same time, Mattison also started filing returns using the PTIN of another person.

MATTISON'S RETURN PREPARER SCHEME

30. From 2017 continuing to the present, Mattison runs a high-volume return-preparation business, frequently filing over a thousand tax returns for customers within a single tax year. Mattison advertises his services on Facebook and LinkedIn, by word-of-mouth, and through referrals.

31. By his own admission, Mattison also broke into his father's Facebook account to notify his father's former customers that Mattison was now preparing tax returns for interested customers.

32. At all relevant times, Mattison has primarily prepared tax returns for middle- and low-income wage earners. Many of Mattison's customers report taxable income less than \$30,000.

33. Mattison usually charges \$80 to \$100 per return. After payment, Mattison then schedules a consultation with each customer.

34. Mattison provides the customer with a questionnaire to fill out. The questionnaire solicits information about a customer's address, income, and filing status as well as information related to claiming dependents, deductions, or credits. The questionnaire is sometimes not provided to the customer prior to the consultation but is provided on the spot during the consultation.

35. Mattison admits to not verifying information provided by customers, claiming that it is not his job.

36. Mattison will not make changes to what a customer lists on the questionnaire.

37. For example, Mattison will not correct a customer's self-reported filing status, even if he suspects or knows that the filing status is incorrect.

38. If a customer claims to have a business or business expenses on the questionnaire, Mattison will not ask for proof of a business or proof of expenses but will document whatever the customer self-reports.

39. In short, Mattison does not request receipts or supporting documentation from the customer and does not make reasonable inquiries to determine or substantiate information provided by customers.

40. Mattison then prepares a customer's return based on the single consultation and questionnaire—often with no supporting receipts or documentation.

41. Mattison's preparation of tax returns goes beyond neglect and insufficient verification. Tax returns filed by Mattison are riddled with errors and fabrications:

- a. Mattison overstates wages and reports false household employee income;
- b. he claims false or inflated deductions on Schedule A (itemized deductions), and inflates and fabricates business income and deductions on Schedule C (profit or loss from business) and on Schedule E (supplemental income and losses); and
- c. he files returns with the incorrect filing status, false education credits, false child tax credits, and false earned income credits.

42. By preparing his customers' returns in this way, Mattison fraudulently inflates wages and income in order to maximize tax credits and then claims bogus deductions and credits to fraudulently reduce his customers' tax liability, which often results in an improper refund being issued to these customers by the IRS.

43. When preparing returns, Mattison also alters tax return information provided by customers without those customers' consent or knowledge.

44. Some of Mattison's customers have noticed his misconduct and have filed formal complaints with the IRS, claiming that Mattison reported false deductions and credits on their returns and surreptitiously altered their return information. At least some of his customers were provided with copies of their tax returns that were different than the versions filed with the IRS.

45. Mattison generates enough false deductions and tax credits to create a refund on a large percentage of his customers' returns. For the tax years 2017–2022, 81 to 95 percent of the federal tax returns Mattison prepared resulted in a refund.

SPECIFIC CUSTOMERS' EXPERIENCES

46. One Customer ("Customer 1") used Mattison to prepare and file her 2018 and 2019 tax returns. In both 2018 and 2019, Customer 1 went to Mattison's DCM office and filled out a questionnaire soliciting information about employment, wages, filing status, among other things. The returns Mattison prepared in 2018 and 2019 for Customer 1 were filled with errors and fraudulent entries that resulted in an improper understatement of Customer 1's tax liabilities.

- a. **Improper Education Credits.** Customer 1 reported to Mattison that her son attended college in 2018 and 2019 on scholarship. Customer 1 provided Mattison with a 1098-T (Tuition Statement). Customer 1 did not pay any qualified

education expenses in 2018 or 2019 due to her son's scholarship. Nonetheless, Mattison improperly and illegally reported education credits in the amount of \$443 in 2018 and \$1,000 in 2019.

- b. **Improper Filing Status.** Customer 1 also told Mattison that she was separated from her husband but not divorced. Mattison improperly filed Customer 1's return in 2018 as "single" rather than the proper designation of "married filing separately," which would not have allowed Customer 1 to claim any education credits for that year. In 2019, Mattison improperly filed Customer 1's return as "head of household" rather than the proper designation of "married filing separately," which resulted in an understatement of tax liability.
- c. **Fabricated Wages and Schedule C Expenses.** In 2018 and 2019, Customer 1 reported to Mattison that she was paid to babysit two to three times a week and bought and sold things out of her garage. However, Customer 1 did not keep track of her receipts or expenses for her babysitting work or garage sales nor did she provide Mattison with any documentation or exact calculations. Regardless, in 2018, Mattison reported \$16,440 in household employee income, which was fabricated and false or unsubstantiated and overinflated. For 2018, Mattison also attached a Schedule C that reported \$16,445 in gross receipts and \$16,440 in wage expenses—the same amount reported by Customer 1 as household employee income. By preparing Customer 1's tax return in this way, Mattison shielded income that should have been subject to self-employment tax and improperly understated Customer 1's tax liability. This increase in wages in 2018

also allowed Customer 1 to receive a higher Earned Income Credit than she was entitled to receive. Further, in 2019, Mattison did much the same thing, but this time reported that Customer 1 had \$15,640 in Schedule C utility expenses, which were also fabricated and false. The utility expenses Mattison entered on Customer 1's 2019 tax return almost completely and conveniently offset the \$15,648 in gross receipts reported on that Schedule C, which allowed Mattison to improperly shield income from self-employment tax.

47. Another customer ("Customer 2") used Mattison to prepare his 2018 and 2019 tax returns. In 2018 and 2019, at the start of his consultation with Mattison, Customer 2 filled out a questionnaire that asked for personal information such as his age, address, and social security number. During the consultation, Customer 2 provided Mattison with his W-2. When Mattison finished preparing the return, Mattison showed Customer 2 the refund amount and gave him an estimated time of when he would get his refund. Customer 2 paid about \$80 to \$100 to have his tax return prepared for each year. For both 2018 and 2019, Mattison took several unreasonable and unsubstantiated positions on Customer 2's tax returns that resulted in an understatement of Customer 2's tax liabilities. Mattison also failed to follow due diligence requirements when determining Customer 2's eligibility to file as "head of household" and to take certain credits.

- a. **Improper Filing Status.** Customer 2 reported to Mattison in both 2018 and 2019 that he was single, but that his 23-year-old brother lived with him. Customer 2 informed Mattison that his brother worked part-time. On Customer 2's tax returns for both 2018 and 2019, Mattison improperly filed Customer 2's tax return as "head of household" instead of "single," which understated Customer 2's correct

tax liability. And for 2018, Mattison failed to prepare and file a Form 8867 (paid preparer's due diligence checklist) with Customer 2's tax return, which would have substantiated that Mattison acted with due diligence verifying Customer 2's "head of household" status. Not filing Form 8867 violates 26 U.S.C. § 6695 and its accompanying regulations.

- b. **Bogus Education Credits.** Customer 2 had attended community colleges in 2014 and 2015, but for 2018, Customer 2 was working full time and was not going to school. Nevertheless, Mattison claimed a \$2,181 education credit on Customer 2's 2018 tax return, the result of which was to fraudulently understate Customer 2's correct tax liability.

48. Another customer ("Customer 3") used Mattison to prepare and file her 2018 tax return. Previously, Mattison's father, Hieu Mattison, prepared Customer 3's tax returns. Customer 3 paid \$80 to have her tax return prepared by Mattison.

- a. **False Wages and Altering Return Information Without Customer**

Knowledge. Customer 3 provided Mattison with her only W-2 from that year, reporting \$5,822 in wages and reporting her daughter as a dependent. Customer 3 told Mattison that she also earned about \$500 doing work for a family friend. Mattison informed Customer 3 that she was not entitled to the full child tax credit because her income was too low. When Customer 3 received her refund, the refund was much larger than what Mattison told her during the consultation. Unbeknownst to Customer 3, Mattison fraudulently added \$6,500 of extra wages to Customer 3's return. Customer 3 did not know Mattison included this extra

income, nor did she know the source of the extra income. The fraudulent income allowed Customer 3 to claim a larger child tax credit. Mattison, by overinflating Customer 3's wages without her knowledge, materially understated Customer 3's correct tax liability and overstated the correct refund due to Customer 3.

HARM TO THE UNITED STATES

49. **Direct Financial Harm.** Mattison's conduct harms the United States and United States taxpayers because his customers are underreporting and underpaying their tax liabilities. The IRS conducted an analysis of the returns filed by Mattison in 2018 and 2019. Extrapolating the data gleaned in this analysis to Mattison's high-volume return-preparation business reveals the gravity of harm caused by Mattison.

- a. **2018.** The IRS examined 26 tax returns prepared and filed by Mattison for tax year 2018. Eighty-five percent of these examined returns had errors and fabrications, resulting in an average tax deficiency of \$3,256 per return. The IRS flagged 421 returns filed by Mattison in 2018 as having potential issues and deficiencies, which the IRS determined by identifying shared characteristics, patterns, and components with those returns individually examined. In applying the 85 percent error rate and average tax deficiency to the 421 returns flagged with potential issues, the annual tax harm caused by Mattison in 2018 is estimated to be around \$1,159,136.
- b. **2019.** The IRS examined 13 tax returns prepared and filed by Mattison for tax year 2019. One hundred percent of these examined returns had errors and fabrications, resulting in an average tax deficiency of \$2,956 per return. The IRS

flagged 333 returns filed by Mattison in 2019 as having potential issues and deficiencies, which the IRS determined by identifying shared characteristics, patterns, and components with those returns individually examined. Applying a more conservative error rate of 85 percent and applying the average deficiency in 2019 to the 333 returns flagged with potential issues, the annual tax harm caused by Mattison in 2019 is estimated to be around \$836,695.

- c. **2020 to Present.** Mattison has continued to prepare tax returns that evince a practice of improper conduct. He prepared between 1,100 and 1,400 returns for customers for each of the tax years 2020, 2021, and 2022. The percentage of these returns that claim earned income credits and that claim refunds is substantially the same as the percentages for 2018 and 2019. The United States will continue to suffer direct financial harm unless and until Mattison stops preparing tax returns for customers.

50. **Undermining Public Confidence and Tax Compliance.** In addition to the direct financial harm due to the issuance of erroneous refunds, Mattison's activities undermine public confidence in the administration of the federal tax system and encourage noncompliance with the Internal Revenue laws.

51. **Strain on Limited Resources.** Mattison further harms the United States because the government must devote its limited resources to investigating Mattison, identifying his customers, ascertaining his customers' correct tax liabilities, recovering any funds erroneously issued, and collecting additional taxes and penalties.

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HARM TO MATTISON’S CUSTOMERS AND OTHER RETURN PREPARERS

52. Mattison’s customers have been harmed because they paid Mattison to prepare proper tax returns. Mattison assured his customers that their returns would be done right. Instead, Mattison prepared improper returns that understated his customers’ tax liabilities and wrongly inflated refunds. As a result of Mattison’s improper actions, customers may have to file amended returns, undergo audits by the IRS, or pay unanticipated tax deficiencies.

53. Mattison’s conduct also harms legitimate tax return preparers in Colorado because they lose potential clients to Mattison.

COUNT 1: INJUNCTION UNDER 26 U.S.C. § 7407

54. The United States incorporates by reference the allegations contained in paragraphs 1 through 53 as if set forth here.

55. Section 7407 of Title 26 authorizes a district court to enjoin an individual upon a finding that (1) the individual is a tax return preparer, (2) the preparer’s conduct is proscribed in the statute, and (3) injunctive relief is appropriate to prevent the recurrence of the proscribed conduct. The proscribed conduct relevant here may fall into either of these two buckets: that the preparer has “engaged in any conduct subject to penalty under [26 U.S.C. §§ 6694 or 6695],” or that the preparer has engaged in any “fraudulent or deceptive conduct which substantially interferes with the proper administration of the Internal Revenue laws.” 26 U.S.C. § 7407(b)(1)(A), (D).

56. A return preparer is subject to penalty under section 6694 when he or she prepares a return that contains an understatement of tax liability or overstatement of a refund that is due to: (a) an unreasonable position that the return preparer knew or should have known was not

supported by substantial authority, or (b) a willful attempt to understate the liability for tax on the return, or a reckless or intentional disregard of rules or regulations.

57. Section 6695 outlines a long list of conduct that subject return prepares to penalty. Three provisions are relevant here. First, Section 6695(a) imposes a penalty upon a return preparer who fails to furnish a completed copy of a tax return to their customer, as required by 26 U.S.C. § 6107(a). Second, Section 6695(c) imposes a penalty upon a return preparer who fails to include their PTIN or identifying number on any return they prepared, as required by 26 U.S.C. § 6109(a)(4). Third, Section 6695(g) imposes a penalty upon a return preparer who fails to comply with due diligence requirements in determining customers' eligibility to file as head of household and to claim education and earned income credits.

58. Under Section 7407, a district court may permanently enjoin an individual from working or acting as a federal tax preparer if it finds: (1) that the individual has continually or repeatedly engaged in the statutorily proscribed conduct; and (2) that a narrower injunction (i.e., prohibiting only the proscribed conduct) would not be sufficient to prevent the individual's interference with the proper administration of the Internal Revenue laws under Title 26.

59. Mattison is a "tax return preparer" within the meaning of 26 U.S.C. § 7701(a)(36) because he has been compensated for preparing federal income tax returns.

60. Mattison has continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. § 6694.

61. He has taken positions on his customers' tax returns that he knew (or should have known) were unreasonable; willfully attempted to understate his customers' tax liabilities; and recklessly or intentionally disregarded federal rules, laws, and regulations when preparing

returns on behalf of customers, resulting in an understatement of federal tax liability for hundreds of customers.

62. Examples of Mattison's unreasonable conduct subject to penalty under Section 6694 include, but are not limited to, reporting false income, fabricating business schedules, and fraudulently claiming tax credits.

63. Mattison's continual and repeated violations of Section 6694 fall within the proscribed conduct under 26 U.S.C. § 7407(b)(1)(A) and (D), and thus are subject to an injunction under Section 7407.

64. Mattison has also continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. § 6695(g) and in fact has been penalized twice under that statutory provision. The IRS first assessed a civil penalty against Mattison under 26 U.S.C. § 6695(g) for failure to act with due diligence for tax year 2016, as outlined in paragraph 26, above. Mattison repeatedly and continually failed to act with due diligence for tax year 2017 as well, and the IRS again assessed civil penalties against Mattison under 26 U.S.C. § 6695(g), as outlined in paragraph 26, above. Even after the civil penalties, Mattison has continuously failed to act with due diligence in determining his customers' eligibility for filing as head of household and claiming education and earned income credits, which includes failing to prepare and file a Form 8867 with each return that claimed this filing status and these credits. Mattison has also failed to furnish copies of tax returns to his customers as required by 26 U.S.C. § 6107(a) and has prepared and filed returns using the PTIN or identifying number of another in violation of 26 U.S.C. § 6109(a)(4), both of which are conduct subject to penalty under 26 U.S.C. § 6695.

65. Mattison’s continual and repeated violations of Section 6695 fall within the proscribed conduct under 26 U.S.C. § 7407(b)(1)(A) and (D), and thus are subject to an injunction under Section 7407.

66. If Mattison is not enjoined, he is likely to continue to prepare and file false and fraudulent tax returns. This will result in the United States receiving deficient revenue and having to commit finite and unrecoverable resources to the examination and investigation of Mattison and his customers. If Mattison is not enjoined, his customers will also continue to be subject to unexpected tax liabilities and IRS audits and examinations.

67. Mattison’s continual and repeated conduct subject to an injunction under 26 U.S.C. § 7407 demonstrates that a narrow injunction prohibiting only specific conduct would be insufficient to prevent his interference with the proper administration of the Internal Revenue laws. The IRS has attempted to curb Mattison’s illegal conduct through written warnings, civil penalties, and suspension of his EFIN. These attempts have not stopped Mattison from continually and repeatedly violating the Internal Revenue laws. Mattison should be permanently enjoined from acting as a federal tax return preparer.

COUNT 2: INJUNCTION UNDER 26 U.S.C. § 7402(a)

68. The United States incorporates by reference the allegations contained in paragraphs 1 through 67 as if set forth here.

69. Section 7402 of Title 26 authorizes a district court to issue orders of injunction that are necessary or appropriate for the enforcement of the Internal Revenue laws. Section 7402 “sets forth the criteria necessary for injunctive relief, the traditional equitable factors, including a showing of irreparable harm, need not be proved.” *United States v. Morris*, No. 09-CV-02381-

WYD-KMT, 2011 WL 588060, at *5 (D. Colo. Jan. 14, 2011), *report and recommendation adopted*, No. 09-CV-02381-WYD-KMT, 2011 WL 587584 (D. Colo. Feb. 7, 2011). Section 7402 “grants [courts] broad authority to fashion relief to prevent interference with the internal revenue laws.” *Id.*

70. Mattison, through the actions described above, has engaged in conduct that substantially interferes with the enforcement of the Internal Revenue laws through engaging in fraudulent and deceptive conduct, engaging in conduct subject to penalty under 26 U.S.C. §§ 6694 and 6695, and, in fact, being penalized twice under 26 U.S.C. § 6695.

71. Unless enjoined from preparing tax returns for customers, Mattison is likely to continue to engage in such improper conduct and continue to interfere with the enforcement of the Internal Revenue laws. The IRS has tried several less drastic remedies to get Mattison to conform his conduct—like assessing him 26 U.S.C. § 6695 penalties, issuing him several letters alerting him to his potential noncompliance with due diligence requirements, and suspending his EFIN—but Mattison has continued to engage in improper conduct.

72. Although traditional factors of equity need not be proven under Section 7402, Mattison’s negligent and reckless disregard of the Internal Revenue laws has caused, and will continue to cause (unless enjoined), the United States to suffer irreparable injury by wrongfully providing federal income tax refunds to individuals not entitled to receive them, much of which will never be discovered and recovered. Unless enjoined, the United States will further suffer irreparable harm from devoting substantial, unrecoverable resources and time to auditing Mattison’s customers. There is no adequate remedy at law to compensate the United States for its irreparable injury.

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

74. Enjoining Mattison is also in the public interest because an injunction, backed by the Court's contempt powers if needed, will stop Mattison from preparing fraudulent, illegal returns for customers, which injures the American taxpayers as well as Mattison's individual customers. Such an injunction will prevent future customers from having to go through IRS audits, having to pay unanticipated tax liabilities, and being subject to civil penalties. And such an injunction will ensure that the United States is receiving proper revenue to provide essential services to the American public.

75. Mattison should be permanently enjoined from acting as a tax return preparer under the Court's broad injunctive power under 26 U.S.C. § 7402(a).

REQUESTS FOR RELIEF

WHEREFORE, the United States respectfully requests that the Court grant the following relief:

A. That the Court find that Defendant Daniel Mattison is a tax return preparer that 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 bar him from acting as a federal tax return preparer and from engaging in conduct subject to penalty under 26 U.S.C. § 6694;

B. That the Court find that Mattison is a tax return preparer that has continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. § 6695, and that injunctive

relief is appropriate under 26 U.S.C. § 7407 to bar him from acting as a federal tax return preparer and from engaging in conduct subject to penalty under 26 U.S.C. § 6695;

C. That the Court find that Mattison is a tax return preparer that has continually and repeatedly engaged in fraudulent and deceptive conduct that substantially interferes with the proper administration of the Internal Revenue laws, and that injunctive relief is appropriate under 26 U.S.C. § 7407 to bar him from acting as a federal tax return preparer and from further engaging in such conduct;

D. That the Court find that Mattison has engaged in conduct that substantially interferes with the enforcement of the Internal Revenue laws, and that permanent injunctive relief barring Mattison from acting as a federal tax return preparer is appropriate to prevent the recurrence of that conduct pursuant to 26 U.S.C. § 7402(a);

E. That the Court, pursuant to 26 U.S.C. §§ 7402(a) and 7407, enter a permanent injunction prohibiting Mattison, any entity through which he conducts business, and anyone acting in concert or participation with him from directly or indirectly:

1. Acting as a federal tax return preparer, or preparing, directing the preparation of, or assisting in the preparation of federal tax returns, amended tax returns, or other related documents and forms for any other person or entity other than himself or his lawful spouse;

2. Aiding or assisting in preparing federal tax returns, amended tax returns, or other related documents and forms that Mattison knows or reasonably should know will result in the understatement of any tax liability or the overstatement of a federal tax refund;

3. Owning, managing, controlling, working for, profiting from, or volunteering for any business or entity engaged in tax return preparation;

4. Using an EFIN, EIN, PTIN, SSN, TIN, or any other federally issued identification number that belongs to another person in order to file or remit federal tax returns for other persons or entities;

5. Using, maintaining, renewing, obtaining, transferring, selling, or assigning any PTIN(s) or EFIN(s);

6. Engaging in any activity subject to penalty under 26 U.S.C. §§ 6694, 6695, 6701 or any other penalty provision in the Internal Revenue Code; and

7. Engaging in conduct that substantially interferes with the proper administration and enforcement of the Internal Revenue laws and from promoting any false tax scheme.

F. That the Court, pursuant to 26 U.S.C. §§ 7402(a) and 7407, enter an injunction requiring Mattison, at his own expense and within thirty (30) days of entry of the injunction, to do the following actions:

1. Contact by certified mail, and, if an e-mail address is known, by e-mail, to each person or entity for whom he or DCM Financial, Inc. has prepared federal income tax returns since January 1, 2017, to inform them of the permanent injunction entered against Mattison, including sending a copy of the order of injunction but not enclosing any other documents or enclosures unless agreed to by counsel for the United States or approved by the Court;

2. Turn over to the United States a list that identifies by name, social security number, address, e-mail address, telephone number, and tax period(s) of all persons or entities for whom he or DCM Financial, Inc. prepared federal tax returns or claims for refund since January 1, 2017;

3. Provide a copy of the Court's order to all of the principals, officers, managers, employees, and independent contractors of his tax return preparation business and provide to counsel for the United States a signed and dated acknowledgement or receipt of the Court's order for each person to whom he provided a copy of the Court's order;

4. Prominently post a copy of the court's injunction at his place of business; and

5. File a sworn statement with the Court evincing his compliance with the directives outlined in paragraphs F.1–4, above, within forty-five (45) days of entry of the final injunction in this action.

G. That the Court enter an order allowing the United States to monitor Mattison's compliance with the Court's injunction, including allowing the United States to engage in post-judgment discovery in accordance with the Federal Rules of Civil Procedure;

H. That the Court retain jurisdiction over Mattison and over this action to enforce any permanent injunction entered against him; and

I. That the Court grant the United States its costs and attorney's fees, and any further relief as the Court deems appropriate.

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Dated: January 19, 2024

Respectfully submitted,

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Deputy Assistant Attorney General

/s/ Samuel Holt

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