

IN THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

MORSHANDA LEWIS,

Defendant.

CIVIL NO: 4:24-cv-00922

COMPLAINT

The United States brings this civil action, under 26 U.S.C. §§ 7402(a), 7407, and 7408, to permanently enjoin Defendant, Morshanda Lewis, and anyone in active concert or participation with her, from acting as a federal tax return preparer and engaging in related activities listed in the Prayer of this Complaint. In support of this Complaint, the United States alleges as follows:

JURISDICTION AND VENUE

1. This action is authorized and requested by the Chief Counsel of the Internal Revenue Service, a delegate of the Attorney General of the United States, pursuant to 26 U.S.C. §§ 7402, 7407, and 7408, and is commenced at the direction of a delegate of the Attorney General of the United States.

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331, 1340, and 1345, and 26 U.S.C. §§ 7402(a), 7407, and 7408.

3. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b) and 26 U.S.C. §§ 7407(a) and 7408(a) because Defendant, Morshanda Lewis, resides in, and a substantial portion of the events giving rise to this Complaint occurred in, this district.

PARTIES

4. Plaintiff is the United States of America.
5. Defendant, Morshanda Lewis, is a “tax return preparer” as defined by 26 U.S.C. § 7701(a)(36) because she prepares and files federal tax returns for customers in exchange for compensation.

MORSHANDA LEWIS’ UNLAWFUL TAX RETURN PREPARATION

The IRS’ Multiple Attempts to Bring Morshanda Lewis into Compliance with her Tax Return Preparation Diligence Requirements

6. Since at least 2013, Morshanda Lewis has prepared thousands of federal tax returns for customers throughout the Houston, Texas area and elsewhere.
7. Early on, the IRS began notifying Morshanda Lewis of its concerns based on apparent errors made on federal tax returns that Morshanda Lewis filed for her customers. For example, in November 2013, the IRS notified Morshanda Lewis via letter she had filed many federal income tax returns claiming earned income tax credits that contained apparent errors.
8. Apparently not dissuaded by the IRS’ first notice, Morshanda Lewis continued filing federal income tax returns containing erroneous figures. The IRS issued no less than four more warnings to Morshanda Lewis before ultimately, in June, 2019, assessing twenty-nine penalties against her pursuant to 26 U.S.C. § 6695(g) for her failure to comply with the due diligence requirements imposed on federal tax return preparers.

9. Despite the several notices and the penalties designed to encourage Morshanda Lewis to correct her behavior, Morshanda Lewis has continued to file federal tax returns on behalf of her customers that she knew, or should have known, contained fabrications up to and including, the most recently completed tax return filing season in 2023.

Morshanda Lewis' Tax Return Preparation Practice with "Taxes R Us"

10. Bookeeping and Taxes R Us, LLC is a Texas limited liability company formed on October 14, 2019. According to the Texas Secretary of State's records, Morshanda Lewis is the owner, director, and registered agent of Bookeeping and Taxes R Us, LLC.

11. Since Bookeeping and Taxes R Us, LLC's inception, Morshanda Lewis has operated—and filed thousands of federal tax returns for customers—under the “Taxes R Us” business name, using a Preparer Tax Identification Number (“PTIN”)¹ ending in *4967 and an Electronic Filing Identification Number (“EFIN”)² ending in *2605. Though the PTIN ending in *4967 is registered to Morshanda Lewis, the EFIN ending in *2605 is registered to another individual: Willie Lewis.

12. Morshanda Lewis prepared such returns from Bookeeping and Taxes R Us, LLC's office location at 11504 Hughes Road, Houston, Texas, 77089, until her recent relocation and establishment of a new entity—Taxes R Us Tax Prep, LLC—located at 13730 Beamer Road, Suite 240, Houston, Texas 77089. See Taxes R Us Home Page, <https://taxesrus.business.site/>.

¹ A PTIN is an identification number issued by the IRS that “must be obtained by all enrolled agents, as well as all tax return preparers who are compensated for preparing, or assisting in the preparation of, all or substantially all of any U.S. federal tax return, claim for refund, or other tax form submitted to the IRS,” with some exceptions. *Frequently Asked Questions: Do I Need a PTIN?*, IRS, <https://www.irs.gov/tax-professionals/frequently-asked-questions-do-i-need-a-ptin> (lasted updated Oct. 19, 2023).

² An EFIN is a six-digit number issued by the IRS to authorized IRS e-file providers. Providers “need an EFIN to electronically file tax returns.” *FAQs About Electronic Filing Identification Numbers (EFIN)*, IRS, <https://www.irs.gov/e-file-providers/faqs-about-electronic-filing-identification-numbers-efin> (last updated Nov. 28, 2023). While each individual return preparer must have his or her own PTIN, an EFIN may be shared by more than one tax return preparer operating under a single firm that has been approved as an authorized IRS e-file provider.

13. Taxes R Us Tax Prep, LLC was formed as a Texas limited liability company on September 27, 2023. Morshanda Lewis is a managing member (alongside non-party, Willie Lewis) and the registered agent of Taxes R Us Tax Prep, LLC.

14. Taxes R Us Tax Prep, LLC, is a continuation of Morshanda Lewis' tax return preparation practice. Since forming Taxes R Us Tax Prep, LLC, Morshanda Lewis has continued (and continues, to this day) preparing federal tax returns for her customers under the "Taxes R Us" business name, using the same PTIN and EFIN referenced above. Her relocation to Taxes R Us Tax Prep, LLC's registered office address is the only apparent change to her tax return preparation practice under this new entity.

The IRS' Investigation of Morshanda Lewis' Tax Return Preparation Practice

15. Morshanda Lewis' questionable filing behavior over the years caused the IRS to open an investigation into her activities. The investigation centered on federal income tax returns that Morshanda Lewis prepared and filed for her customers for the tax years 2019, 2020, and 2021. As discussed below, the investigation revealed—among other things—that Morshanda Lewis knowingly claimed false residential energy credits and education credits on many of those returns.

Residential Energy Credit Scheme

16. Morshanda Lewis prepared and filed at least 2,202 federal income tax returns on behalf of her Taxes R Us customers for the tax years 2019, 2020, and 2021. Of those returns, 442 (or about 21.6%) claimed residential energy credits, compared to—for example—the 2% of federal income tax returns filed nationwide during 2020 that claimed residential energy credits, according to the IRS' Return Review Program.

17. The residential energy credit allows a tax break for certain energy-efficient expenditures incurred by a taxpayer during the relevant tax year. The amount of the credit depends

on the type of expenditure. For example, the most favorable rates are available for solar electric property, solar water heaters, small wind turbines, geothermal heat pumps, and fuel cell property, as reflected on IRS Form 5695. For property placed in service between December 31, 2016, and January 1, 2020, a taxpayer is entitled to a credit of up to 30 percent of the cost of expenditures that fit into these categories. Although the formula for calculating the credit differs for property placed into service in the tax year 2020 or later, the credit remains available and susceptible to abuse by unscrupulous return preparers.

18. The federal taxation system relies heavily on a system of self-reporting. This is particularly so when information from third parties is not available or not reported to the IRS, such as the amount of energy-efficient expenses one incurs in a year. On occasion, an unscrupulous tax return preparer might abuse this system of self-reporting by inflating—or outright fabricating—a customer's expenses to help increase the customer's tax refund.

19. As illustrated by the following examples, Morshanda Lewis is one of those unscrupulous tax return preparers. In connection with her Taxes R Us business, Morshanda Lewis routinely and knowingly falsifies or inflates energy efficient home improvements on her customers' federal income tax returns to generate residential energy credits for which her customers are ineligible.

***Customer 1*³**

20. Morshanda Lewis, operating under Taxes R Us, prepared and filed a federal income tax return for Customer 1 for the tax year 2019.

³ To protect their identities, Morshanda Lewis' customers are referred to generically in this Complaint using a "Customer" label followed by a random numerical assignment.

21. On that return, Morshanda Lewis claimed a residential energy credit of \$2,694, based on \$8,980 of “qualified solar water heating property costs” supposedly incurred by Customer 1 during 2019.

22. Customer 1 was unaware that this credit was taken, as she lived in an apartment in 2019 and did not own property for which she could incur “qualified solar water heating property costs.”

23. Morshanda Lewis did not ask Customer 1 if she incurred any energy efficient expenses in 2019, nor did Customer 1 provide Morshanda Lewis any information or documents to suggest she incurred such expenses in 2019.

24. Morshanda Lewis’ deliberate claim of the residential energy credit based on fabricated energy efficient expenses reduced Customer 1’s total federal income tax owed for the tax year 2019 by \$2,694, contributing to a falsely claimed refund of \$2,475.

Customer 2

25. Morshanda Lewis, operating under Taxes R Us, prepared and filed federal income tax returns for Customer 2 for the tax years 2019 and 2020.

26. Morshanda Lewis neither afforded Customer 2 an opportunity to review the returns before filing them, nor did she provide Customer 2 copies of such returns after filing them.

27. Customer 2’s tax year 2019 federal income tax return claimed a residential energy credit of \$3,158 based on \$10,526 of “qualified solar water heating property costs” supposedly incurred by Customer 2 during 2019. Similarly, Customer 2’s tax year 2020 federal income tax return claimed a residential energy credit of \$7,763, based on \$29,856 of “qualified solar electric property costs” supposedly incurred by Customer 2 during 2020.

28. Customer 2 was unaware that these credits were taken, as he neither incurred any “qualified solar heating property costs” in 2019 nor any “qualified solar electric property costs” in 2020.

29. Customer 2 did not provide Morshanda Lewis any information or documents suggesting he incurred such costs in 2019 and 2020.

30. Morshanda Lewis’ deliberate claims of residential energy credits based on fabricated energy efficient expenses reduced Customer 2’s total federal income tax owed for the tax years 2019 and 2020, by \$3,158 and \$7,763, respectively, contributing to falsely claimed refunds for each of those years of \$5,747 and \$5,117.

Customers 3 and 4

31. Morshanda Lewis, operating under Taxes R Us, prepared and filed joint federal income tax returns for Customers 3 and 4 for the tax years 2019 and 2020.

32. After Morshanda Lewis filed such returns, Customers 3 and 4 received what they thought were complete copies of the returns filed on their behalf. Morshanda Lewis did not, however, furnish complete copies of such returns to Customers 3 and 4. Instead, she conveniently left out copies of the Forms 5695 filed with the two returns.

33. The Form 5965 attached to Customers 3 and 4’s tax year 2019 joint federal income tax return claimed a residential energy credit of \$3,551 based on \$6,526 of “qualified solar water heating property costs” supposedly incurred by Customers 3 and 4 during 2019, plus a bogus carryforward of an unused portion of a residential energy credit claimed from the tax year 2018.

34. The Form 5965 attached to Customers 3 and 4’s tax year 2020 joint federal income tax return claimed a residential energy credit of \$4,500 based on \$3,541 of “qualified geothermal heat pump property costs” supposedly incurred by Customers 3 and 4 during 2020, plus a

carryforward of the unused portion of the improperly claimed residential energy credit for the tax year 2019.

35. Customers 3 and 4 were unaware that these credits were taken, as they neither incurred any “qualified solar water heating property costs” in 2019 nor any “qualified geothermal heat pump property costs” in 2020.

36. Customers 3 and 4 did not provide Morshanda Lewis any information or documents suggesting they incurred such costs in 2019 and 2020.

37. Morshanda Lewis’ deliberate claims of residential energy credits based on fabricated energy efficient expenses reduced Customers 3 and 4’s total federal income tax owed for the tax years 2019 and 2020, by \$3,551 and \$4,500, respectively, contributing to falsely claimed refunds for each of those years of \$4,037 and \$3,492.

Customers 5 and 6

38. Morshanda Lewis, operating under Taxes R Us, prepared and filed joint federal income tax returns for Customers 5 and 6 for the tax years 2019 and 2020.

39. After Morshanda Lewis filed such returns, Customers 5 and 6 received what they thought were complete copies of the returns filed on their behalf. Morshanda Lewis did not, however, furnish complete copies of such returns to Customers 5 and 6. Instead, she conveniently left out copies of the Forms 5965 filed with the two returns.

40. The Form 5965 attached to Customers 5 and 6’s tax year 2019 joint federal income tax return claimed a residential energy credit of \$1,958 based on \$6,526 of “qualified solar water heating property costs” supposedly incurred by Customers 5 and 6 during 2019.

41. The Form 5965 attached to Customers 5 and 6's tax year 2020 joint federal income tax return claimed a residential energy credit of \$1,339 based on \$5,151 of "qualified geothermal heat pump property costs" supposedly incurred by Customers 5 and 6 during 2020.

42. Customers 5 and 6 were unaware that these credits were taken, as they neither incurred any "qualified solar water heating property costs" in 2019 nor any "qualified geothermal heat pump property costs" in 2020.

43. Customers 5 and 6 did not provide Morshanda Lewis any information or documents suggesting they incurred such costs in 2019 and 2020.

44. Morshanda Lewis' deliberate claims of residential energy credits based on fabricated energy efficient expenses reduced Customers 5 and 6's total federal income tax owed for the tax years 2019 and 2020, by \$1,958 and \$1,339, respectively, contributing to falsely claimed refunds for each of those years of \$4,686 and \$4,404.

Customer 7

45. Morshanda Lewis, operating under Taxes R Us, prepared and filed federal income tax returns for Customer 7 for the tax years 2020 and 2021.

46. Though Morshanda Lewis provided Customer 7 with copies of such returns after she filed them, she did not offer Customer 7 an opportunity to review the returns before she filed them.

47. Customer 7's tax years 2020 and 2021 federal income tax returns claimed nonbusiness energy property credits of \$328 and \$500, respectively, based on expenses totaling \$4,251 and \$9,970, respectively, supposedly incurred by Customer 7 during 2020 and 2021 to purchase "exterior doors that meet or exceed the version 6.0 Energy Star program requirements."

48. Customer 7 was unaware that these credits were taken, as Customer 7 did not expend the amounts listed to purchase “exterior doors that meet or exceed the version 6.0 Energy Star program requirements” during 2020 and 2021.

49. Customer 7 did not provide Morshanda Lewis any information or documents suggesting such costs were incurred in 2020 and 2021.

50. Morshanda Lewis’ deliberate claims of nonbusiness energy property credits based on fabricated expenses reduced Customer 7’s total federal income tax owed for the tax years 2020 and 2021, by \$328 and \$500, respectively, contributing to falsely claimed refunds for each of those years of \$424 and \$111.

Education Credit Scheme

51. Certain education tax credits, like the American Opportunity Tax Credit (“AOTC”) and the Lifetime Learning Credit (“LLC”), are available to taxpayers that incur expenses associated with obtaining postsecondary education or taking courses to gain or improve job skills.

52. The AOTC—formerly the Hope Scholarship Credit—is a credit for qualified education expenses of eligible students for the first four years of higher education. The AOTC reduces the amount of tax reported by the taxpayer on a dollar-for-dollar basis, up to \$2,500. Up to \$1,000 of that is refundable to the taxpayer if the amount of the credit exceeds the taxpayer’s total federal income tax due for that year.

53. The LLC is a credit that may be claimed not only for college education expenses, like the AOTC, but also for courses taken to gain or improve job skills. The LLC is not refundable—it simply reduces, by up to \$2,000 per year, the federal income tax of the taxpayer claiming it, subject to certain limitations. The AOTC and the LLC cannot be claimed in the same tax year.

54. These education tax credits may be hotbeds for fraudulent manipulation of a customer's federal tax liability by unscrupulous tax return preparers.

55. The following chart contains examples of customers for whom Morshanda Lewis, operating under Taxes R Us, prepared federal income tax returns for the tax years 2019 through 2021 that claimed education credits to which the customer(s) were not entitled, contributing to falsely inflated tax refunds. None of these customers, nor their dependents, attended the schools listed on the Forms 8863 attached to their returns for the purpose of claiming the education credits. None of these customers provided Morshanda Lewis information or documents suggesting they, or their dependents, attended such schools. Each of these customers was unaware that Morshanda Lewis claimed education credits on their returns.

Customer(s)	Tax Year(s)	Education Credit Type	Education Credit Amount	Tax Refund
Customer 8	2021	LLC	\$1,248.00	\$2,896.00
Customer 9	2020	LLC	\$1,308.00	\$2,987.00
	2021	LLC	\$1,716.00	\$2,434.00
Customers 10 and 11	2021	AOTC	\$831.00	\$9,537.00
Customer 12	2021	AOTC	\$406.00	\$4,567.00
Customer 13	2019	LLC	\$756.00	\$2,773.00
Customer 14	2019	LLC	\$1,490.00	\$4,353.00
	2020	LLC	\$1,077.00	\$3,848.00
Customer 15	2021	LLC	\$1,548.00	\$5,599.00
Customer 16	2020	LLC	\$1,971.00	\$4,534.00
	2021	AOTC	\$2,250.00	\$5,486.00
Customer 17	2020	LLC	\$1,774.00	\$3,347.00
Customer 18	2019	LLC	\$1,316.00	\$2,279.00
	2020	LLC	\$1,722.00	\$1,986.00
Customer 19	2019	AOTC	\$820.00	\$5,932.00
Customers 20 and 21	2021	LLC	\$1,916.00	\$3,530.00
Total: \$22,149.00				Total: \$66,088.00

56. In total, Morshanda Lewis, operating under Taxes R Us, claimed education credits on at least 647 (or about 29%) of the at least 2,202 federal income tax returns that she filed on behalf of her customers for the tax years 2019, 2020, and 2021. The above chart contains merely

a sample of those returns on which Morshanda Lewis fraudulently claimed false education credits. The total fraudulently claimed education credits on returns filed by Morshanda Lewis for those years is far greater.

57. Indeed, based on the IRS' records, of the at least 327 federal income tax returns claiming education credits that Morshanda Lewis filed for the tax years 2020 and 2021, only 116 (or about 35%) corresponded to customers who received—or whose dependent received, if the credit was claimed on behalf of a dependent—a Form 1098-T from an eligible education institution for the relevant tax year.

58. Educational institutions are legally obligated to report qualified tuition or related expense payments received from their students on a Form 1098-T, *Tuition Statement*, and provide a copy of such Form 1098-T to both the student and the IRS. It is uncommon for an educational institution not to comply with this reporting obligation. Accordingly, rarely is a taxpayer who (or whose dependent) does not receive a Form 1098-T eligible for an education credit. Yet almost 65% of the federal income tax returns filed by Morshanda Lewis for the tax years 2020 and 2021 claimed education credits despite the IRS having no record of a Form 1098-T corresponding to that taxpayer (or that taxpayer's dependent, if the education credit was claimed on behalf of a dependent) for the relevant tax year.

59. Morshanda Lewis did not end her fraudulent education scheme in the tax year 2021. According to the IRS' records, of the at least 121 federal income tax returns claiming education credits that Morshanda Lewis filed during 2023 for the tax year 2022, less than half (53) corresponded to customers who received—or whose dependent received, if the credit was claimed on behalf of a dependent—a Form 1098-T for the tax year 2022 from an eligible educational institution.

HARM CAUSED BY MORSHANDA LEWIS

60. The schemes identified above are only a sample of the various illicit methods that Morshanda Lewis has knowingly used—and continues to use—to fraudulently decrease her customers' federal tax liabilities and/or increase their federal tax refunds. Morshanda Lewis has also knowingly employed various other schemes, such as reporting fictitious and/or inflated casualty/theft losses, reporting fictitious and/or inflated business income and/or expenses on her customers' Schedules C, and reporting incorrect filing statuses.

61. Morshanda Lewis' fraudulent tax return preparation actions in connection with her Taxes R Us business have caused—and continue to cause—substantial harm to her customers, the United States, law-abiding tax return preparers, and the public at large.

62. Morshanda Lewis harms her customers for whom she prepares false and fraudulent federal income tax returns by causing those customers to, on many occasions, incorrectly report and underpay their federal tax liabilities. Those customers are nevertheless liable for the correct amount of federal taxes owed and may be liable for sizeable penalties and interest.

63. Morshanda Lewis also harms the United States Treasury by preparing and filing federal income tax returns that underreport the federal taxes that her customers lawfully owe—or, in most cases, falsely generate or inflate refunds to which her customers are not lawfully entitled.

64. Based on the findings from its investigation, the IRS estimates that Morshanda Lewis has caused tax harm exceeding \$1 million by engaging in the fraudulent residential energy credit and fraudulent education credit schemes detailed above for the tax years 2019, 2020, and 2021, alone. Specifically, the IRS interviewed a random sample of Morshanda Lewis' customers for whom she filed returns claiming education credits and/or residential energy credits for the tax years 2019, 2020, and 2021. Based on those interviews, the IRS calculated the average amount of

tax harm per return caused by Morshanda Lewis' false claims of residential energy credits and education credits. The IRS then calculated error rates for both schemes by dividing the number of customers interviewed that confirmed Morshanda Lewis claimed a false residential energy credit or false education credit by the total number of customers interviewed with respect to the respective scheme. Ultimately, the IRS calculated separate estimated tax harms for both schemes by multiplying the relevant error rate by the relevant average amount of tax harm per return, then multiplying the resulting figure by the total number of returns that Morshanda Lewis filed for the tax years 2019, 2020, and 2021 that claimed a residential energy credit or education credit. This does not include the harm caused during prior and later tax years or for the other schemes employed by Morshanda Lewis.

65. On top of the forgone federal tax revenue suffered by the United States because of Morshanda Lewis, the United States is also harmed because the IRS has had to devote substantial of its limited resources to investigating and detecting Morshanda Lewis' misconduct and examining, assessing, collecting, or recovering federal taxes or erroneous tax refunds from the fraudulent returns prepared by Morshanda Lewis for her customers, some of which the IRS may never collect.

66. Moreover, Morshanda Lewis' misconduct harms honest, law-abiding tax return preparers. By preparing tax returns that unlawfully deflate her customers' federal tax liabilities and inflate her customers' federal tax refund amounts, Morshanda Lewis has gained an unfair competitive advantage over tax return preparers that are unwilling to engage in such fraudulent schemes to attract customers. Customers who are satisfied with the refunds that they receive but, who are unaware of Morshanda Lewis' practices return to—and often refer others to—Morshanda Lewis for future tax years.

67. Finally, Morshanda Lewis' misconduct harms the public by undermining confidence in the federal tax system, which relies on accurate self-reporting of federal tax liabilities to the Internal Revenue Service.

68. Morshanda Lewis has demonstrated that nothing short of the injunctive relief sought by this Complaint will stop her from continuing to harm her customers, the United States, law-abiding tax return preparers, and the public at large. The IRS has issued warning letters to Morshanda Lewis several times and imposed thousands of dollars of penalties against Morshanda Lewis for her improper tax return preparation practices. Yet Morshanda Lewis' behavior continues.

69. Given the seriousness and pervasiveness of the misconduct described above, the Permanent Injunction against Morshanda Lewis sought by this Complaint will serve the public interest by forcing an end to her misconduct, thereby preventing future harm to the United States and its citizens.

COUNT I
(Injunction Under 26 U.S.C. § 7407)

70. The United States incorporates by reference the allegations in all the preceding paragraphs as though fully set forth in this Count.

71. 26 U.S.C. § 7407 authorizes the Court to enjoin any tax return preparer who, among other things, has engaged in conduct that is subject to penalty under 26 U.S.C. §§ 6694 or 6695, or who engages in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of the internal revenue laws. *See* 26 U.S.C. § 7407.

72. Defendant, Morshanda Lewis, prepares federal tax returns for customers in exchange for compensation, and so she falls within the definition of a “tax return preparer” set by 26 U.S.C. § 7701(a)(36)(A).

73. If a tax return preparer's misconduct is continual and repeated, and the Court finds that a narrower injunction (*e.g.*, prohibiting specific enumerated conduct) would be insufficient to prevent the tax return preparer's interference with the proper administration of federal tax laws, the Court may enjoin the person from further acting as a tax return preparer.

74. Morshanda Lewis has continually and repeatedly prepared and filed with the IRS false federal income tax returns containing bogus and unreasonable figures understating the federal tax liabilities of her customers. These repeated fraudulent and deceptive actions have continuously interfered with the proper administration of the internal revenue laws.

75. Moreover, Morshanda Lewis has continuously and repeatedly engaged in conduct subject to penalty by 26 U.S.C. § 6694 by filing such false federal income returns when she (a) knew—or reasonably should have known—that the returns understated her customers' liabilities based on unreasonable positions taken on the tax returns, or (b) willfully or recklessly understated her customers' liabilities on such returns. In so doing, Morshanda Lewis has recklessly or intentionally disregarded IRS rules and regulations.

76. Given the variety, duration, and duplicity of Morshanda Lewis' fraudulent tax return preparation activities and given that Morshanda Lewis has shown that lesser sanctions (*e.g.*, penalties) will not deter her fraudulent conduct, anything less than a Permanent Injunction and complete bar from preparing tax returns is unlikely to stop Morshanda Lewis from continuing to interfere with the administration of the internal revenue laws.

77. Accordingly, this Court should, pursuant to 26 U.S.C. § 7407, permanently enjoin Defendant, Morshanda Lewis, from acting as a federal tax return preparer.

COUNT II
(Injunction Under 26 U.S.C. § 7408)

78. The United States incorporates by reference the allegations in all the preceding paragraphs as though fully set forth in this Count.

79. 26 U.S.C. § 7408 authorizes the Court to enjoin any person from, among other things, further engaging in conduct subject to penalty pursuant to 26 U.S.C. § 6701 if such injunction is appropriate to prevent recurrence of that conduct. *See* 26 U.S.C. § 7408.

80. 26 U.S.C. § 6701 penalizes any person who aids or assists in the preparation or presentation of any portion of a federal tax return that the person knows will result in an understatement of tax liability. *See id.* § 6701.

81. For several years, Morshanda Lewis has engaged—and continues to engage—in conduct subject to penalty under 26 U.S.C. § 6701 by preparing federal income tax returns claiming credits and deductions that she knows to be improper, false, and/or inflated, and which result in the understatement of tax liabilities.

82. Injunctive relief against Defendant, Morshanda Lewis, pursuant to 26 U.S.C. § 7408 is appropriate because Morshanda Lewis has shown that absent such Injunction, she will continue engaging in conduct subject to penalty under 26 U.S.C. § 6701.

COUNT III
(Injunction Under 26 U.S.C. § 7402)

83. The United States incorporates by reference the allegations in all the preceding paragraphs as though fully set forth in this Count.

84. 26 U.S.C. § 7402(a) authorizes the Court to issue any orders of injunction as may be necessary or appropriate for the enforcement of federal internal revenue laws, even if the United States has other remedies available for enforcing those laws. *See* 26 U.S.C. § 7402(a).

85. For several years, Morshanda Lewis has engaged—and continues to engage—in conduct that substantially interferes with the enforcement of federal internal revenue laws by preparing and filing numerous false federal income tax returns that result in her customers not paying their true federal income tax liabilities and receiving federal tax refunds to which they are not lawfully entitled.

86. Morshanda Lewis has shown that, unless enjoined, she will likely continue engaging in the types of improper conduct described in this Complaint, which will continue inflicting irreparable injury to the United States in the form of substantial tax losses and increased expenditure of the United States' limited resources to enforce the internal revenue laws.

87. By contrast, Morshanda Lewis will not suffer any cognizable harm by being enjoined from acting as a tax return preparer given that, when acting as a return preparer, she knowingly and continually prepares returns that harm the United States.

88. Finally, enjoining Morshanda Lewis from acting as a tax return preparer would advance the public interest by putting an end to Morshanda Lewis' illegal conduct and the harm such conduct causes to the United States, her customers, honest tax return preparers, and the public at large.

89. Because no adequate remedy of law is available to prevent further irreparable harm to the United States by Defendant, Morshanda Lewis, an Injunction under 26 U.S.C. § 7402(a) is necessary and appropriate.

PRAYER

For the above reasons, the United States of America prays for a judgment:

A. Finding that Defendant, Morshanda Lewis, has continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. §§ 6694 and 6695, and that injunctive relief barring Morshanda Lewis from acting as a tax return preparer is appropriate under 26 U.S.C. § 7407;

B. Finding that Defendant, Morshanda Lewis, has continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. § 6701, that a narrower Injunction than the one sought would be insufficient to prevent interference with the proper administration of federal internal revenue laws, and that the injunctive relief sought is appropriate under 26 U.S.C. § 7408 to prevent recurrence of such conduct;

C. Finding that Defendant, Morshanda Lewis, has continually and repeatedly engaged in conduct substantially interfering with the enforcement and administration of federal internal revenue laws, and that injunctive relief against Morshanda Lewis from continuing to engage in such conduct is necessary and appropriate under 26 U.S.C. § 7402(a) and the Court's inherent equity powers;

D. Permanently enjoining Defendant, Morshanda Lewis, and all those in active concert or participation with her, from directly or indirectly:

- i. Acting as a federal tax return preparer, or filing, assisting in, or directing the preparation or filing of federal tax returns, amended returns, or other related federal tax documents or forms for any person or entity other than herself,
- ii. Owning, managing, controlling, working for (either as an employee or independent contractor), volunteering for, consulting with, profiting from, investing in, receiving fees or remuneration from, licensing, or franchising any entity or business that prepares tax returns or represents clients before the Internal Revenue Service,
- iii. Assisting or advising anyone in connection with any tax matter,
- iv. Collecting or gathering any tax forms (including Forms W-2 and Forms 1099) from taxpayers or from customers seeking to have their federal income tax returns prepared,

- v. Referring any person to a tax preparation firm or to a tax return preparer, or otherwise suggesting that a taxpayer engage any given tax preparation firm or tax return preparer,
- vi. Training, advising, counseling, instructing, or teaching anyone about the preparation of federal tax returns,
- vii. Providing office space, equipment, or services for, or in any other way facilitating, the work of any person or entity that is in the business of preparing or filing federal tax returns or other federal tax documents or forms for others,
- viii. Working in the same office or office suite that also contains any part of a business whose activity at that office or office suite is to file, prepare, advise, or assist in the preparation of documents relating to a matter material to internal revenue laws (including, federal tax returns, amended federal tax returns, and related documents) for any person for compensation,
- ix. Using, maintaining, renewing, obtaining, transferring, selling, applying for, or assigning any IRS Preparer Tax Identification Number (“PTIN”) or Electronic Filing Identification Number (“EFIN”),
- x. Seeking permission or authorization (or helping or soliciting others to seek permission or authorization) to file federal tax returns with a PTIN, EFIN, or any other service or program one might use to prepare or file federal tax returns,
- xi. Except as provided by paragraph F(ii) below, selling, providing access, or otherwise transferring to any person or entity a list of tax preparation customers that Defendant, Morshanda Lewis, generated in connection with her prior tax return preparation activities,

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

xiii. Engaging in any conduct that substantially interferes with the proper administration and enforcement of the federal internal revenue laws;

E. Requiring Defendant, Morshanda Lewis, to disclose and surrender to the Secretary of Treasury, or her delegate, any and all PTINs and EFINs held by, assigned to, or used by her;

F. Requiring Defendant, Morshanda Lewis, to, within 30-days of receiving the Court's final injunction order, and at her own expense:

i. Send by U.S. Mail and, if an email address is known, by email, a copy of the final injunction entered in this action, as well as a copy of this Complaint, to each person for whom she prepared federal income tax returns, amended returns, or claims for refund at any point after January 1, 2020,

ii. Produce to counsel for the United States a list identifying the names, addresses, telephone numbers, email addresses (if known), and Social Security numbers of all the persons for whom she prepared federal tax returns, amended returns, or claims for refund at any point after January 1, 2020,

iii. Prominently post a copy of the final injunction order entered in this case at her place(s) of business where she prepared tax returns for customers, including, at the "Taxes R Us" offices located at 11504 Hughes Road, Houston, Texas 77089, and 13730 Beamer Road, Suite 240, Houston, Texas 77089,

iv. Keep all social media accounts and websites used to advertise her tax preparation services open for at least one year after entry of the final injunction order and prominently post all such social media accounts and websites: "Morshanda Lewis

has been permanently enjoined from preparing federal income taxes by the United States District Court for the Southern District of Texas,” along with a hyperlink to any press release regarding the injunction order that the Department of Justice may issue;

G. Requiring Defendant, Morshanda Lewis, to, within 45-days of receiving the Court’s final injunction order, file a sworn statement or declaration with the Court evidencing her compliance with the directives stated in paragraph F and all of its sub-parts;

H. Requiring Defendant, Morshanda Lewis, to, at her own expense, maintain records of her compliance with the above directives, which may be produced to the Court, if requested, or the United States pursuant to paragraph I below;

I. Allowing the United States full post-judgment discovery to monitor Defendant, Morshanda Lewis’ compliance with the final injunction order issued by this Court;

J. Retaining jurisdiction in this Court over this action to enforce any Permanent Injunction entered against the Defendant, Morshanda Lewis, in connection with this case; and

K. Granting the United States such additional relief to which it may show itself justly entitled at law or in equity.

Respectfully submitted,

Dated: March 13, 2024.

DAVID A. HUBBERT
Deputy Assistant Attorney General

/s/ Robert Luke Graham
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