

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
Fort Worth Division

UNITED STATES OF AMERICA,)
) Case No. 4:24-cv-890
Plaintiff,)
)
v.)
)
JOHN T. AJUMA aka JOHN TROBISCH,)
)
Defendants.)
_____)

COMPLAINT FOR PERMANENT INJUNCTION

The United States brings this action to enjoin John T. Ajuma aka John Trobisch, under any alias or any entity through which he conducts business, and all persons and entities in active concert or participation with him, from directly or indirectly, acting as a federal tax return preparer and from engaging in related activities.

In support of this action, the United States alleges as follows:

JURISDICTION AND VENUE

1. This action has been requested and authorized by the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury, pursuant to 26 U.S.C. §§ 7402, 7407, and 7408, and is brought at the direction of a delegate of the Attorney General of the United States.
2. This Court has jurisdiction pursuant to 26 U.S.C. § 7402(a) and 28 U.S.C. §§ 1340 and 1345.
3. Venue is proper in this Court pursuant to 26 U.S.C. §§ 7407(a) and 7408(a) and 28 U.S.C. § 1391(b) because a substantial part of the events giving rise to the claims occurred at

609 Airport Freeway Suite 303, Hurst, Texas 76053 (“the Hurst Location”), which is within this District.

PARTIES

4. Plaintiff is the United States of America.

5. Defendant, John T. Ajuma (“Ajuma”), aka John Trobisch, may be served at his residence in Roanoke City, TX.

DEFENDANT’S BACKGROUND

6. Ajuma has a bachelor’s degree in business administration from Makerere University in Uganda and has taken some graduate-level courses from the University of North Texas.

7. Ajuma started preparing returns for customers in 2010 at Shekinah Tax Express L.L.C. aka ShekSoft after taking tax training courses with H&R Block and IRS seminars.

8. Ajuma prepares returns using his own Preparer Tax Identification Number (“PTIN”)—a unique identifier assigned by the IRS to tax preparers. On January 18, 2013, the IRS issued Ajuma a PTIN whose number ends in 729 (the ‘729 PTIN’).

9. Ajuma applied for, and obtained, an Electronic Filing Identification Number (“EFIN”) from the IRS. This EFIN ends in 7333 (“the ‘7333 EFIN’”). In 2012, Ajuma operated as Destiny Tax Service (“Destiny”), a sole proprietorship, located at the Hurst Location.

10. From 2012-2022, Ajuma implemented tax preparation procedures, and prepared returns, at Destiny.

11. In 2022, Ajuma began preparing tax returns under the business name “Momentum Tax Express” (“Momentum”) at the Hurst Location.

12. From 2022 to the present, Ajuma has been operating primarily as Momentum .

13. Momentum was originally registered and used by Ajuma’s wife to prepare tax returns, but Ajuma began preparing tax returns under the Momentum name, using it almost exclusively as his own in 2022 and 2023.

14. Neither Destiny nor Momentum are registered entities with the Texas Secretary of State.

15. Defendant, Ajuma is the sole proprietor of Destiny Tax Services and Momentum Tax Express; both businesses operate out of the same location in Hurst, Texas.

16. Between 2019 and 2023, Ajuma has employed 1-2 people at a to assist in his tax return preparation business, including his stepson.

AJUMA’S TAX PREPARATION ACTIVITIES

17. I.R.C. § 7701(a)(36) defines a “tax return preparer” as a person who prepares tax returns for compensation, or “who employs one or more persons” to prepare tax returns for compensation.

18. Ajuma is a paid “tax return preparer,” under by I.R.C. § 7701(a)(36). He both prepares tax returns for compensation and employes one or more persons to prepare tax returns for compensation.

19. As shown in the chart below, Ajuma filed thousands of income tax returns each year. The returns he files for customers claim refunds approximately 91% of the time.

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Returns filed with '729 PTIN

Calendar Year	Returns	# of Refund Returns
2018	1626	1517 (93%)
2019	1484	1374 (93%)
2020	1542	1418 (92%)
2021	1781	1593 (89%)
2022	1535	1337 (87%)
2023	1481	1364 (92%)
2024	1460	1332 (91%)
Total	10,909	9,935 (91%)

20. The fees Ajuma charges to customers ranges from \$150-\$250 per tax return, which Ajuma usually deducts from the refunds claimed on the customers' returns.

Previous IRS Investigations of Ajuma

21. Between April of 2013 and March of 2021, the IRS received complaints about Ajuma's return preparation practice from his customers.

22. Customers of Ajuma complained to the IRS that Ajuma fraudulently reported deductions they did not qualify for, deductions in elevated amounts, and that Ajuma overstated their income to qualify for certain credits like the education and energy credits.

23. In November 2013, the IRS mailed Ajuma a letter to alert him that many of the tax returns that he prepared claiming Earned Income Tax Credit ("EITC") were found to contain errors that resulted in significant changes to his customers' returns.

24. Ajuma received a second letter in January 2014 warning that he has filed highly questionable refundable credit returns.

25. In October 2014, the IRS sent Ajuma two letters, one notifying Ajuma that he prepared a large number of EITC returns containing apparent errors and another notifying Ajuma that some of his customers will be audited.

26. In April of 2016, Ajuma was assessed a penalty for \$65,000 under 26 U.S.C. § 6695(g) for failure to be diligent in determining eligibility for certain tax benefits, which Ajuma did not contest.

27. In April of 2018, Ajuma was assessed another penalty under § 6695(g), this time for of \$16,320 which Ajuma did not contest.

28. In January 2021, an investigation into Ajuma was opened for allegedly preparing tax returns with inflated or fictitious Schedule A deductions, Schedule C business expenses, Education Credits, and Residential Fuel Credits.

29. As part of the investigation, the IRS audited tax returns for 351 of Ajuma's customers from tax years 2012-2022. Of those audits, 319 found deficiencies, meaning that the return claimed a smaller tax liability than the customer actually owed. The 319 returns had an average deficiency of \$4,899.17 and a total deficiency of \$1,562,836.

30. Ajuma has not stopped or corrected his improper return preparation practices as a result of the penalties assessed against him.

31. Ajuma prepares returns that claim fraudulent deductions and credits to purposely underreport the tax his customers owe and claim refunds they are not entitled to receive. The Complaint refers to each customer by a number, *e.g.*, Customer 1, *etc.* A Customer Key, which identifies each customer by name and redacted SSN, will be served on Ajuma with this complaint.

Fabricated and Improper Schedule A and Schedule 1 Deductions

32. Ajuma often understates his customers' tax liabilities by overstating or outright fabricating itemized deductions claimed on schedules filed with the return. Up until 2019 when changes to the Internal Revenue Code concerning deductible expenses took effect, taxpayers

used Schedule A to itemize deductions if the deductions exceed the standard deduction.

Beginning in 2019 with returns for tax year 2018, taxpayers began to use a Schedule 1 to claim certain deductions, while some deductions could no longer be claimed, at all.

33. Claiming false or inflated deductions allows a fraudulent tax preparer to underreport the customer's taxable income and reduce the tax liability reported on the customer's tax return. In many cases, the reduction in tax leads to bogus refund claims.

34. For example, before 2019, Ajuma prepared tax returns for customers that included Schedules A making false claims for purported unreimbursed employee business expenses.

35. Schedule A is no longer used to report unreimbursed employee business expenses.

36. Beginning with tax year 2018 tax returns, unreimbursed employee business expenses and certain other deductions, or adjustments to income, are reported on Forms Schedule 1 ("Additional Income and Adjustments to Income"). Additionally, certain deductions may no longer be claimed as deductions on tax returns under the Internal Revenue Code. Unreimbursed employee business expenses may now only be claimed by specific categories of individuals: Armed Forces reservists, qualified performing artists, fee-basis state or local government officials, and employees with impairment-related work expenses.

37. Despite these changes, Ajuma continues to claim false and non-qualifying expenses on Schedule 1. Examples of expenses deducted on Schedules 1 prepared by Ajuma included health insurance, doctor fees and medical expenses, job expenses, gas, repairs, home office, tithes and donations, sales taxes, and scholastic materials, etc. Interviews with Ajuma's customers also revealed that Ajuma also used the "other adjustments to income" on Schedule 1

as a method to deduct non-deductible personal expenses, such as down payments, closing costs, lawyer fees, and premiums paid for health insurance purchased through an employer and reported on customers' Forms W-2, etc.

38. Furthermore, because of the more recent provisions in the Internal Revenue Code and Ajuma's use of the Schedule 1 to claim false deductions, Ajuma also uses a strategy with which he improperly claims both the standard deduction and the fabricated and non-qualifying deductions reported on the Schedule 1, often resulting in larger claimed deductions than before when the Defendants reported the false deductions (such as for unreimbursed employee business expenses) only on Schedule A.

39. In the years since 2019 except for 2022, 2,670 of the 6,288 returns prepared and filed with the '729 PTIN associated with Ajuma, (or 42%) claim unreimbursed business expenses on a Form Schedule 1. During 2022, only 73 of the 1535 returns prepared by Ajuma, (or 5%) claimed unreimbursed business expenses on a Form Schedule 1.

40. The table below illustrates the tax returns reporting Schedule 1 or other adjustments to income prepared by Ajuma in each of the years beginning with 2019. Examples of Ajuma's fabrication of deductions on customer returns follow that.

Processing Year	# of Returns	# of Schedule 1 Other Adjustments to Income	% of Schedule 1 Other Adjustments to Income
2019	1484	621	42%
2020	1542	682	44%
2021	1781	745	42%
2022	1535	73	5%
2023	1481	622	42%
2024	1460	613	42%

Customer 1

41. Customer 1 is a machinist from Irving, Texas who has had Ajuma prepare his tax returns over multiple years. Customer 1 is a W-2 wage earner. Ajuma reported false items on Customer 1's 2017, 2018, 2019, 2020, 2021 and 2022 tax returns.

42. On the Schedule 1, and Form 2106, attached to the 2022 tax return, Ajuma reported fabricated (and otherwise non-qualifying) adjustments to income for unreimbursed employee business expenses totaling \$10,618, based on fabricated vehicle expenses for Customer 1, purportedly driving his personal vehicle 16,989 miles for his job. Customer 1 reported that, other than his daily commute, he took two trips totaling 40 miles during 2022 and does not know where Ajuma came up with the 16,989-mile figure. As a result of claiming these fabricated, non-qualifying expenses (including an additional fabricated education credit of \$750 discussed below) as deductible adjustments to income, Ajuma claimed a bogus refund in the amount of \$2,727 on Customer 1's 2022 return.

43. On Customer 1's 2021 return, Ajuma improperly claimed both the standard deduction as well as itemized deductions of \$4,401 in "Temple Contributions" and \$3,456 in "donations," totaling \$7,857, which resulted in an inflated refund of \$1,540.

44. On Customer 1's 2020 return, Ajuma improperly claimed both the standard deduction as well as itemized deductions: \$7,485 in Schedule 1 Other Adjustments for "Donation, Hlth In." Customer 1 confirmed that he purchased health insurance through work. Even if this was not already deducted by his employer from his income using pre-tax dollars, it would not be claimed on Schedule 1. By improperly claiming this on Schedule 1, in addition to the standard deduction, Mr. Ajuma improperly inflated Customer 1's refund to \$4,914.

45. Ajuma was able to inflate Customer 1's refund in 2019 and 2018 by improperly claiming both the standard deduction as well as itemized deductions for "Hlth Ins., Tools Ex"

and “medical expense” in the amounts of \$8,956 and \$9,260, respectively, while also claiming the standard deduction.

46. On the Schedule A to Customer 1’s 2017 tax return, Ajuma reported \$11,856 in unreimbursed employee expenses for “gas and repair” and \$10,625 in other expenses comprised of \$840 in “cellphone” and \$9,785 in “contributions.” On Customer 1’s 2016 tax return, Ajuma reported \$19,450 in unreimbursed employee expenses reported as “gas and repair,” and \$12,269 in “Schedule A – Other Expenses” comprised of \$2,410 in “cellphone,” and \$9,859 in “work gear.” Customer 1 reported to the investigating agent that during those tax years, he only bought a \$400 book for work but otherwise had no other unreimbursed employment expenses nor did he tell Ajuma he had. The claimed expenses were fabricated by Ajuma.

Customer 2

47. Ajuma is identified as the preparer of Customer 2’s tax returns over multiple years, reporting false items on Customer 2’s 2017, 2018, and 2022 tax returns.

48. On Customer 2’s 2022 return, Ajuma impermissibly reports \$8,856 in Schedule 1 Other Adjustments to Income for an “Automobile Fridge.” Customer 2 is not a category of individual eligible to claim unreimbursed employee expenses, and even if Customer 2 were, Customer 2 admitted that the Automobile Fridge was not required by his employer.

49. Customer 2 reports that he purchases health insurance through his employer, which is deducted from his paycheck. However, on Customer 2’s 2018 return, Ajuma improperly reported \$2,474 on Schedule 1 Other Adjustments to Income for “Insurance Paid.” Customer 2 reported that Ajuma never asked him questions about insurance and this amount was fabricated by Ajuma.

50. Customer 2 reported that in 2017, Customer 2 had no out-of-pocket expenses not reimbursed by Customer 2's employer nor did Customer 2 attend church regularly nor did he tell Ajuma he had. However, Ajuma reported \$13,441 in "Schedule A--Other Expenses" on Customer 2's 2017 return comprised of \$9,859 in "gas and repair" and \$3,582 in "church contribution." These items were fabricated by Ajuma.

51. The fictitious and improper expenses claimed by Ajuma on Schedule 1 and Schedule A on the returns lowered Customer 2's tax liability and inflated the refund paid to Customer 2 for each of the years described above.

Customer 3

52. Ajuma prepared Customer 3's returns for "probably 10 years." Each year Customer 3 would meet with Ajuma to drop off information, send any missing information via email, then meet with Ajuma to go over the completed return in person. Ajuma reported false items on Customer 3's 2016, 2017, 2018, 2019, 2021, and 2022 tax returns.

53. Customer 3's 2022 tax return reported that he received wages totaling \$54,018. On Schedule 1 attached to the tax return, Ajuma reported fabricated and non-qualifying expenses of \$2,856 for "tithes," though Customer 3 did not regularly go to a church nor donate to one nor did he tell Ajuma he had. Customer 2 stated that Ajuma never asked about donations and that these expenses were fabricated by Ajuma.

54. On Customer 3's 2021 tax return, Ajuma reported he received wages totaling \$46,297 and reported \$7,666 in Schedule 1 Other Adjustments for "Hlth Ins." Ajuma never discussed health insurance or other medical costs/expenses with Customer 3 and these expenses were fabricated by Ajuma.

55. On Customer 3's 2019 tax return, Ajuma reported he received wages totaling \$51,339 and reported Ajuma reported \$8,794 in Schedule 1 Other Adjustments "Hlth, Job, Tools." Ajuma never discussed health insurance or other medical costs/expenses with Customer 3 and Ajuma fabricated them.

56. On Customer 3's 2018 tax return, Ajuma reported \$4,980 in Schedule 1 Other Adjustments to income for "Hlth Cost." Ajuma never discussed health insurance or other medical costs/expenses with Customer 3, and these expenses were fabricated by Ajuma.

57. On Customer 3's 2017 tax return, Ajuma reports \$600 in "Schedule A Unreimbursed Employee Expenses" for cellphone, and \$18,636 in "Schedule A Other Expenses" comprised of \$12,405 in "gas and repair" and \$6,231 in "scholastic materials." Customer 3 reports that he did not have these expenses nor did he tell Ajuma he did. These expenses were fabricated by Ajuma.

58. On Customer 3's 2016 tax return, Ajuma reports \$5,682 in Schedule A Unreimbursed Employee Expenses comprised of \$5,682 for 7,856 in business miles and \$1,440 in "cellphone" and \$18,686 in Schedule A Other Expenses for \$11,201 in "gas and repair" and \$7,485 in "Misc." Customer 3 stated that he did not have travel for work or out of pocket expenses nor did tell Ajuma he had. These expenses were fabricated by Ajuma.

Customer 4

59. Ajuma prepared Customer 4's tax returns from 2016-2022. Customer 4 always met with Ajuma at his office as 669 Airport Freeway, Suite 303, Hurst, TX, 76053, usually only providing Ajuma with copies of her W-2s, social security cards for herself and her grandchild, and her driver's license.

60. On Customer 4's 2022 tax return, Ajuma reported \$4,448 on Schedule 1 Other Income for "Insurance." Customer 4 states that in 2022 she was eligible and received Medicare and never told Ajuma she had insurance expenses for health insurance, auto insurance, or homeowner insurance. Customer 4's 2022 tax return also reports \$3,925 in Schedule 1 Other Adjustments for "Tithes" but Ajuma never discussed tithes with Customer 4. These amounts were fabricated by Ajuma.

61. On Customer 4's 2021 tax return, Ajuma fabricated a deduction for \$4,448 in "Insurance" in Schedule 1 Other Income. Customer 4 insists she has insurance through her job in 2021 and that Ajuma never discussed any additional insurance expense with her.

62. On Customer 4's 2020 tax return, Ajuma included a deduction for \$2,142 in Schedule 1 Other Adjustments to income for "Hlth Ins." Customer 4 insists she has insurance through her job in 2020 and that Ajuma never discussed an additional health insurance expense with her. In fact, Customer 4's 2020 W-2 reported \$2,142 in Box 12 with code DD which only reports the aggregate amount paid by the employer and employee for health coverage and is for informational purposes only. By deducting health insurance on Schedule 1, after it was already deducted from Customer 4's income by her employer, Ajuma fraudulently decreased Customer 4's taxable income.

63. On Customer 4's 2019 tax return, Ajuma reported \$5,731 in Schedule 1 Other Adjustments to income for "Repairs, Hlth Ins." In fact, Customer 4's 2019 W-2 reported \$4,759 in Box 12 with code DD which only reports the aggregate amount paid by the employer and employee for health coverage and is for informational purposes only. Ajuma never discussed repairs or additional health insurance expenses with her. These amounts were fabricated by Ajuma.

64. On Customer 4's 2018 tax return, Ajuma improperly reported \$4,081 on Schedule 1-Other Adjustments for "Tithes" because Customer 4 claimed the standard deduction on her 2018 tax return. Customer 4 also reports that Ajuma never discussed any tithe expenses with her and that Ajuma fabricated the amount on her tax return.

65. Ajuma claimed the standard deduction on Customer 4's 2017 tax return, while also claiming itemized deductions on Schedule A Unreimbursed Employee Expenses in the amount of \$12,301 for "gas and repair" and \$10,306 in Schedule A Other Expenses comprised of \$720 in cellphone and \$9,586 in "contribution." Ajuma never discussed expenses for traveling to work, gas expenses, repair expenses, cell phone expense or contribution/tithes with Customer 4 and such deductions were fabricated by Ajuma.

66. On Customer 4's 2016 tax return, Ajuma improperly claimed the standard deduction as well as individual expenses that include \$9,859 in Schedule A Unreimbursed Employee Expenses for "gas and repair" and \$700 in Schedule A Other Expenses for "cellphone." Ajuma never discussed expenses for going to work, gas expenses, repair expenses, cell phone expense or contribution/tithes with Customer 4 and such deductions were fabricated by Ajuma.

Customer 5 & Customer 6

67. Customer 5 and Customer 6 ("Customer 5/6") are a married couple who filed joint tax returns through Ajuma from 2016-2022.

68. On Customer 5 and 6's 2022 joint tax return, Ajuma reported \$18,118 on Schedule 1, for certain business expenses of reservists, performing artists, and fee-basis government officials. However, Customer 5 is an engineer and Customer 6 had 1099 income from a dental business, and were not entitled to deduct expenses on Schedule 1.

69. On Customer 5 and 6's 2022 tax return, Ajuma also reported \$7,850 in Schedule 1 Other Adjustments to income for "Donation, Tithes." Customer 5 reported that though he went to church every week, he only made cash donations randomly but did not have any records for his donations. Customer 5 reported that Ajuma only asked "do you do donations" and never requested dollar amounts or details and that the expenses reported on his tax return are fabricated by Ajuma.

70. On Customer 5 and 6's 2020 tax return, Ajuma reported \$8,774 in Schedule 1 Other Adjustments for "Hlth Ins Pymt" even though Customer 5 purchased health insurance for his whole family through his employer. Ajuma never discussed additional health insurance expenses with Customer 5 or 6. In fact, Customer 5's W-2 reported \$26,155 in Box 12 with code DD which only reports the aggregate amount paid by the employer and employee for health coverage and is for informational purposes only. The amounts reported on Schedule 1 for "Hlth Ins Pymt" were fabricated by Ajuma.

71. On Customer 5 and 6's 2019 tax return, Ajuma reported \$12,000 in Schedule 1 Other Adjustments to income for "Hlth Ded, Job Expe." Ajuma never discussed job expenses or health insurance with Customer 5. The amount listed on Schedule 1 are fabricated by Ajuma.

72. On Customer 5 and 6's joint 2018 tax return, Ajuma reported \$9,000 in Schedule 1 Other Adjustments to income for "Tithes" but Customer 5 and 6 report Ajuma never discussed tithes with them. This amount was fabricated by Ajuma.

Customer 7

73. Ajuma prepared the tax returns of Customer 7 from 2016-2022. During those years, Customer 7 was employed as a construction worker.

74. On Customer 7's 2022 tax return, Ajuma reported a deduction of \$8,741 in Schedule 1 Business Expenses of reservists, performing artists, and fee-basis government officials, representing 13,985 business miles driven reported on Form 2106 Employee Business expenses. Customer 7 is not one of these categories of employees eligible to claim such expenses. Ajuma also never discussed business or mileage expense with Customer 7, and these expenses were wholly fabricated by Ajuma.

75. Additionally, on Customer 7's 2022 tax return, Ajuma reported \$6,050 Other Adjustments to income for "Tithes, Donations" but Ajuma never discussed tithe or donations with Customer 7, and this amount was fabricated by Ajuma.

76. On Customer 7's 2021 tax return, Ajuma reported a deduction of \$4,393 in Schedule 1 Business Expenses of reservists, performing artists, and fee-basis government officials, representing 7,845 business miles driven. Not only is Customer 7 the type of employee who might be eligible to claim such expenses, but Ajuma never discussed mileage driven on his personal vehicle for employment with Customer 7. This amount was fabricated by Ajuma.

77. On Customer 7's 2020 tax return, Ajuma reported a deduction of \$14,250 in Schedule 1 Other Adjustments to income for "Hlth Ins, Child Su." Customer 7 confirmed Ajuma never discussed health insurance with him and that he paid health insurance through his employer and was not eligible to take a deduction for health insurance on Schedule 1. Customer 7 did child support, but child support is not a tax-deductible expense. The amount reported as "Hlth Ins, Child Su." was fabricated by Ajuma.

78. On Customer 7's 2019 tax return, Ajuma reported \$13,025 in Schedule 1 Other Adjustments to income for "Tools and Equipme." Ajuma never discussed \$13,025 in expenses

on tools and equipment for business with Customer 7. Ajuma fabricated the amount reported on the 2019 tax return.

79. On Customer 7's 2017 tax return, Ajuma reported Schedule A Unreimbursed Business Expenses in the amount of \$6,012 and \$25,951 in Schedule A Other Expenses, comprised of \$14,526 for "Gas and Repair" and \$11,425 in "Construction Equipment." Ajuma never discussed these expenses with Customer 7, and those expenses were fabricated by Ajuma.

80. On Customer 7's 2016 tax return, Ajuma reported \$6,012 in Schedule A Unreimbursed Employee Expenses for 8,975 business miles on his personal vehicle and \$1,450 in "cellphone." Customer 7's 2016 tax return also reported \$26,635 in "Schedule A Other Expenses" comprised of \$16,421 in "Gas and Repair" and \$10,214 in "Construction Equipment." Customer 7 never incurred these expenses nor did he tell Ajuma he had. These expenses were fabricated by Ajuma.

Overstated Residential Energy Credits

81. The residential energy credit allows a tax break for certain energy-efficient expenditures. The amount of the credit depends on the type of expenditure. 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 December 31, 2023, a taxpayer is entitled to a credit of up to 30 percent of the cost of expenditures that fit into these categories. Other types of energy-efficient expenditures are also eligible for the credit, but at reduced amounts.

82. Although there are changes to the formula for calculating the credit for property placed into service in 2020 or later, the credit remains available and susceptible to abuse by unscrupulous return preparers.

83. Ajuma routinely falsifies or misclassifies home improvements to claim wrongful residential energy credits. Ajuma prepared tax returns claiming residential energy credits (“REC”), as follows:

Processing Year	# of Returns	# of REC Returns	% of REC returns
2019	1484	228	15%
2020	1542	355	23%
2021	1781	298	17%
2022	1535	33	2%
2023	1481	36	2%
2024	1460	96	7%

84. The following table includes several examples from Ajuma’s customers already identified above:

Customer	Tax Year	Amount of Residential Energy Credit Claimed
1	2019	\$1,956
2	2020	\$1,227
3	2019	\$1,950
7	2020	\$1,690
7	2019	\$2,250
7	2018	\$2,940
Total: \$12,013		

85. On Customer 1’s 2019 tax return, Ajuma reported that he paid \$6,520 for a geothermal heat pump, resulting in a credit of \$1,956. Ajuma never discussed a geothermal heat pump with Customer 1, nor did Customer 1 buy one or even know what a geothermal heat pump was. Ajuma fabricated this expense on Customer 1’s 2019 tax return.

86. On Customer 2’s 2020 tax return, Ajuma reported \$5,500 in qualified solar electric property costs which resulted in a tax credit of \$1,227. However, Ajuma never

discussed solar expenditures with Customer 2. Ajuma fabricated the solar expenditures to lower Customer 2's 2020 tax liability.

87. On Customer 3's 2019 tax returns, Ajuma reported \$6,500 in qualified solar electric property costs, resulting in a \$1,950 in residential energy credit. However, Customer 3 reports that he was renting a house and would not have been allowed to install solar powered improvements. Ajuma never discussed solar improvements with Customer 3, and these amounts were fabricated by Ajuma.

88. On Customer 7's 2018, 2019, and 2020 tax returns, Ajuma reported qualified solar electric property expenditures in that amount of \$9,800, \$7,500, and \$6,500, respectively. These claimed expenditures resulted in residential energy credits of \$2,940, \$2,250, \$1,690, respectively. However, Customer 7 never had those expenditures, and Ajuma never discussed solar electric property expenditures with Customer 7. Ajuma fabricated these expenditures in order to decrease Customer 7's tax liability in each of those years.

Bogus Child Tax Credit and Education Expenses

89. The child tax credit and the additional child tax credit are both available to taxpayers with qualifying children. If a taxpayer pays someone else to care for their qualifying child while the taxpayer works, the taxpayer may also be eligible to claim the child and dependent care credit. Ajuma prepares returns for customers that claim both of these credits even when the customer is not entitled to them.

90. Ajuma also claims bogus education expenses and falsely claims both nonrefundable and refundable education credits, including the American Opportunity Tax Credit ("AOTC") on returns he prepares.

91. The AOTC—formerly the Hope Scholarship Credit—is 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 tax shown due. The educational institution provides the taxpayer and the IRS with a Form 1098-T that reports qualified expenses.

92. Ajuma prepared Forms 8863 “Education Credits” that he attached to the tax returns he prepared for his customers, even though those customers did not qualify for the credits that Ajuma claimed for them.

93. Tax Returns prepared by Ajuma reporting child and dependent care credit returns and AOTC’s returns:

Processing Year	# of Returns	# of Nonrefundable AOTC	% Non-refundable AOTC	AOTC Credit Returns	% of AOTC Credit Returns	Child Care & Depd. Care Returns	% of Child Care & Depd. Care Returns
2019	1484	253	17%	333	22%	44	3%
2020	1542	282	18%	370	24%	44	3%
2021	1781	240	13%	318	18%	51	3%
2022	1535	284	19%	336	22%	14	1%
2023	1481	391	26%	475	32%	124	8%
2024	1459	381	26%	471	32%	137	9%

94. On Customer 1’s 2022 tax return, Ajuma reported \$750 in qualified education expenses for attending Dallas County Community College (“DCCC”). However, Ajuma never discussed education expenses or attending DCCC with Customer 1. Ajuma fabricated the education expenses to lower Customer 1’s tax liability.

95. On Customer 2's 2017, 2018, 2020, 2021, and 2022's tax returns, Ajuma included Form 2441 Child and Dependent Care Expenses, reporting expenses in the amount of \$4,550, \$7,238, \$6,000, \$8,5000, and \$6,000 respectively, paid to "Courtyard Learning." However, Ajuma never discussed any after school program with Customer 2, and the expenses reported by Ajuma on that Form 2441 are fabricated because Customer 2's dependent children did not attend any such program.

96. On Customer 3's 2022 tax return, Ajuma included Form 2441 reporting expenses of \$8,610 for his dependent children paid to "La Petite Academy" in Fort Worth, TX resulting on a \$1,200 credit to Customer 3 for child and dependent care expenses. Customer 3 reports that he did not know a La Petite Academy and that he did not pay tuition or send his child to daycare in 2022. Ajuma never discussed child or dependent care expenses with Customer 3 and the expenses reported on Form 2441 were fabricated by Ajuma.

97. On Customer 4's 2022 tax return, Ajuma included Form 2441 reporting expenses of \$3,000 to "Alphabest Education" for her dependent grandchild resulting in a credit of \$810. However, Ajuma never discussed tuition or qualified childcare expenses with Customer 4 and these expenses were fabricated by Ajuma.

98. On Customer 5 and 6's 2018 tax return, Ajuma included Form 2441 reporting child and dependent care expenses to New Life Fellowship in Euless, TX of \$10,000 and \$6,000, respectively, which resulted in credits to Customers 5 and 6 in the amount of \$1,200 and \$600, respectively. Customer 5 reports that he and his family have lived in Sachse, TX since 2016 and have always worked in the Richardson and Dallas area and never sent their kids to New Life Fellowship located in Euless, TX. Ajuma never discussed child and dependent care expense with Ajuma and the expenses reported by Ajuma on Form 2441 are fabricated.

99. On Customer 7's 2021 and 2022 tax returns, Ajuma reported that Customer 7 had expenses from attending DCCC in the amount of \$4,000 each year, giving Customer 7 a \$1,000 in refundable education credit and \$1,500 in non-refundable credit each year. Customer 7 never attended DCCC or spent \$4,000 in education expenses nor did he tell Ajuma that he did. Ajuma fabricated these expenses.

Harm to the United States

100. Ajuma's preparation of tax returns making incompetent, negligent, reckless, and fraudulent claims harms the United States Treasury. These practices harm the public because Ajuma prepares false or fraudulent tax returns that understate his customers' correct income tax liabilities and cause customers to incorrectly report their federal tax liabilities and underpay their taxes.

101. Ajuma's return practices harm the United States Treasury by causing lost tax revenue.

102. Ajuma harms his customers by charging fees for the preparation of accurate tax returns, but instead he prepares tax returns with fabricated or exaggerated items that understate his customers' tax liabilities and claim refunds to which the customers are not entitled. In doing so, Ajuma causes his customers to incorrectly report their federal tax liabilities and underpay their taxes.

103. Ajuma's unlawful practices further harm the United States because the IRS must devote its resources to investigating his activities. The IRS expends time and resources to ascertain his customers' correct tax liabilities, recover any refunds erroneously issued, and collect any additional taxes and penalties. Consequently, identifying and recovering all lost tax revenues resulting from Ajuma's activities may be impossible.

104. Ajuma's illegal conduct also harms honest tax return preparers because, by preparing tax returns that unlawfully inflate their customers' refunds, Ajuma gains a competitive advantage over tax return preparers who prepare returns in accordance with the law. Customers who are satisfied with the tax refunds they receive but are often unaware of Ajuma's illegal return preparation practices return to Ajuma for subsequent tax seasons.

105. In addition to the direct harm cause by preparing tax returns that understate customers' tax liabilities and/or overstate their refunds, Ajuma's activities undermine confidence in the federal tax system. Ajuma's activities also encourage noncompliance with the internal revenue laws by failing to confirm with his customers that their returns honestly and accurately reflected the information they provided.

106. The IRS interviewed 76 taxpayers, corresponding to 187 returns Ajuma filed between 2018-2022, to determine the accuracy of their federal income tax returns. A chart summarizing the result of those interviews is as follows:

Tax Year	2018	2019	2020	2021	2022	Total
Total # of Interviews	37	40	64	17	29	187
# of returns with false items	34	36	55	16	24	165
Percentage of returns with false items	92%	90%	86%	94%	83%	88%
Total tax loss based on interviews	\$82,259	\$113,551	\$148,577	\$58,140	\$69,935	\$472,462
Average Tax Loss per adjusted return	\$2,419	\$3,154	\$2,701	\$3,634	\$2,914	\$2,863.41
Known number of returns prepared by Ajuma	1484	1542	1781	1533	1481	7,821
Estimated number of returns with changes to liability	1364	1388	1531	1443	1226	6,952
Estimated tax harm per year	\$3,299,250	\$4,377,385	\$4,134,619	\$5,242,860	\$3,571,510	\$19,906,426

107. The total loss to the United States based on those interviews is \$472,462. The estimated loss to the United States, if the IRS were able to audit all of the tax returns Ajuma prepared from 2018-2022, and a similar percentage contained false items, is nearly twenty million dollars, at \$19,906,426.

COUNT I: INJUNCTION UNDER 26 U.S.C. § 7407 FOR CONDUCT SUBJECT TO
PENALTY UNDER 26 U.S.C. §§ 6694 and 6695

108. The United States incorporates by reference the allegations contained in paragraphs 1-107.

109. Section 7407 of the Internal Revenue Code authorizes a district court to enjoin a person who is a tax return preparer from engaging in certain conduct or from further acting as a tax return preparer. The prohibited conduct justifying an injunction includes:

- a. Engaging in conduct subject to penalty under I.R.C. § 6694(a), which penalizes a tax return preparer who prepares a return that contains an understatement of a refund or credit due to an unreasonable position that the preparer knew or should have known was unreasonable;
- b. Engaging in conduct subject to penalty under I.R.C. § 6694(b), which penalizes a tax return preparer who prepares a return that contains an understatement of tax liability or an overstatement of a refund or credit due to an unreasonable position that the preparer knew or should have known was unreasonable;
- c. Engaging in conduct subject to penalty under I.R.C. §§ 6695(g), which penalizes a tax return preparer who does not exercise due diligence in determining eligibility for earned income tax credits; and
- d. Engaging in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of the internal revenue laws.

110. To issue an injunction, the court must find (1) that the preparer engaged in the prohibited conduct and (2) that injunctive relief is appropriate to prevent the recurrence of the conduct.

111. If a tax return preparer's conduct is continual or repeated and the court finds that a narrower injunction would not be sufficient to prevent the preparer's interference with the proper administration of the internal revenue laws, the court may permanently enjoin the person from acting as a tax return preparer. *See* I.R.C. § 7407(b).

112. Ajuma has continually and repeatedly engaged in conduct subject to penalty under I.R.C. § 6694 by preparing returns that understate his customers' tax liabilities and overstate their refunds and credits. As described above, Ajuma prepares returns that claim deductions for expenses not incurred by his customers and credits to which the taxpayers are not entitled. Ajuma does so with the knowledge that the positions he takes on tax returns are unreasonable and lack substantial authority. Ajuma thus engages in conduct subject to penalty under I.R.C. § 6694(a).

113. Additionally, Ajuma engages in conduct subject to penalty under I.R.C. § 6694(b) by willfully understating customers' liabilities and acting with a reckless and intentional disregard of rules and regulations.

114. Ajuma has also engaged in conduct subject to penalty under I.R.C. § 6695(g) by repeatedly failing to exercise due diligence in determining the eligibility of his customers to claim the EITC.

115. Ajuma's conduct substantially interferes with the administration of the internal revenue laws. Injunctive relief is necessary to prevent this misconduct because, absent an injunction, Ajuma is likely to continue preparing false federal income tax returns. Indeed, the

IRS has assessed multiple penalties against Ajuma for his understatement of his customers' liabilities and his failure to exercise due diligence in determining his customers' eligibility to claim the EITC. Ajuma received numerous other warnings regarding his problematic return preparation practices. The warnings and penalties have had no effect on Ajuma's practices, and Ajuma continues to prepare tax returns that understate his customers' liabilities and claim false or inflated credits and other deductions.

116. A narrower injunction would be insufficient to prevent Ajuma's interference with the administration of the internal revenue laws. Ajuma prepares tax returns understating his customers' liabilities through multiple schemes that report false information on their customers' tax returns. In addition, the IRS may not yet have identified all the schemes used by Ajuma to underestimate liabilities and overstate refunds and credits. Without a permanent injunction against Ajuma, the IRS will be required to spend additional resources to uncover all his future schemes. The harm resulting from these schemes includes both the expenditure of these resources and the revenue loss caused by the improper deductions and credits Ajuma claims on tax returns he prepares. Accordingly, only a permanent injunction is sufficient to prevent future harm caused by Ajuma acting as a tax return preparer.

COUNT II: INJUNCTION UNDER I.R.C. § 7408 FOR
CONDUCT SUBJECT TO PENALTY UNDER I.R.C. § 6701

117. The United States realleges paragraphs 1 through 107.

118. Section 7408 of the Internal Revenue Code authorizes a district court to enjoin any person from engaging in conduct subject to penalty under I.R.C. § 6701.

119. Section 6701 of the Internal Revenue Code penalizes a person who aids or assists in the preparation of tax returns that the person knows will result in an understatement of tax liability.

120. Ajuma engages in conduct subject to penalty under I.R.C. § 6701 by knowingly and willfully preparing, aiding, or assisting in the preparation of income tax returns that claim credits and deductions that he knows to be improper, false, or inflated as thoroughly described above.

121. If the Court does not enjoin Ajuma, he is likely to continue engaging in conduct subject to penalty under I.R.C. § 6701. The preparation and filing of tax returns claiming improper credits and deductions is widespread over many customers and tax years. Injunctive relief is appropriate under I.R.C. § 7408 to prevent recurrence of this conduct.

COUNT III: INJUNCTION UNDER I.R.C. § 7402 FOR UNLAWFUL
INTERFERENCE WITH THE ENFORCEMENT OF INTERNAL REVENUE LAWS

122. The United States realleges paragraphs 1 through 107.

123. Section 7402(a) of the Internal Revenue Code authorizes a court to issue orders of injunction as may be necessary to appropriate for the enforcement of the internal revenue laws.

124. Ajuma repeatedly and continually engages in conduct that interferes substantially with the administration and enforcement of the internal revenue laws.

125. If Ajuma continues to act as a tax return preparer, his conduct will result in irreparable harm to the United States, and the United States has no adequate remedy at law.

126. Ajuma's conduct has caused, and will continue to cause, substantial tax losses to the United States Treasury, much of which may be undiscovered and unrecoverable. The IRS will have to devote substantial an unrecoverable time and resources auditing customers individually to detect understated liabilities and overstated refund claims, unless the Court enjoins Ajuma's activities.

127. The detection and audit of erroneous tax credits and deductions claimed on tax returns prepared by Ajuma would be a significant burden on IRS resources and it is not even possible for the IRS to identify or audit to determine all of the deficiencies or collect them.

128. Injunctive relief is appropriate because any harm to Ajuma caused by an injunction preventing him from continuing his illegal schemes is substantially outweighed by the harm he causes to the United States and to the public. Further, an injunction stopping Ajuma's illegal activity is in the public interest.

RELIEF REQUESTED

WHEREFORE, the United States respectfully requests that the Court:

- A. Find that Ajuma has repeatedly and continually engaged in conduct subject to penalty under I.R.C. §§ 6694 and 6695, injunctive relief is appropriate under I.R.C. § 7407 to prevent recurrence of that conduct, and a narrower injunction would not be sufficient to prevent the recurrence of Ajuma's conduct;
- B. Find that Ajuma has repeatedly and continually engaged in conduct subject to penalty under I.R.C. § 6701 and that injunctive relief is appropriate under I.R.C. § 7408 to prevent recurrence of that conduct;
- C. Find that Ajuma has repeatedly and continually engaged in conduct that substantially interferes with the proper enforcement and administration of the internal revenue laws and that injunctive relief is appropriate under I.R.C. § 7402(a) and this Court's equitable authority to prevent recurrence of that conduct;
- D. Enter a permanent injunction, pursuant to I.R.C. §§ 7402(a), 7407, and 7408 prohibiting Ajuma, and any other person or entity working in concert or participation with him, from directly or indirectly:

- a. acting as a federal tax return preparer or requesting, 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 themselves unless the entity for which a return is being prepared is an entity for which defendant is legally obligated to file a tax return;
- b. owning, operating, managing, working for, investing in, volunteering for, consulting for, providing capital or loans to, receiving fees or remuneration from, controlling, licensing, consulting with, or franchising a tax return preparation business;
- c. training, instructing, teaching, and creating or providing cheat sheets, memoranda, directions, instructions, or manuals, pertaining to the preparation of federal tax returns;
- d. maintaining, assigning, holding, using, leasing, or obtaining a Preparer Tax Identification Number (PTIN) or an Electronic Filing Identification Number (EFIN);
- e. advising, counseling, or instructing anyone for compensation or otherwise regarding substantive tax law or the preparation of federal tax returns;
- f. engaging in any other activity subject to penalty under I.R.C. §§ 6694, 6695, 6700, or 6701;
- g. advertising tax return preparation services through any medium, including print, online, and social media;

- h. referring any taxpayer to a tax preparation firm or to a tax return preparer, or otherwise suggesting that a taxpayer use any given tax preparation firm or any tax return preparer;
 - i. selling, providing access, or otherwise transferring to any person or entity other than the IRS or counsel for the United States a list of tax preparation customers, that Defendant generated by his tax return preparation activities;
 - j. using any business entity, to (a) assist in the preparation of a tax preparation business; or (b) receive federal tax refunds, whether directly from the IRS, or indirectly, through a third-party entity, or any other tax refund processor;
 - k. collecting or gathering Forms W-2 and Forms 1099 from taxpayers or from customers who want to have a federal tax return prepared;
 - l. 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 the internal revenue laws, including federal tax returns, amended federal tax returns and related documents, for any person for compensation;
 - m. 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 or representing persons before the Internal Revenue Service;
- E. That the Court enter an order requiring Defendant to send, at his own expense, by certified mail, return receipt requested, within 30 days of the Court's order, and, if an email address is known also by email, to (1) all persons for whom he has prepared federal

tax returns, amended tax returns, or claims for refund since January 1, 2020; (2) all business partners, associates, landlords, employees or independent contractors that Defendant has had since January 1, 2020; and (3) all tax preparation tax software providers from whom defendant has purchased or licensed any tax preparation software since January 1, 2020, a copy of the order of permanent injunction, with no other enclosures, unless the enclosure(s) is approved by the Department of Justice;

- F. That the Court enter an order requiring Defendant to prominently and continuously from at least January 1 through April 16 of each year post a copy of its permanent injunction (with dimensions of at least 12 by 24 inches) at all the locations where Defendant conducts business, including, but not limited to, posting a copy at 609 Airport Freeway, Suite 303, Hurst, Texas 76053;
- G. That the Court enter an order requiring Defendant to post on all social media accounts and websites used to advertise his tax preparation services: “John T. Ajuma aka John Trobisch, has been permanently enjoined from preparing federal income tax returns by the United States District Court for the Northern District of Texas. See the U.S. Department of Justice, Tax Division’s website for further information.” This statement will include a hyperlink, which will be provided by counsel for the United States, to any press release regarding the injunction that the Department of Justice may issue. Ajuma, individually and dba Momentum Tax Express and/or Destiny Tax Service, shall not deactivate any such social media accounts for at least one year after entry of judgment;
- H. That the Court enter an order requiring Defendant, to produce to counsel for the United States, within 30 days of the Court’s order, a list that identifies by name, social security number, address, email address, and telephone number and tax period(s) all persons for

whom Defendant, prepared federal tax returns or claims for a refund, for calendar years beginning in 2020 and continuing through this litigation;

- I. That the Court enter an order requiring Defendant to surrender to the Secretary of the Treasury or his delegate all PTINs held by, assigned to, or used by him pursuant to 26 U.S.C. § 6109, as well as any EFINs held by, assigned to, or used by him;
- J. That the Court enter an order prohibiting Defendant from applying for, and from directing others to apply for, an EFIN or a PTIN;
- K. That the Court enter an order requiring Defendant, within 60 days of the Court's order, to file a declaration, signed under penalty of perjury, confirming that he has received a copy of the Court's order and has timely complied with the terms described in paragraphs E, F, G, and H of the Order;
- L. That the Court enter an order requiring Defendant to keep records of his compliance with the foregoing directives, which may be required to be produced to the Court, if requested, or to the United States;
- M. That this Court enter an order that permits the United States to conduct post-judgment discovery to ensure Defendant's compliance with the permanent injunction; and
- N. That this Court grant the United States such other relief as the Court deems appropriate.

Dated: 9/19/2024

Respectfully Submitted,

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