

FILED

IN THE UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

2017 JAN -9 PM 3: 53

UNITED STATES OF AMERICA,

Plaintiff,

v.

Civil No.

YVES DEMESMIN; UNIK TAX REFUND,)
 LLC; YVESDEMESMIN, LLC; JOSEPH)
 DEMESMIN; UJM TAX SERVICES, LLC;)
 ELIE DORCEUS; LOYAL EXPERIENCE)
 DEPENDABLE TAX SERVICE, LLC; LED)
 FINANCIAL SERVICE, LLC; MARIO COOPER;)
 DIA FLEMING; and DIA I. FLEMING, LLC,)

Defendants.

US DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO, FLORIDA

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER RELIEF

The United States of America, for its complaint against Yves Demesmin, Joseph Demesmin, Mario Cooper, Dia Fleming, Elie Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, alleges the following:

1. This is a civil action brought by the United States under 26 U.S.C. §§ 7402, 7407, and 7408 to enjoin Yves Demesmin, Joseph Demesmin, Mario Cooper, Dia Fleming, Elie Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, and anyone in active concert or participation with them, from:

- a. acting as federal tax return preparers 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;

- b. preparing or assisting in preparing federal tax returns that they know or reasonably should know would result in an understatement of tax liability or the overstatement of federal tax refund(s) as penalized by 26 U.S.C. § 6694;
- c. owning, operating, managing, working in, investing in, providing capital or loans to, receiving fees or remuneration from, controlling, licensing, consulting with, or franchising a tax return preparation business;
- d. training, instructing, teaching, and creating or providing cheat sheets, memoranda, directions, instructions, or manuals, pertaining to the preparation of federal tax returns;
- e. maintaining, assigning, holding, using, or obtaining a Preparer Tax Identification Number (PTIN) or an Electronic Filing Identification Number (EFIN);
- f. engaging in any other 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 any conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws.

This action also seeks, under 26 U.S.C. § 7402, an order requiring Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC to disgorge to the United States the gross receipts that Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC received (in the form of tax preparation fees) for the preparation of federal tax returns making grossly incompetent, negligent, reckless, false, and/or fraudulent claims.

Authorization

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

Jurisdiction and Venue

3. Jurisdiction is conferred on this Court by 28 U.S.C. §§ 1340 and 1345 and 26 U.S.C. § 7402(a).

4. Venue is proper in this Court under 28 U.S.C. § 1391(b)(1) because Yves Demesmin, Cooper, Fleming, and Dorceus reside in this district. Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC are registered with the Florida Secretary of State and conduct business in this judicial district. All, or a substantial part, of the activities giving rise to this suit occurred in this judicial district.

Defendants

5. Yves Demesmin resides in Mt. Dora, Florida.

6. In 2011, Yves Demesmin incorporated YvesDemesmin, LLC with the State of Florida.

7. In 2013, Yves Demesmin incorporated Unik Tax Refund, LLC with the State of Florida. YvesDemesmin, LLC and Unik Tax Refund, LLC are inactive according to Florida Secretary of State records. Yves Demesmin was the sole member of both YvesDemesmin, LLC and Unik Tax Refund, LLC.

8. Yves Demesmin, directly and through YvesDemesmin, LLC and Unik Tax Refund, LLC, owns and operates (or has owned and operated) tax preparation stores in Florida under the names LBS Tax Services (2012 and 2013) and Unik Tax Refund (2014 to the present). In 2014 and 2015, Unik Tax Refund stores prepared at least 1,398 and 817 federal income tax returns, respectively.

9. Joseph Demesmin resides in Boca Raton, Florida.

10. In 2015, Joseph Demesmin incorporated UJM Tax Services, LLC with the State of Florida.

11. Elie Dorceus resides in Boynton Beach, Florida.

12. In 2013, Dorceus incorporated LED Financial Service, LLC with the State of Florida. Dorceus is the sole member of LED Financial Service, LLC. LED Financial Service, LLC is inactive according to Florida Secretary of State records.

13. In 2014, Dorceus incorporated Loyal Experience Dependable Tax Service, LLC with the State of Florida. Dorceus is an authorized member of Loyal Experience Dependable Tax Service, LLC. Joseph Demesmin is a manager of Loyal Experience Dependable Tax Service, LLC. Loyal Experience Dependable Tax Service, LLC is inactive according to Florida Secretary of State records.

14. Joseph Demesmin and Dorceus, directly and through Loyal Experience Dependable Tax Service, LLC and LED Financial Service, LLC, own and operate (or have owned and operated) tax preparation stores in Florida under the name LED Tax Services. In 2015, LED Tax Services stores prepared at least 402 tax returns.

15. Joseph Demesmin, directly and through UJM Tax Services, LLC, owns and operates (or has owned and operated) tax preparation stores in Florida under the name UJM Tax Services. In 2016, UJM Tax Services stores prepared at least 530 federal income tax returns.

16. Mario Cooper resides in Palm Coast, Florida.

17. Dia Fleming resides in Palm Coast, Florida.

18. In 2014, Fleming incorporated Dia I. Fleming LLC with the State of Florida. Cooper and Fleming, directly and through Dia I. Fleming, LLC, own and operate tax preparation stores in Florida under the name D&M Tax Solutions. In 2015 and 2016, respectively, at least 233 and 304 federal income tax returns were filed identifying Dia I. Fleming, LLC, as the tax preparer firm. In 2015, all 233 filed tax returns claimed a refund; in 2016, all but two of the 304 filed tax returns claimed a refund.

19. Yves Demesmin, Joseph Demesmin, Mario Cooper, Dia Fleming, and Elie Dorceus all prepare tax returns for compensation. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus employ individuals, directly or through Unik Tax Refund, LLC, Yves Demesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, who prepare tax returns for compensation.

20. The Defendants direct or encourage others to make false claims on customers' tax returns, including: fabricating business income and expenses, reporting false farming-related deductions and Fuel Tax Credits, reporting bogus education credits, inflating federal withholding taxes, and engaging in other grossly incompetent, negligent, reckless, and/or fraudulent activities that maximize customers' refunds and, in turn, the preparation fees that the Defendants receive.

Background

21. LBS Tax Services (“LBS”) began in 2008 as a tax return preparation business in Orlando operated by Walner Gachette. In 2011, Gachette began franchising the LBS name through Loan Buy Sell, Inc., a corporation organized in the State of Florida.

22. In 2012, Yves Demesmin became a District Sales Manager (“DSM”) at an LBS store located in Orange City, Florida. That store was owned by Jean R. Demesmin, Yves Demesmin’s cousin and a franchisee of LBS against whom the United States obtained an injunction barring him from preparing federal tax returns and owning and operating a tax preparation business. In addition to obtaining an injunction against Jean Demesmin, the United States obtained an order of disgorgement against him. *See United States v. Jean R. Demesmin, et al.*, Case No. 6:14-cv-1537-ACC-TBS (M.D. Fla.).

23. In 2013, after working as a DSM for Jean Demesmin, Yves Demesmin became a franchisee of an LBS store in Daytona Beach, Florida. To become a franchisee, Yves Demesmin paid Gachette a \$10,000 franchising fee and a \$5,000 marketing fee. Yves Demesmin also paid Gachette \$74 for each tax return filed at Yves Demesmin’s store. Yves Demesmin’s store prepared at least 577 tax returns in 2013.

24. In 2014, Yves Demesmin began operating tax return preparation stores under the name Unik Tax Refund, with at least 7 locations in Orlando, Daytona Beach, Deltona, Titusville, Bunnell, Cocoa, and Lake Wales, Florida.

25. Cooper was hired in 2013 to work at Yves Demesmin’s LBS Tax Services store in Daytona Beach. In 2014, Cooper worked as an Area Manager, where his job was to assist Yves Demesmin in overseeing the 7 Unik Tax Refund stores.

26. Fleming began preparing tax returns in 2014 at the Unik Tax Refund store in Cocoa, Florida.

27. Beginning with the 2015 tax filing season, Cooper and Fleming owned and operated tax return preparation stores under the name D&M Tax Solutions, with locations in Daytona Beach, Palatka, Cocoa, and Orlando. The “D&M” in D&M Tax Solutions stands for Dia and Mario.

28. Joseph Demesmin is the uncle of Jean Demesmin, Yves Demesmin, and Dorceus. Joseph Demesmin began working for Yves Demesmin in 2013 and in 2014 he worked at Unik Tax Refund.

29. Dorceus is the half-brother of Yves Demesmin. Dorceus began preparing tax returns in 2014 at the Unik Tax Refund store located in Bunnell, Florida. At least 68 tax returns prepared at Unik Tax Refund in 2014 identify Dorceus as the paid preparer.

30. Late in 2014, Dorceus and Joseph Demesmin began operating tax return preparation stores under the name LED Tax Services, with locations in Ocala, Orlando, and Gainesville, Florida. Yves Demesmin and/or Unik Tax Refund, LLC paid expenses related to the establishment of LED Tax Services. Yves Demesmin receives a “service bureau” fee for every return filed by LED Tax Services.

31. In 2016, Joseph Demesmin started his own tax preparation business, UJM Tax Services. UJM Tax Services stores are located in Daytona Beach, Deltona, Bunnell, and Rockledge, Florida.

Business Structure

32. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus utilize the business structure and business model created by LBS, which they learned working at LBS and

Unik Tax Refund. Each of the Defendants' stores are managed by an individual who may be known as a District Sales Manager. The Defendants recruit DSMs who have no prior tax preparation or business experience, including family members. DSMs, in turn, oversee office managers, tax return preparers, and marketers (employees whose sole job is to solicit customers). The Defendants, however, bears ultimate authority over their stores.

33. The Defendants do not require the DSMs and the tax return preparers that they employ to have any tax return preparation experience, knowledge of federal tax laws or accounting, or minimum education.

34. The Defendants fail to teach managers and tax return preparers crucial elements related to basic tax return preparation. The Defendants' tax return preparation training covers instruction on data entry using tax return preparation software and preparing practice tax returns so that preparers know where to enter information in the preparation software. The supplier of the tax return preparation software does not provide in-person training or training on tax law.

35. The Defendants train and instruct their tax return preparers on how to prepare tax returns that improperly claim bogus refunds based on false claims, credits, and deductions, in order to falsely and improperly maximize customers' tax refunds and to maximize the fees extracted from those refunds. The Defendants also train their tax return preparers to increase the tax return preparation fees charged to customers as they increase the customers' bogus refunds.

36. The Defendants provide instruction sheets to managers and tax return preparers that direct the preparers to input specific information into the tax preparation software to create the maximum bogus refund for customers. The Defendants also provide scripts directing employees on how to interact with customers and potential customers. This includes scripts

informing customers that they will be receiving a refund, although not all customers legally qualify for a refund.

37. The purpose of these scripts is to solicit customers and, once those customers have come in the door, to run up the tax return preparation fees by attaching unnecessary forms to the return at an additional charge to the customer. The Defendants include bogus claims, credits, and deductions on these forms to generate a higher refund for the customer, and use this higher refund to justify the additional (and often undisclosed) tax return preparation fees.

38. The Defendants deliver on their promise of a refund. For example, for tax returns listing the EIN of YvesDemesmin LLC or Unik Tax Refund, LLC as the paid preparer, 99% claimed a refund in 2014 and 100% claimed a refund in 2013, and for tax returns listing the EIN of Dia I. Fleming, LLC, 99% claimed a refund in 2016 and 100% claimed a refund in 2015.

The Defendants' Activities

39. The Defendants, and those acting in concert with them and at their direction, have created and maintained a tax preparation business that promotes and encourages the preparation of false and fraudulent federal income tax returns to generate bogus refunds and charge exorbitant fees, thereby maximizing profits at the expense of the United States Treasury.

40. Many of the Defendants' customers earn low to moderate incomes and lack knowledge regarding tax law and tax return preparation. Customers often have no knowledge that the Defendants and their tax return preparers have prepared and filed false tax returns on their behalf. For others, the tax preparers—with the Defendants' consent and urging—mislead customers about what can “legally” be claimed on their tax returns, particularly with respect to various credits and deductions, and by promising customers thousands of dollars of (illegal) refunds to convince them to have the Defendants prepare their tax returns.

41. Instead of focusing on honest and accurate tax return preparation, the Defendants' business model is result-oriented. The Defendants and their employees make grossly incompetent, negligent, reckless, and/or fraudulent claims on these forms, in order to improperly increase customers' refunds. After completing the returns, the Defendants and their employees falsely tell the customers that these forms legally increased the customers' refunds, and charge higher (and often undisclosed) fees due to the additional forms and the higher refund that the Defendants claimed. The Defendants charge customers fees for preparing the return, fees for each tax form attached to the return, and fees for filing the return. These fees are all deducted from the customer's tax refund, often without the customer being told the amount that the Defendants actually charged for preparing the tax return.

42. The Defendants typically train and instruct their employees how to request on customers' tax returns a refund amount that is not based on the customer's actual income, expenses, deductions, and applicable qualifying credits. Instead, the refund is based on fabricated income, expenses, deductions, and credits reported by the Defendants and their employees for the sake of generating an entirely false or fraudulently inflated refund from which the Defendants can subtract an exorbitant and undisclosed fee without the customers' knowledge.

43. For example, the Defendants instruct their employees to create a phony business on a customer's Form Schedule C, "Profit or Loss from Business (Sole Proprietorship)" (used to report income and expenses from a sole proprietorship), in order to report fabricated income or expenses to make a customer purportedly qualify for the maximum EITC. Yves Demesmin initially instructed his Unik Tax Refund employees, including Joseph Demesmin, Cooper,

Fleming, and Dorceus, to report on Schedules C \$10,000 in income for customers claiming one dependent child and \$16,000 in income for customers claiming two dependent children.

44. Beginning in 2014, acting at Yves Demesmin's and Cooper's direction, preparers at Unik Tax Refund, including Joseph Demesmin, Fleming, and Dorceus, began also preparing phony Forms Schedule F ("Profit or Loss from Farming," used to report farming income and expenses) to purportedly qualify a customer for the maximum EITC and to make it appear that phony claims for the Fuel Tax Credit allegedly related to farming (also reported on customers' tax returns at Yves Demesmin's and Cooper's direction) are legitimate. Yves Demesmin and Cooper similarly instructed their employees to report \$10,000 or \$16,000 on Forms Schedule F depending on the number of dependent children claimed on customers' tax returns.

45. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus, and those acting at their direction at Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, engage in negligent, reckless, fraudulent, and/or illegal practices. These practices include, but are not limited to:

- a. Making fraudulent claims for the Earned Income Tax Credit;
- b. Circumventing due diligence requirements in order to fraudulently maximize the Earned Income Tax Credit;
- c. Improperly claiming false filing status, such as Head of Household when the customer is actually married;
- d. Fabricating businesses and related business income and expenses;
- e. Fabricating itemized deductions, including for unreimbursed employee business expenses and charitable contributions
- f. Fabricating farming income and expenses;

- g. Falsely claiming Fuel Tax Credits;
- h. Falsely claiming education credits to which their customers are not entitled;
- i. Improperly preparing returns based on pay stubs rather than Wage and Income Statements Forms W-2;
- j. Failing to provide customers with a copy of the completed tax return;
- k. Guaranteeing refunds; and
- l. Charging deceptive and unconscionable fees.

“Guerilla Marketing”

46. The Defendants solicit customers through what they call “Guerilla Marketing.” “Guerilla Marketing” involves misleading advertising and aggressive in-your-face individual sales pitches, targeted at low income individuals. The purpose is to get as many potential customers in the door and prepare their tax returns with additional and unnecessary forms containing bogus claims and credits.

47. The Defendants primarily solicit business using marketing focusing on the Earned Income Tax Credit, particularly as it relates to claiming dependents. A December 27, 2014 post on a Unik Tax Refund Facebook page stated: “Got Kids? No Job? Work From Home? NO PROBLEM!!! Claim YOUR OWN KIDS! Come See Us TODAY!” A post on December 28, 2014 on the same page stated: “GOOD MORNING, You want up to \$3,305 for one child and up to \$5,460 for two? Well come on in or set up an appointment with ME today! We're accepting walk-ins/appointments ALL day! We're open 9-9 EVERYDAY! Come let us maximize your return!”

48. A January 6, 2016 tweet from D&M Tax Solutions asked: “Did you know that the IRS is giving out \$3,359 for a dependent?” Of course, the IRS does not “give” any amount for a

dependent, and any potential refund that an individual may be entitled to receive depends on a number of factors, including but not limited to whether the individual has a qualifying dependent.

49. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus instruct employees to approach potential customers and ask whether they have children, hand out business cards, put up yard signs, and lure the potential customers to their tax preparation stores with promises of large refunds. This marketing occurs predominantly at large-scale retailers and grocery stores, dollar stores, apartment complexes, public plazas, and large public events where Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus believe they can find potential customers who fit the demographic that they target.

50. Unik Tax Refund's "Guerilla Marketing" is so aggressive that the City of Daytona Beach filed suit against Unik Tax Refund, LLC in 2013, because Unik Tax Refund's posting of prohibited off-street signs violated city code provisions. The city obtained a judgment against Unik Tax Refund, LLC in the amount of \$8,000 in 2014.

51. The Defendants effectively offer guarantees to customers that they will receive tax refunds, as the Defendants' advertising suggests that customers with children will receive a tax refund if they have their tax return prepared at the Defendants' stores. Guaranteeing the payment of any tax refund or the allowance of any tax credit violates 26 U.S.C. § 7407(b)(1)(C). Consistent with its advertisements, the Defendants' tax return preparation practices ensure that customers do receive a refund, frequently based on bogus claims for the Earned Income Tax Credit.

Earned Income Tax Credit Fraud and Failure to Comply with Due Diligence Requirements

52. The Defendants, and their employees acting at their direction and with their knowledge and consent, prepare tax returns that include fraudulent claims for the Earned Income Tax Credit (“EITC”) often based on fabricated business income and expenses, bogus or improperly-claimed dependents, and/or false filing status.

53. The EITC is a refundable tax credit available to certain low-income working people. The amount of the credit is based on the taxpayer’s income, filing status, and claimed number of dependents. *See* 26 U.S.C. § 32 and the accompanying Treasury Regulations. Because the EITC is a refundable credit, claiming an EITC can, in certain circumstances, reduce a taxpayer’s federal tax liability below zero, entitling the taxpayer to a payment from the U.S. Treasury.

54. Due to the method used to calculate the EITC, an individual can claim a larger EITC by claiming multiple dependents and, for certain income ranges, individuals with higher earned income are entitled to a larger credit than those with lower earned income. The amount of the credit increases as income increases between \$1 and \$13,650, and decreases as income increases beyond \$17,830. Some tax preparers who manipulate reported income to maximize the EITC refer to this range of earned income corresponding to a maximum EITC as the “sweet spot” or “golden range.” For tax year 2014, the maximum EITC was \$6,143 and was available to eligible individuals with three dependent children who earned income between \$13,650 and \$17,830.

55. Because of the way the EITC is calculated, reporting more income, up to a certain point, allows customers to receive a larger refundable credit. Similarly, claiming losses to offset

higher income to decrease the total reported income and to fall within the “sweet spot” allows customers to claim a larger refundable credit.

56. The Defendants, and their employees acting at their direction and with their knowledge and consent, falsify information to claim the maximum EITC for customers. For example, to bring the customer’s reported earned income within the “sweet spot” for the EITC, and depending on a customer’s actual income, the Defendants and their employees inflate or fabricate Schedule C income to fraudulently increase customers’ reported earned income, or claim bogus Schedule C expenses to fraudulently decrease customers’ reported earned income.

57. Reporting bogus income not only improperly enables the Defendants to falsely claim the EITC, but to fraudulently claim other credits as well, including the Child Tax Credit.

58. Because of the potential for abuse in claiming the EITC, Congress has authorized the Secretary of the Treasury to impose “due diligence” requirements on federal tax return preparers claiming the EITC for their customers. *See* 26 U.S.C. § 6695(g). These “due diligence” requirements obligate the tax return preparer to make “reasonable inquiries” to ensure the customer is legitimately entitled to the EITC. The tax return preparer may not “ignore the implications of information furnished to, or known by, the tax return preparer, and must make reasonable inquiries if the information furnished to the tax return preparer appears to be incorrect, inconsistent, or incomplete.” *See* 26 C.F.R. § 1.6695-2 (2011). Tax return preparers must also document their compliance with these requirements and keep that documentation for three years. *Id.*

59. The Defendants, and their employees acting at their direction and with their knowledge and consent, utterly fail to comply with the due diligence requirements. The conduct of the Defendants shows an intentional disregard for the tax laws and in particular for the due

diligence requirements, and demonstrates their unwillingness to comply with the requirements. Not only do the Defendants, and their employees acting at their direction and with their knowledge and consent, fail to adhere to the due diligence requirements, but they are falsifying information in order to maximize the EITC for their customers.

Intentionally Claiming an Improper Filing Status and Bogus Dependents

60. The Defendants, and their employees acting at their direction and with their knowledge and consent, prepare tax returns reporting false filing status. Specifically, Head of Household filing status is claimed on customers' tax returns to increase the amount of the customers' standard deduction, even though the Defendants and their managers and preparers are aware that the customer does not qualify for Head of Household filing status.

61. The Defendants, and their employees acting at their direction and with their knowledge and consent, file separate returns for married couples who are not living apart, improperly using the "head-of-household" or "single" filing status, both of which are unavailable to married couples living together. Often, this is an attempt to increase the claimed EITC; a qualifying couple with at least two children who, together, might otherwise receive a single EITC refund of \$5,000 by properly claiming "married, filing jointly," may instead each receive a refund of \$3,000 or more, by both falsely claiming Head of Household or single status and each claiming at least one dependent.

62. Additionally, the Defendants, and their employees acting at their direction and with their knowledge and consent, claim dependents who do not actually qualify as dependents on customers' tax returns, and then claim Head of Household filing status to increase the customers' refunds through both the false filing status and fraudulent EITC claim based on the bogus dependents.

Fabricated Schedule C Business Income and Expenses

63. The Defendants, and their employees acting at their direction and with their knowledge and consent, prepare tax returns reporting non-existent businesses on bogus Forms Schedule C. On some of these returns, the Defendants, and their employees acting at their direction and with their knowledge and consent, report substantial income, but little or no expenses. On other returns, the Defendants, and their employees acting at their direction and with their knowledge and consent, report substantial expenses, but little or no income. The determining factor is whether the tax return preparer needs to inflate a customer's income (or create income when the customer has none) to bring the reported income within the EITC "sweet spot," or to lower the taxable income of a customer who has actual income (such as wages reported on a W-2) in order to either bring the income within the EITC "sweet spot" or simply to create a phony business loss to offset the customer's wages and falsely or fraudulently reduce the customer's income tax liability.

64. For example, Customers 1 and 2 ("C1" and "C2") of East Palatka, Florida had their 2014 federal income tax return prepared at the Unik Tax Refund store located at 501 N. State St., Bunnell, Florida. C1 worked as a foreman and received a Form W-2 that he provided to the tax return preparer. C2 was not employed. The Unik Tax Refund preparer falsely reported on the Schedule C attached to the tax return that C1 owned a business, unidentified by type of business but listing the business name as Builders Firstsource Florida (C1's employer). The preparer claimed that C1 did not receive any gross receipts but incurred car and truck expenses in the amount of \$10,080. C1 and C2 did not tell the preparer that C1 owned his own business or incurred any business-related expenses. This phony business loss fraudulently reduced the

reported income on C1's and C2's tax return and resulted in their tax return claiming an inflated EITC in the amount of \$5,508 and a bogus refund of \$14,242.

65. The Defendants provide their preparers, at the time of preparing a customer's return, with fabricated numbers to place on a Form Schedule C to maximize a customer's refund. The Defendants provide "number ranges" to preparers that the preparers tape on the desk next to their computers; these "number ranges" direct what fabricated numbers to input into the software to generate a phony Schedule C that would fraudulently maximize a customer's refund.

66. Even when customers are actually self-employed, the Defendants, and their employees acting at their direction and with their knowledge and consent, ignore the actual income earned and expenses incurred by the customer and report a fabricated gross income amount to generate a maximum, false claim for the Earned Income Tax Credit. For example, Customer 3 ("C3") of Sanford, Florida had her 2014 federal income tax return prepared at the Unik Tax Refund store located at 2031 Saxon Blvd., Deltona, Florida. C3 went to Unik Tax Refund because the preparer's sister told C3 that she could get more money back by going to Unik Tax Refund. In 2014, C3 was self-employed doing hair braiding and weaving. C3 kept records of her income and expenses. However, when C3 went to Unik Tax Refund, the preparer did not look at C3's income and expenses records, but instead falsely told C3 that there was a tax "bracket" for hair dressers. C3 therefore did not give the preparer any documents related to her business. The preparer then reported fabricated numbers on the Schedule C attached to C3's tax return, claiming that C3 received income from her hair business in the amount of \$15,500 and incurred only \$155 in expenses. The fabricated business net profit of \$15,345 reported on the return resulted in C3's 2014 tax return falsely claiming an EITC in the amount of \$5,460 and a bogus refund of \$4,981.

67. Similarly, Customer 4 (“C4”) of Winter Springs, Florida had her 2014 federal income tax return prepared at the Unik Tax Refund store located at 2031 Saxon Blvd., Deltona, Florida. In 2014, C4 was self-employed cleaning houses. She maintained a notebook of her income and her expenses for supplies and gas. When C4 went to Unik Tax Refund, she informed the preparer that she had records showing her income and expenses. However, the preparer told C4 that she did not need to see C4’s records. The preparer then reported fabricated numbers on the Schedule C attached to C4’s tax return, claiming that C4 received income from her cleaning business in the amount of \$15,580 and incurred only \$155 in expenses (the exact same amount of expenses reported on C3’s 2014 tax return). The fabricated business net profit of \$15,425 reported on the return resulted in C4’s 2014 tax return falsely claiming an EITC in the amount of \$5,460 and a bogus refund of \$4,981 – the exact same EITC and refund claimed on C3’s tax return.

68. Customer 18 (“C18”) of Ocala, Florida had her 2014 federal income tax return prepared at the LED Tax Services store located at 2513 NE 3rd St., Ocala, Florida. C18 had a part-time job in 2014, and also received around \$3,000 babysitting one child for 6 or 7 months. C18 gave the preparer her Form W-2, social security cards for herself and her dependents, and her ID. On the Form Schedule C attached to the tax return, the preparer falsely claimed that C18 received \$11,245 from babysitting in 2014. C18 did not provide this amount to the preparer and was unaware that it was reported on her tax return. This fraudulently increased C18’s adjusted gross income to \$14,474, and resulted in her tax return falsely claiming an EITC in the amount of \$5,460 and a bogus refund of \$5,592.

69. The Defendants, and their employees acting at their direction and with their knowledge and consent, also coax customers to provide information that they use to fabricate

claims on the customers' tax return. The Defendants trained employees to ask customers questions that would result in answers that could be used to create a phony Schedule C. Thus, for example, based on the preparer's suggestions or coaxing, if a customer responds that they cut a friend's hair, or cut a family member's lawn, or cooked for a church event, the preparer then falsely reports that activity as a business on a Schedule C with bogus income and/or expenses in order to bring the income within the EITC "sweet spot" or to simply reduce the taxable income.

Fraudulent Schedule F Farming Income and Expenses

70. The Defendants, and their employees acting at their direction and with their knowledge and consent, prepare tax returns reporting non-existent farming income or expenses on bogus Forms Schedule F. Forms Schedule F, "Profit or Loss from Farming," are properly used to report income and expenses related to farming; this *does not* include wages or income derived by an employee or contract laborer who works on a farm. The Defendants, and their employees acting at their direction and with their knowledge and consent, frequently report phony income and/or expenses for customers who do not own a farm or have any business relationship with a farm. These phony Forms Schedule F are commonly prepared in connection with Forms 4136, "Credit for Federal Tax Paid on Fuels," in an effort to conceal the fraudulent nature of the Fuel Tax Credits claimed on customers' tax returns.

71. On some of the bogus Forms Schedule F, the Defendants, and their employees acting at their direction and with their knowledge and consent, report substantial income, but little or no expenses. On other Forms Schedule F, the Defendants, and their employees acting at their direction and with their knowledge and consent, report substantial expenses, but little or no income. The determining factor is whether the tax return preparer needs to inflate a customer's income (or create income when the customer has none) to bring the income within the EITC

range or “sweet spot,” or to lower the taxable income of a customer who has actual income (such as wages reported on a W-2) in order to either bring the income within the EITC “sweet spot” or simply to create a phony farming loss to offset the customer’s wages and fraudulently reduce the customer’s income tax liability.

Fraudulent Fuel Tax Credits

72. The Defendants, and their employees acting at their direction and with their knowledge and consent, prepare and file federal income tax returns for customers on which they improperly claim false or fraudulent fuel tax credits using IRS Form 4136, “Credit for Federal Tax Paid on Fuels.” The fuel tax credit is available only to taxpayers who operate farm equipment or other off-highway business vehicles. Moreover, the equipment or vehicles using the fuel must not be registered for highway uses. The Defendants, and their employees acting at their direction and with their knowledge and consent, improperly claim the fuel tax credit for fabricated business motor fuel purchases, particularly those purportedly related to farming.

73. Internal Revenue Code section 6421(a) provides a tax credit for fuel used in an off-highway business use. Off-highway business use is any off-highway use of fuel in a trade or business or in an income-producing activity where the equipment or vehicle is not registered and not required to be registered for use on public highways. IRS Publication 225 provides the following examples of off-highway business fuel use: (1) in stationary machines such as generators, compressors, power saws, and similar equipment; (2) for cleaning purposes; and (3) in forklift trucks, bulldozers, and earthmovers.

74. IRS Publication 510 defines a highway vehicle as any “self-propelled vehicle designed to carry a load over public highways, whether or not it is also designed to perform other functions.” A public highway includes any road in the United States that is not a private

roadway. This includes federal, state, county, and city roads and streets. These highway vehicles are not eligible for the fuel tax credit. IRS Publication 510 provides the following as examples of highway vehicles which are not eligible for the fuel tax credit: passenger automobiles, motorcycles, buses, and highway-type trucks and truck tractors.

75. IRS Publication 510 provides the following example of an appropriate application of the fuel tax credit:

Caroline owns a landscaping business. She uses power lawn mowers and chain saws in her business. The gasoline used in the power lawn mowers and chain saws qualifies as fuel used in an off-highway business use. The gasoline used in her personal lawn mower at home does not qualify.

76. In short, the fuel tax credit does not apply to passenger cars or other vehicles that are registered or required to be registered to drive on public highways.

77. The Defendants, and their employees acting at their direction and with their knowledge and consent, claim the fuel tax credit for fabricated and non-qualifying fuel purchases.

Bogus Schedule A Deductions

78. The Defendants, and their employees acting at their direction and with their knowledge and consent, prepare tax returns reporting bogus itemized deductions on Form Schedule A, "Itemized Deductions," to improperly or fraudulently reduce customers' taxable income. For example, the Defendants, and their employees acting at their direction and with their knowledge and consent, fabricate (or falsely inflate) charitable contributions, medical expenses, and mortgage interest purportedly paid by their customers.

79. The Defendants, and their employees acting at their direction and with their knowledge and consent, also prepare tax returns for customers which include Forms Schedule A

making false claims for purported unreimbursed employee business expenses. Section 162 of the Internal Revenue Code governs trade or business expenses. The Defendants, and their employees acting at their direction and with their knowledge and consent, often claim deductions for fabricated, fraudulently inflated, and/or non-qualifying business expenses, particularly for purported business miles driven by customers. IRS Publication 529 (which is a guide for preparing Forms Schedule A and is readily available and easy to understand) provides examples of qualifying business expenses, including “Union dues and expenses” and “Work clothes and uniforms if required and not suitable for everyday use.” Publication 529 also provides examples of expenses that do not qualify as business expenses, including “Commuting expenses,” “Lunches with co-workers,” “Meals while working late,” and “Personal, living, or family expenses.”

Bogus Education Credits

80. The Defendants, and their employees acting at their direction and with their knowledge and consent, also claim bogus education expenses and falsely claim refundable education credits, including the American Opportunity education credit, on customers’ federal income tax returns. Unlike many tax credits, a refundable tax credit entitles qualifying taxpayers to receive refunds even if they have no tax liability. The Defendants, and their employees acting at their direction and with their knowledge and consent, claim false education credits on the tax returns of customers who did not attend college and had no qualifying education expenses, in order to fraudulently reduce their customers’ taxable income and generate a larger bogus refund (and increasing the fees that they charge to customers).

Improperly Preparing and Filing Returns based on Pay Stubs

81. The Defendants, and their employees acting at their direction and with their knowledge and consent, also prepare and file federal income tax returns using customers' end-of-year pay stubs and then file their customers' tax returns without valid Forms W-2. In other instances, an IRS Form 4852, "Substitute for Form W-2," is attached to customers' returns, which falsely claims that the employer did not timely issue a Form W-2. In reality, the returns are prepared before the end of the tax year and/or before an employer even has the ability to issue a Form W-2 for that year.

82. Federal tax returns for wage earners must be prepared using Forms W-2. Using pay stubs to prepare and file tax returns is improper and violates IRS rules. Moreover, end-of-year pay stubs frequently omit income and distributions that are shown on employer-issued Forms W-2. Thus, preparing and filing federal income tax returns based on information from end-of-year pay stubs inevitably results in errors and omissions on federal tax returns, which necessarily interferes with the administration and enforcement of the internal revenue laws.

83. The Defendants, and their employees acting at their direction and with their knowledge and consent, know that using pay stubs to prepare and file returns violates IRS rules and regulations because in order to participate in the IRS's electronic filing program, all electronic filers, including the Defendants and their managers and preparers, must acknowledge that they will comply with the IRS's requirements, which expressly prohibit filing returns prepared with pay stubs and without genuine Forms W-2.

84. The Defendants, and their employees acting at their direction and with their knowledge and consent, began soliciting customers in December by falsely telling customers that their returns can be prepared using their most recent pay stub. The Defendants opened stores and advertised that customers can have their tax returns prepared before the end of the tax year,

before customers know how much income they earned and taxes they owe for the year, and before employers are able to issue Forms W-2 to their employees. Forms W-2 are not available to employees before the end of the calendar tax year, and tax returns cannot be filed before January of the processing year.

85. For example, a December 26, 2013 post on a Unik Tax Refund Twitter page stated: “Hope your Christmas was Merry! Come in and let's get started on maximizing your refund! All you need is W-2, Socials, Last Pay Stub, I.D.” Similarly, a December 30, 2014 post on a Unik Tax Refund Facebook page stated: “You want your return as soon as the IRS opens? Come see ME ... FAST, ACCURATE & LEGAL[.] We’re accepting walk-ins/appointments ALL day! We’re open 9-9 EVERYDAY! Come let us MAXIMIZE your return!”

86. On December 11, 2014, LED Tax Services stated on its Facebook page: “Don’t wait for the last minute! Early tax preparation starts December 26, 2014!” The same post included a picture of an LED Tax Services flyer stating: “Early Income Tax Preparation is Available Starting December 26th[.] Last Pay Stub[.] Just Bring in your Last Pay Stub or E-file with your W-2[.]”

87. On January 8, 2016, D&M Tax Solutions stated on its Facebook page: “No W-2 No Problem.”

88. The Defendants know that preparing tax returns based on pay stubs violates IRS rules and regulations, and consequently interferes with the administration of the Internal Revenue laws. By preparing tax returns before the end of the tax year, the Defendants unfairly solicit business before competitors.

Unconscionable and Undisclosed Fees

89. The Defendants charge unconscionably high fees to prepare tax returns, mostly through added fees which are typically charged without customers' knowledge. The Defendants charge up to \$999 (or more) to prepare and file fraudulent tax returns with unnecessary and bogus forms and schedules attached, when they should have honestly prepared a basic Form 1040 tax return.

90. The Defendants, and their employees acting at their direction and with their knowledge and consent, intentionally deceive customers regarding the fees charged for the preparation of tax returns. Employees are trained not to disclose the full amount of the fee and, when having the customer sign forms showing the fee, to cover the fee with a hand or a piece of paper and not explain to the customer what the customer is signing.

91. The Defendants, and their employees acting at their direction and with their knowledge and consent, charge additional fees for each form and schedule (such as a Schedule C or a Form 8863 for an education credit) attached to the Form 1040 tax return. The Defendants charge separate fees for forms and schedules such as the electronic filing authorization (Form 8879) which is required for e-filing, the EITC qualifying child form (Schedule EIC), and the related EITC due diligence checklist (Form 8867), which must be completed in connection with a claim for the EITC. These fees result in a total tax return preparation fee much higher than the amount advertised.

92. The high fees charged (and the fee structure, which encourages the addition of unnecessary and often improper forms and schedules to the Form 1040) are a strong incentive for the Defendants and their employees to prepare and file fraudulent returns claiming excessive refunds based on bogus claims and associated forms and schedules. Employees who charge

higher fees and generate more revenue are more likely to be promoted and have the opportunity to manage or own their own stores.

93. Because the Defendants target low-income individuals, the high fees frequently can pose a significant financial hardship for customers. Customers may be required to pay back the improper refunds that they receive due to the Defendants' grossly incompetent, negligent, reckless, and/or fraudulent tax return preparation. Because the Defendants deduct their high fees, sometimes \$1,000 or more, directly from their customers' refunds, customers required to return these improper refunds to the government must also return the portion subtracted as fees. Thus, customers are then out-of-pocket the high fees charged by the Defendants. Additionally, fees are unconscionable for the basic – albeit fraudulent – tax returns being prepared for these customers, who are often eligible for free tax return preparation and electronic filing elsewhere.

94. The Defendants, and their employees acting at their direction and with their knowledge and consent, also routinely and intentionally fail to disclose to customers all fees charged. The Defendants, and their employees acting at their direction and with their knowledge and consent, present forms to customers to sign, including a form acknowledging the fees charged, without allowing the customer to closely review or understand the forms they are signing. Alternatively, the Defendants, and their employees acting at their direction and with their knowledge and consent, tell customers one amount for fees and then later increase the fees without the customers' knowledge or consent. Customers are often surprised to learn that the refund requested on their return is hundreds if not thousands of dollars more than the refund amount that they received after the fees were deducted.

95. The Defendants' fees are not paid by customers at the time of the preparation of their tax returns, but instead are subtracted from the customers' tax refund. By doing so, the

Defendants are able to conceal from unsuspecting customers the actual amount that the customers pay to have their tax return prepared. Customers typically do not discover that the fees charged are much more than the customers anticipated for the preparation of their tax return until the customers receive a refund that is much less than quoted by the tax return preparer, after the Defendants have subtracted their high fees.

96. The Defendants' practice of charging unconscionable and undisclosed fees interferes with the administration and enforcement of the Internal Revenue laws. Such predatory behavior erodes consumer confidence in tax return preparers and dissuades taxpayers from seeking professional assistance with the preparation of their federal tax returns.

**Failure to Provide Customers with Copies of their Completed Tax Returns
in Violation of 26 U.S.C. § 6701(a)**

97. The Defendants, and their employees acting at their direction and with their knowledge and consent, fail to provide customers with copies of their completed tax returns. The completed tax return, filed with the IRS, shows the refund that the Defendants are claiming for the customer. By giving a copy of the tax return to the customer, the customer is able to determine the amount of fees that the Defendants charged by subtracting the amount of the refund that the customer actually receives from the amount of the refund claimed on the tax return. The Defendants' failure to provide a copy of a customer's completed tax return is part of the strategy to conceal the actual fees from their customers.

98. Failing to provide a customer with a copy of the completed tax return also violates 26 U.S.C. § 6107(a), which requires that a tax return preparer "shall furnish a completed copy of [a tax return or claim for refund] to the taxpayer not later than the time such return or claim is presented for such taxpayer's signature."

99. Customers who do receive a copy of the tax return often receive only the first two pages of the Form 1040, but not the other forms filed with the return, such as Forms Schedule C, Forms Schedule A, and Forms 2106, "Employee Business Expenses." This is because the Defendants, and their employees acting at their direction and with their knowledge and consent, make fraudulent claims on these forms and, to conceal the fraud from customers, do not provide them with copies of these completed forms.

Examples of the Defendants' False and Fraudulent Tax Return Preparation

Unik Tax Refund Customer 5

100. Customer 5 ("C5") of Lake Wales, Florida had his 2013 federal income tax return prepared at the Unik Tax Refund store located at 328 B Hwy. 60 East, Lake Wales, Florida.

101. The preparer falsely claimed on the Schedule F attached to his return that C5 had orange farming income in the amount of \$6,215 and expenses for fuel in the amount of \$1,203, for a net profit of \$5,012. C5's tax return also claimed a phony Fuel Tax Credit in the amount of \$3,334, based on a purported 18,216 gallons of fuel purchased for use on a farm for farming purposes. C5's actual income in 2013 was around \$7,000, and C5 therefore could not have purchased 18,216 gallons of fuel. As a result of these fabricated claims, C5's 2013 tax return claimed a bogus refund in the amount of \$3,184.

102. Unik Tax Refund charged C5 a return preparation fee in the amount of \$964.99, plus additional fees of \$103.95, for total fees of \$1,068.94 to prepare his 2013 return. Had Unik Tax Refund prepared an honest and accurate tax return for C5, it should have been a basic Form 1040.

103. The day after having his return prepared at Unik Tax Refund, C5 went to an unrelated tax return preparation business to have the return reviewed. After this review of his tax

return, C5 immediately had the other business file an amended tax return to remove the phony Schedule F and Fuel Tax Credit, and he filed a complaint with the IRS. C5's complaint stated that Unik Tax Refund "prepared a return with farming income with fuel credits" that was false and that C5 "was made to get a notarized form stating that I am a farmer but I am not. They told me it was not a fraudulent return and I was ok to file it like that."

Unik Tax Refund Customer 6

104. Customer 6 ("C6") of Winter Park, Florida had his 2013 federal income tax return prepared at the Unik Tax Refund store located at 328 B Hwy. 60 East, Lake Wales, Florida.

105. C6 earned income totaling \$1,990 in 2013. The preparer falsely claimed on the Schedule F attached to his return that C6 had orange farming income in the amount of \$7,896 and expenses for fuel in the amount of \$1,536, for a net profit of \$6,360. C6's tax return also claimed a phony Fuel Tax Credit in the amount of \$3,207, based on a purported 17,523 gallons of fuel purchased for use on a farm for farming purposes. C6 did not tell the preparer that he had a farm, received any income from a farm, or purchased any fuel for a farm. C6 could not have purchased 17,523 gallons of fuel based on his actual 2013 income of \$1,990. As a result of these fabricated claims, C6's 2013 tax return claimed a bogus refund in the amount of \$2,836.

Unik Tax Refund Customer 7

106. Customer 7 ("C7") of Palm Coast, Florida had her 2013 federal income tax return prepared at the Unik Tax Refund store located at 501 N. State, Bunnell, Florida. C7 went to Unik Tax Refund after seeing advertisements on the side of the road.

107. C7 worked at a cafe in 2013. The preparer falsely claimed on the Schedule F attached to her return that C7 had orange farming income in the amount of \$8,654 and expenses of \$1,100 for chemicals and \$800 for seeds and plants, for a net profit of \$6,754. By claiming

this phony farming income, the preparer claimed a fraudulently inflated EITC on C7's return in the amount of \$4,190.

108. C7's tax return also claimed a phony Fuel Tax Credit in the amount of \$2,645, based on a purported 14,452 gallons of fuel purchased for use on a farm for farming purposes. C7 did not have a farm, did not receive any income from a farm, and did not discuss a farm or farming with the preparer. C7 could not have purchased 14,452 gallons of fuel based on her actual 2013 income.

109. As a result of these fabricated claims, C7's 2013 tax return claimed a bogus refund in the amount of \$7,200. C7 believes she was charged \$700 to have the tax return prepared.

Unik Tax Refund Customer 8

110. Customer 8 ("C8") of Lake Wales, Florida had her 2013 federal income tax return prepared at the Unik Tax Refund store located at 328 B Hwy. 60 East, Lake Wales, Florida.

111. C8 worked at Wendy's and Winn Dixie in 2013. The preparer falsely claimed on the Schedule F attached to her return that C8 had watermelon farming income in the amount of \$6,214 and expenses for fuel in the amount of \$1,132, for a net profit of \$5,082. C8 did not have any farming-related income or expenses. C8 just dropped off her Forms W-2 at the Unik Tax Refund office and did not discuss anything about farming with the preparer.

112. C8's tax return also claimed a phony Fuel Tax Credit in the amount of \$3,334, based on a purported 18,216 gallons of fuel purchased for use on a farm for farming purposes. C8 could not have purchased over 18,000 gallons of fuel based on her actual 2013 income. C8 believes that the preparer invented the amount of fuel reported on her tax return because C8

never discussed fuel expenses with the preparer. As a result of these fabricated claims, C8's 2013 tax return claimed a bogus refund in the amount of \$3,958.

113. The preparer did not review C8's tax return with C8 and did not provide C8 with a copy her completed return, but simply told C8 what the amount of her refund would be.

Unik Tax Refund Customer 9

114. Customer 9 ("C9") of Lake Wales, Florida had his 2013 federal income tax return prepared at the Unik Tax Refund store located at 328 B Hwy. 60 East, Lake Wales, Florida.

115. C9 worked for a roofing company in 2013. The preparer falsely claimed on the Schedule F attached to his return that C9 had orange farming income in the amount of \$9,863 and expenses for fuel in the amount of \$2,569, for a net profit of \$7,294. C9 did not have any farming-related income or expenses and was not aware that the preparer was reporting farming income and expenses on his tax return.

116. C9's tax return also claimed a phony Fuel Tax Credit in the amount of \$3,776, based on a purported 20,632 gallons of fuel purchased for use on a farm for farming purposes. As a result of these fabricated claims, C9's 2013 tax return claimed a bogus refund in the amount of \$4,059.

117. A few months after having his return prepared at Unik Tax Refund, C9 had not received his refund and contacted the IRS. C9 learned that the preparer at Unik Tax Refund filed a return reporting farming income and fuel expenses, so C9 had a different tax return preparer file an amended tax return removing the phony Schedule F and Fuel Tax Credit. C9 also filed a formal complaint with the IRS notifying the IRS of the phony farming income and expenses that Unik Tax Refund reported on his original return.

Unik Tax Refund Customer 10

118. Customer 10 (“C10”) of Lake Wales, Florida had her 2013 federal income tax return prepared at the Unik Tax Refund store located at 328 B Hwy. 60 East, Lake Wales, Florida. C10 went to Unik Tax Refund after walking by the office and seeing an advertisement for tax refunds. C10 had never filed a tax return before going to Unik Tax Refund.

119. C10 worked at a restaurant as a hostess in 2013. The preparer falsely claimed on the Schedule F attached to her return that C10 had watermelon farming income in the amount of \$5,214 and expenses for fuel in the amount of \$1,030, for a net profit of \$4,184. C10 did not have any farming-related income or expenses and did not tell the preparer that she had any such income or expenses.

120. C10’s tax return also claimed a phony Fuel Tax Credit in the amount of \$2,601. As a result of these fabricated claims, C10’s 2013 tax return claimed a bogus refund in the amount of \$3,312.

121. The IRS subsequently contacted C10 to notify her that her return was selected for examination. Upon learning that her tax return reported fabricated farming income and expenses, C10 contacted the IRS Taxpayer Advocate stating that she “did not give permission” for the farming income and expenses to be reported and “trusted” Unik Tax Refund to prepare her return. C10 filed an amended return to remove the phony farming income and Fuel Tax Credit and also filed a complaint against Unik Tax Refund.

Unik Tax Refund Customer 11

122. Customer 11 (“C11”) of Lake Wales, Florida had her 2013 federal income tax return prepared at the Unik Tax Refund store located at 328 B Hwy. 60 East, Lake Wales, Florida. C11 provided the preparer with copies of her Forms W-2, driver’s license, and social security cards for herself and her children. The two Unik Tax Refund employees that C11 met

with told C11 that they would “play with [the] numbers” and do their best to get C11 as much money back as they could.

123. The preparer falsely claimed Head of Household filing status on C11’s tax return. In 2013, C11 lived with her children and her parents, at a house that her parents owned, and did not provide the majority of the financial support for the household. C11 also received financial support from the state. Thus, C11 did not qualify to file as Head of Household.

124. C11 attended college in 2013, but did not have any out-of-pocket expenses, as she received grants to cover her education expenses. However, the preparer falsely claimed an American Opportunity education credit in the amount of \$668 on C11’s tax return, based on a purported \$1,671 that C11 spent for education expenses.

125. The preparer also falsely claimed on the Schedule F attached to her return that C11 had orange farming income in the amount of \$7,896. C11 did not have a farm or any farming-related income and did not tell the preparer that she had any such income. This phony income resulted on C11’s tax return claiming a falsely inflated EITC in the amount of \$5,372.

126. C11’s tax return also claimed a phony Fuel Tax Credit in the amount of \$4,130, based on a purported 22,569 gallons of gasoline purchased for use on a farm. C11’s actual income in 2013, as reported on her Forms W-2, totaled \$8,574, which is far less than would be required to purchase over 22,000 gallons of gasoline even if C11 did operate a farm and farm machinery.

127. The preparer had C11 sign forms but did not explain what C11 was signing and did not review the completed tax return with C11. As a result of all of these fabricated claims, C11’s 2013 tax return claimed a bogus refund in the amount of \$11,022.

Unik Tax Refund Customer 12

128. Customer 12 ("C12") of Lake Wales, Florida had her 2013 federal income tax return prepared at the Unik Tax Refund store located at 328 B Hwy. 60 East, Lake Wales, Florida. A friend of C12's who worked at Unik Tax Refund solicited C12's business using a flyer, and assured C12 that the preparer had taken a test with the IRS to prepare taxes. C12 provided the preparer with copies of her Forms W-2.

129. The preparer falsely claimed on the Schedule F attached to her return that C12 had blueberry farming income in the amount of \$6,215 and expenses for fuel in the amount of \$1,233, for a net profit of \$4,982. C12 did not have any farming-related income or expenses and did not tell the preparer that she had any such income or expenses.

130. C12's tax return also claimed a phony Fuel Tax Credit in the amount of \$3,334, based on a purported 18,219 gallons of gasoline purchased for use on a farm. C12 could not afford to purchase over 18,000 gallons of gasoline in 2013, even if she had a farm.

131. The preparer did not provide C12 with a copy of her completed tax return. As a result of all of these fabricated claims, C12's 2013 tax return claimed a bogus refund in the amount of \$3,973.

Unik Tax Refund Customer 13

132. Customer 13 ("C13") of Lake Wales, Florida had her 2013 federal income tax return prepared at the Unik Tax Refund store located at 328 B Hwy. 60 East, Lake Wales, Florida.

133. In 2013, C13 lived with her parents and worked as a part-time employee at Bath and Body Works, from where she received a Form W-2. The preparer told C13 that the amount of income reported on her Form W-2 was "not high enough." C13 had \$36 in taxes withheld from her wages, and this was reported on her Form W-2. However, the preparer falsely claimed

on C13's tax return that \$1,102 was withheld in taxes. By making this false claim, C13's tax return requested a refund of taxes withheld that was much more than was actually withheld.

134. The preparer falsely claimed on the Schedule F attached to her return that C13 had squash farming income in the amount of \$7,869 and expenses for fuel in the amount of \$1,325, for a net profit of \$6,544. C13 did not have any farming-related income or expenses and did not tell the preparer that she had any such income or expenses.

135. C13's tax return also claimed a phony Fuel Tax Credit in the amount of \$3,341, based on a purported 18,256 gallons of gasoline purchased for use on a farm. C13 could not afford to purchase over 18,000 gallons of gasoline in 2013, even if she had a farm.

136. The preparer did not tell C13 how much she was being charged to have the tax return prepared, did not review the completed tax return with C13, and did not provide a copy of the completed tax return to C13 until a week after it was prepared. As a result of all of these fabricated claims, C13's 2013 tax return claimed a bogus refund in the amount of \$3,518.

Unik Tax Refund Customers 14 and 15

137. Customers 14 and 15 ("C14" and "C15") of Bunnell, Florida had their 2014 federal income tax return prepared at the Unik Tax Refund store located at 501 N. State St., Bunnell, Florida.

138. C14 and C15 were both employed in 2014 and received Forms W-2 from their employers showing their wages received, which totaled \$75,410. C14 and C15 provided the preparer with copies of their Forms W-2, drivers licenses, and social security cards. C14 and C15 did not operate any business or have any self-employment income, did not tell the preparer that either of them had a business, and did not discuss any business with the preparer.

139. On the Schedule C attached to C14's and C15's tax return, the Unik Tax Refund preparer falsely reported that C14 operated a business, unidentified by name or type of business, that had no sales but incurred expenses totaling \$51,946, for advertising (\$75), car and truck (\$10,360), renting or leasing business property (\$30,000), wages (\$75), "cell" (\$1,356), "ins" (\$1,080), "gas" (\$5,500), and "carservice" (\$3,500).

140. By reporting a \$51,946 phony business loss, Unik Tax Refund fraudulently reduced C14's and C15's taxable income to zero, falsely claimed an EITC in the amount of \$5,415, and claimed a bogus refund in the amount of \$16,335 on their 2014 tax return.

Unik Tax Refund Customer 16

141. Customer 16 ("C16") of Palm Coast, Florida had her 2014 federal income tax return prepared at the Unik Tax Refund store located at 501 N. State St., Bunnell, Florida.

142. C16 was married in 2014, and she and her husband went to Unik Tax Refund to have their tax return prepared. C16 and her husband told the preparer that they were married. However, the preparer prepared two separate tax returns for C16 and her husband. Despite knowing that they were married, the preparer falsely claimed "head of household" filing status (rather than married filing separately) and reported all three of C16's and her husband's dependents on C16's tax return.

143. C16 worked full-time jobs in 2014 and did not operate a business or have any self-employment income. C16 received a Form W-2, which she provided to the preparer. The preparer then falsely reported on the Schedule C attached to C16's tax return that she had a business, which had the same name as the employer listed on her Form W-2, through which C16 did not have any income but had car and truck expenses of \$5,600, cell phone expenses of \$1,200, office equipment expenses of \$3,500, and gas expenses of \$1,200.

144. By falsely reporting head of household status, claiming all three dependents on her return, and claiming a phony business loss of \$11,500, Unik Tax Refund fraudulently reduced C16's taxable income to zero, falsely claimed an EITC in the amount of \$4,880, and claimed a bogus refund in the amount of \$12,359 on C16's 2014 tax return.

Unik Tax Refund Customer 17

145. Customer 17 ("C17") of Crescent City, Florida had her 2014 federal income tax return prepared at the Unik Tax Refund store located at 501 N. State St., Bunnell, Florida.

146. C17 worked for Burger King in 2014, and a preparer at Unik Tax Refund came to Burger King soliciting customers. C17 also made around \$120 doing hair in 2014.

147. C17 provided the preparer with copies of her Form W-2, drivers license, and social security cards for her and her child. C17 did not provide the preparer with any school records, health records, or medical records for her child.

148. The preparer falsely reported on the Schedule C attached to C17's tax return that she had a babysitting business through which she received \$10,000 in income. C17 did not have a babysitting business and did not tell the preparer that she had a babysitting business or any income related to babysitting.

149. To conceal the fraudulent claims on C17's tax return, the preparer also falsely reported on the Form 8867, Paid Preparers Earned Income Checklist, that C17 provided school records, health records, and medical records to demonstrate the residency of her child.

150. By claiming phony business income in the amount of \$10,000, Unik Tax Refund claimed a fraudulently inflated EITC in the amount of \$3,305 and a bogus refund in the amount of \$3,152 on C17's 2014 tax return.

Fleming and D&M Tax Solutions Customer 19

151. Fleming prepared the 2014 federal income tax return of Customer 19 (“C19”) of Daytona Beach, Florida. C19 received wages totaling \$28,297 from his job as a custodian in 2014.

152. Fleming falsely claimed on the Form Schedule C attached to C19’s tax return that he had a business, not identified by name or type of business, through which C19 received no gross receipts but incurred expenses totaling \$16,951. The fabricated expenses included \$14,926 in car and truck expenses (for a purported 26,654 miles driven) and \$2,025 in other expenses (\$350 for dry cleaning, \$750 for oil changes, and \$295 for tires). C19 did not tell Fleming that he had a business or that he incurred any such expenses, and was unaware that Fleming reported these amounts on a Form Schedule C attached to his tax return.

153. By claiming these fabricated expenses, Fleming fraudulently reduced C19’s taxable income to zero, increased the claimed EITC to \$3,305, and claimed a bogus refund in the amount of \$7,152 on C19’s 2014 tax return. C19 paid Fleming \$650 to have the tax return prepared.

Fleming and Unik Tax Refund Customer 20

154. Customer 20 (“C20”), of Rockledge, Florida, had his 2013 and 2014 federal income tax returns prepared at Unik Tax Refund store located at 513 S. Cocoa Blvd., Cocoa, Florida. Fleming prepared C20’s 2013 tax return.

155. C20 was employed as a firefighter and was married in 2013 and 2014. In 2013, C20 received wages totaling \$58,778. Despite knowing that C20 was married, Fleming falsely claimed Head of Household filing status on his 2013 tax return.

156. On C20's 2013 tax return, Fleming falsely reported on the Form Schedule C attached to the return that C20 had a "firefighter" business through which he received no gross receipts, but incurred expenses totaling \$28,147. Fleming identified the name of the business as "G4S Government Solutions," which is the name of C20's employer, as identified on the Form W-2 that it issued to C20. The fabricated expenses included \$14,944 for car and truck expenses (for a purported 26,450 miles driven), \$2,958 for repairs and maintenance, \$3,575 for supplies, \$1,355 for meals and entertainment, and \$5,315 for other expenses (\$600 for union dues, \$1,360 for uniforms, \$1,135 for dry cleaning, \$965 for oil changes and tune ups, and \$1,255 for a cell phone). C20 did not tell Fleming that he had a business, did not discuss any expenses with Fleming other than his dry cleaning expenses for his work uniform, did not provide these amounts to Fleming, and was unaware that they were reported on a Form Schedule C filed with his tax return.

157. By falsely claiming Head of Household filing status and the fabricated expenses, Fleming claimed a bogus EITC in the amount of \$2,562 and a bogus refund in the amount of \$10,331 on C20's 2013 tax return.

158. In 2014, C20 received wages totaling \$61,809 from his job. When C20 had his 2014 federal income tax return prepared at Unik Tax Refund, the preparer asked C20 if he had any medical expenses in 2014, and he informed the preparer that he bought a six month massage package at Massage Envy, a widespread massage provider. The preparer used this information to fabricate a phony business on C20's tax return. On a Schedule C attached to C20's 2014 tax

return, the preparer falsely reported that C20 had a massage therapy business called “Envy Massage” through which C20 received no gross receipts, but incurred expenses totaling \$27,158. The fabricated expenses included \$4,227 for advertising, \$11,760 for car and truck expenses (for a purported 21,000 miles driven), \$1,852 for repairs and maintenance, \$200 for taxes and licenses, \$1,270 for meals and entertainment, and \$7,849 for other expenses (\$720 for union dues, \$960 for uniforms, \$960 for dry cleaning, \$360 for tune ups, \$720 for oil changes, \$1,932 for a cell phone, \$1,256 for tires, and \$941 for “other”).

159. The preparer also falsely claimed Head of Household filing status on C20’s 2014 tax return. This improper filing status and the fabricated expenses resulted in C20’s 2014 tax return claiming an EITC in the amount of \$1,912 and a bogus refund in the amount of \$11,037.

Fleming, D&M Tax Solutions, and Unik Tax Refund Customer 21

160. Customer 21 (“C21”) of Daytona Beach, Florida had her 2013 federal income tax return prepared at the Unik Tax Refund store located at 513 S. Cocoa Blvd., Cocoa, Florida, and her 2014 and 2015 federal income tax returns prepared at the D&M Tax Solutions store located at 725 Dr. Mary McLeod Bethune Blvd., Daytona Beach, Florida. Fleming prepared C21’s 2013 and 2014 tax returns.

161. C21 is a nurse who receives a Form W-2 from her employer, and provided this information to Fleming and the other preparer at D&M Tax Solutions. In 2013, C21 received wages totaling \$48,905. Fleming falsely claimed on the Form Schedule C attached to C21’s tax return that C21 had a “RN” business, identified as “Avante at Ormond Beach Inc.,” which is the name of C21’s employer as stated on the Form W-2 it issued to C21. Fleming falsely claimed that C21’s non-existent business received no gross receipts in 2013, but incurred expenses totaling \$39,777. These expenses included \$16,617 for car and truck expenses (for a purported

29,410 miles driven), \$2,503 for supplies, and \$20,657 for other expenses (\$2,297 for uniforms, \$660 for oil changes and tune ups, \$2,560 for tires, \$11,940 for “automobile,” \$1,350 for a cell phone, and \$1,850 for dry cleaning). Fleming thereby fraudulently reduced C21’s taxable income to zero, and claimed a bogus refund in the amount \$8,220 on her 2013 tax return. C21 did not tell Fleming that she incurred any of these expenses and was unaware that Fleming had reported these expenses on her tax return.

162. In 2014, C21 received wages totaling \$51,399. Fleming falsely claimed on the Form Schedule C attached to C21’s 2014 tax return that she had a business, not identified by name or type of business, through which C21 received no gross receipts but incurred expenses totaling \$30,970. The fabricated expenses included \$15,862 in car and truck expenses (for a purported 28,325 miles driven), \$1,715 for repairs and maintenance, \$2,225 for supplies, \$663 for meals and entertainment, and \$10,505 in other expenses (\$2,550 for tires, \$1,550 for dry cleaning, \$1,560 for a cell phone, \$2,520 for oil changes, and \$2,325 for uniforms). As a result of these fabricated expenses, Fleming claimed a bogus refund of \$6,731 on C21’s 2014 tax return.

163. In 2015, C21 received wages totaling \$53,841. The preparer at D&M Tax Solutions falsely claimed on the Form Schedule C attached to C21’s 2015 tax return that she had a “home health” business through which C21 received no gross receipts but incurred expenses totaling \$30,270. The fabricated expenses included \$15,895 in car and truck expenses (for a purported 27,644 miles driven) and \$14,375 in other expenses (\$3,900 for tires, \$2,957 for dry cleaning, \$2,254 for a cell phone, \$1,545 for oil changes, and \$3,719 for uniforms). As a result of these fabricated expenses, the preparer claimed a bogus refund of \$7,416 on C21’s 2015 tax return.

164. Thus, three years of falsified Forms Schedule C attached to C21's tax returns prepared at Unik Tax Refund and D&M Tax Solutions show \$0 in total gross receipts received and \$101,017 in total expenses incurred. C21 did not have any business or any such expenses, did not tell Fleming or the other preparer at D&M Tax Solutions that she had a business or that she incurred any of the expenses reported on her three tax returns, and was unaware that these amounts were reported on her tax returns.

Cooper and D&M Tax Solutions Customer 22

165. Cooper prepared the 2015 federal income tax return of Customer 22 ("C22") of Daytona Beach, Florida.

166. C22, a nurse employed at a nursing home, received income reported on Forms W-2 totaling \$63,200 in 2015. C22 provided Cooper with copies of her Forms W-2, her home mortgage statement, and other documents showing her insurance expenses related to her house.

167. Cooper falsely claimed on the Form Schedule C attached to C22's tax return that she had a nursing business that received zero gross receipts but incurred expenses totaling \$44,207.

168. The fabricated expenses included \$20,348 in car and truck expenses (for a purported 35,388 miles driven), \$5,790 for repairs and maintenance, \$6,750 for supplies, \$938 for deductible meals and entertainment, and \$10,381 in other expenses (\$2,487 for a cell phone, \$4,120 for uniforms, \$1,599 for tires, and \$2,175 for oil changes and tune ups). C22 did not have a business and did not tell Cooper that she had a business. C22 informed Cooper that she had some expenses related to her job for nursing-related supplies, but did not provide these amounts to Cooper. Cooper also asked C22 about expenses she had related to her personal

vehicle, and she discussed those expenses with him, but did not provide the (non-deductible) amounts that he reported on her tax return.

169. Cooper did not review the completed tax return with C22, but only told her what her refund would be, and she was unaware that Cooper reported that she had a business and related expenses on her return. Cooper also did not tell C22 how much she was being charged to have the return prepared.

170. As a result of these fabricated reported expenses, Cooper claimed an EITC in the amount of \$2,989 and a bogus refund of \$9,956 on C22's 2015 tax return.

Cooper, D&M Tax Solutions, and Unik Tax Refund Customers 23 and 24

171. Cooper prepared the 2013 and 2014 federal income tax returns of Customers 23 and 24 ("C23" and "C24") of Ormond Beach, Florida. The 2013 return identifies Dia Fleming of Unik Tax Refund in Cocoa, Florida as the paid preparer; the 2014 return lists a preparer at D&M Tax Solutions in Palatka, Florida as the paid preparer. However, Cooper prepared both tax returns.

172. C23 and C24 provided Cooper with copies of their Forms W-2 and 1099. Customer 24 received some income cleaning houses, and provided Cooper with some receipts for cleaning and vacuuming expenses. Cooper is the father of C23's and C24's grandchild. Cooper told C23 and C24 that he was going to help them out.

173. In 2013, C23 and C24 received wages totaling \$66,495. Cooper attached a Form Schedule C to their 2013 tax return for C24's "homekeeping" business. However, Cooper falsely reported that C24 received no gross receipts through this business, but incurred \$41,078 in expenses. C24 did not incur such expenses and did not tell Cooper that she had such expenses. The fabricated expenses included \$16,254 for car and truck expenses, \$2,015 for

repairs and maintenance, \$1,564 for supplies, and \$21,245 for other expenses (\$11,000 for “automobile,” \$9,000 for “automobile” again, and \$1,245 for a cell phone). Cooper falsely claimed that C24 drove 28,768 miles for her cleaning business, when she really only drove a few thousand miles. As a result of the phony claims, Cooper claimed a bogus refund of \$9,114 on C23’s and C24’s 2013 tax return.

174. In 2014, C23 and C24 received wages totaling \$65,253. Cooper attached a Form Schedule C to their 2014 for C24’s cleaning business that reported that C24 received gross receipts of \$8,000. Cooper then falsely reported that C24 incurred \$34,692 in expenses, for a reported business loss of \$26,632. C24 did not incur such expenses and did not tell Cooper that she had such expenses. The fabricated expenses included \$16,632 for car and truck expenses (for a purported 29,700 miles driven, when C24 only drove a few thousand miles) \$2,575 for repairs and maintenance, \$4,590 for supplies, and \$10,895 for other expenses (\$1,490 for a cell phone, \$3,980 for gas, \$2,375 for oil changes and tune ups, \$1,950 for tires, and \$1,100 for dry cleaning). As a result of the phony claims, Cooper claimed a bogus refund of \$9,787 on C23’s and C24’s 2014 tax return.

175. Cooper did not review either the 2013 or 2014 with C23 and C24 before filing the tax returns. C23 and C24 were not aware that Cooper reported the inflated business-related expenses. They did not provide this information to Cooper, and never even discussed many of the claimed expenses with Cooper. C23 and C24 do not recall signing any documents authorizing the filing of their tax returns, and Cooper did not give C23 and C24 copies of their completed tax returns for over a year after they were filed.

176. After receiving their 2014 tax refund, C23 and C24 contacted Cooper because the refunds they received were larger than refunds they previously received. When C23 and C24

questioned Cooper why the refunds were so large, Cooper responded that it was because “Obama has credits and you started a business.”

Cooper, D&M Tax Solutions, and Unik Tax Refund Customer 25

177. Customer 25 (“C25”), of Daytona Beach, Florida, had her 2013 and 2014 federal income tax returns prepared by Cooper, even though the 2013 tax return states that it was prepared by Dia Fleming at Unik Tax Refund, and the 2014 tax return states that it was prepared by another preparer at D&M Tax Solutions. C25 is the mother of Cooper’s child.

178. In 2013, C25 received wages of \$42,075 reported on a Form W-2. Cooper falsely claimed on the Form Schedule C attached to C25’s tax return that she had a business, not identified by name or type of business, that received zero gross receipts but incurred expenses totaling \$23,904. The fabricated expenses included \$15,134 in car and truck expenses (for a purported 26,785 miles driven), \$1,450 for repairs and maintenance, \$1,645 for supplies, \$5,675 in other expenses (\$1,125 for a cell phone, \$750 for oil changes, \$1,400 for tires, \$575 for oil changes, and \$1,825 for meals). C25 did not have a business and did not tell Cooper that she had a business. As a result of the fabricated claims, Cooper claimed an EITC in the amount of \$3,147 and a bogus refund in the amount of \$9,827 on C25’s 2013 tax return.

179. In 2014, C25 received wages of \$48,296 reported on a Form W-2. Cooper falsely claimed on the Form Schedule C attached to C25’s tax return that she had an “educator” business that received zero gross receipts but incurred expenses totaling \$32,807. The fabricated expenses included \$16,681 in car and truck expenses (for a purported 29,788 miles driven), \$1,450 for repairs and maintenance (the same amount reported on her 2013 return), \$3,740 for supplies, \$375 for meals and entertainment, \$10,561 in other expenses (\$1,390 for a cell phone,

\$2,260 for oil changes and tune ups, \$1,865 for uniforms, \$1,080 for dry cleaning, and \$3,966 for gas). As a result of the fabricated claims, Cooper claimed an EITC in the amount of \$3,305 and a bogus refund in the amount of \$9,282 on C25's 2014 tax return.

180. The IRS examined C25's 2013 and 2014 tax returns. During the examination, C25 informed the IRS that Cooper fabricated the business and related expenses reported on her tax return. C25 provided the IRS with documents purportedly substantiating the fabricated amounts on the Forms Schedule C, and informed the IRS tax return examiner that Cooper created the documents for the purpose of providing them documents to the IRS during the examination in an attempt to substantiate the expenses that he fabricated. Following the examination, C25 owes tax, interest, in penalties in the amounts of \$6,405.57 and \$9,601.70 for tax years 2013 and 2014, respectively.

UJM Tax Services Customer 26

181. Customer 26 ("C26") of Bunnell, Florida, had his 2015 federal income tax return prepared at the UJM Tax Services store located at 501 N. State Street, Bunnell, Florida. The tax return identifies Joseph Demesmin as the paid preparer.

182. In 2015, C26, a county government employee, received wages of \$36,564 reported on a Form W-2. C26 provided the preparer with copies of his Form W-2, social security card, and drivers license. The preparer asked C26 whether he had health insurance, how far he lived from his workplace, how much he spent on gas, uniforms, and shoes, how much he spent on his cell phone bill, and whether he paid a mortgage or rent. C26 told the preparer that he drove 30 to 40 commuting miles roundtrip to and from work, but that the county provided a car if he needed to drive somewhere for his job. C26 also told the preparer that he spent around

\$100 per week for gas, \$55 per month for his cell phone, and about \$150 on boots that he wore to work.

183. The UJM Tax Services preparer falsely claimed on the Form Schedule C attached to C26's tax return that he had a business, not identified by name or type of business, that received zero gross receipts but incurred expenses totaling \$21,710. The fabricated expenses included \$75 for advertising, \$7,853 for car and truck expenses (for a purported 13,658 miles driven), \$3,567 for renting business property, \$2,000 for utilities, \$75 for wages paid, and \$8,140 for other expenses (\$660 for a cell phone, \$1,200 for insurance, \$5,980 for gas, and \$300 for boots). As a result of the fabricated claims, the preparer claimed a bogus refund in the amount of \$5,279 on C26's 2015 tax return.

184. The preparer did not review the completed tax return with C26, but only told C26 the amount of the refund. C26 did not know that the preparer reported on his tax return that he had a business and related expenses.

UJM Tax Services Customer 27

185. Customer 27 ("C27") of Palm Coast, Florida had his 2015 federal income tax return prepared at the UJM Tax Services store located at 501 N. State Street, Bunnell, Florida.

186. C27 provided the preparer with a copy of his prior year tax return, Form W-2, social security cards for himself and his dependents, and drivers license. The preparer claimed C27's girlfriend as a dependent on his tax return, but identified her relationship to C27 as "other."

187. C27 did not have any out-of-pocket expenses for his job, and did not tell the preparer that he had any such expenses. The preparer asked C27 whether he paid for any oil changes or repairs for his car, and how much he spent on his cell phone bill. C27 told the

preparer that he spent around \$800-\$900 in repairs to his personal vehicle, spent about \$100 per week on gas, and spent around \$320 per month on cell phone bills for himself and his dependents. These are personal, not job, expenses.

188. C27 received wages from his job totaling \$48,661 in 2015. The preparer falsely claimed on the Form Schedule A attached to C27's tax return that C27 incurred unreimbursed employee business expenses in the amount of \$30,050 and other miscellaneous itemized deductions in the amount of \$2,350 (\$350 for "oil" and \$2,000 for "car reparations"). The fabricated unreimbursed employee business expenses included \$3,120 for cell phones, \$2,400 for car insurance, \$7,500 for gas, and \$ 675 for boots and uniforms. The preparer did not file with the IRS a Form 2106 "Employee Business Expenses," which is used to report such expenses, with the tax return, so the nature of the remaining \$16,355 in purported unreimbursed employee business expenses claimed is not known. The phony unreimbursed job-related expenses represent more than 60% of the wages that C27 received. As a result of these fabricated expenses, the preparer claimed a bogus refund in the amount of \$5,942.

189. The preparer did not ask C27 many questions and did not review the completed tax return with him. The preparer did not tell C27 how much he was being charged to prepare the tax return.

UJM Tax Services Customer 28

190. Customer 28 ("C28") of Deltona, Florida had her 2015 federal income tax return prepared at the UJM Tax Services store located at 2031 Saxson Blvd., Deltona, Florida. C28 received wages of \$32,052 as a bus driver. C28 provided the preparer with a copy of her Form W-2, Form 1098 mortgage statement, social security cards for herself and her daughter, her daughter's birth certificate, and utility bills for her house.

191. According to the Form 1098 that C28 provided the preparer, she paid mortgage interest in the amount of \$2,379. The preparer claimed this amount of line 10 of the Form Schedule A attached to the tax return. However, the preparer then falsely claimed a fabricated mortgage expense in the amount of \$23,150 as other miscellaneous itemized deductions.

192. C28 did not incur any out-of-pocket expenses for her job, and did not tell the preparer that she had any such expenses. The preparer asked C28 whether how much she spent on utilities and whether she leased or purchased her personal vehicle. The preparer then falsely claimed that C28 incurred unreimbursed employee business expenses in the amount of \$3,580 for utilities (\$2,280) and car insurance (\$1,300). As a result of these fabricated expenses, the preparer claimed a bogus refund in the amount of \$4,859 on C28's tax return.

193. The preparer did not review the completed tax return with C28, did not tell her how much she was being charged, but only told her the amount she would receive as a refund. The copy of the return that the preparer gave C28 did not contain the Form Schedule A, which is where the preparer reported the fabricated expenses.

UJM Tax Services Customer 29

194. Customer 29 ("C29") of Flagler Beach, Florida had his 2015 federal income tax return prepared at the UJM Tax Services store located at 501 N. State Street, Bunnell, Florida. In 2015, C29, an electrician at a hospital, received wages of \$41,589 reported on a Form W-2. C29 provided the preparer with copies of his Form W-2, social security card, drivers license, birth certificate, phone bills, and receipts for clothes and boots. The preparer asked how far C29 lived from his workplace, and he informed the preparer that he lived about 40 to 50 miles away. In response to the preparer's other questions, C29 also told the preparer that he spent around \$125

per month on car insurance, \$175 per month for his personal cell phone, \$10 per week for his work uniforms, and around \$300 for the year for work boots.

195. The preparer falsely claimed on the Form Schedule A attached to C29's tax return that C29 incurred unreimbursed employee business expenses in the amount of \$26,497 and other miscellaneous itemized deductions in the amount of \$7,350 (\$2,500 for "tires maintenance," \$350 for "oil change," and \$4,500 for "rent"). The fabricated unreimbursed employee business expenses included \$6,750 for gas, \$1,560 for insurance, \$2,112 for a cell phone, and \$3,500 for boots and uniforms. The preparer did not file with the IRS a Form 2106 "Employee Business Expenses," which is used to report such expenses, with the tax return, so the nature of the remaining \$12,575 in purported unreimbursed employee business expenses claimed is not known. The phony unreimbursed job-related expenses represent more than 63% of the wages that C29 received. As a result of these fabricated expenses, the preparer claimed a bogus refund in the amount of \$4,221 on C29's tax return.

196. The preparer did not review the completed tax return with C29. C29 was charged over \$600 in fees to have the tax return prepared.

UJM Tax Services Customer 30

197. Customer 30 ("C30") of Sanford, Florida had her 2015 federal income tax return prepared at the UJM Tax Services store located at 2031 Saxson Blvd., Deltona, Florida.

198. C30 received wages of \$81,338 as an insurance claims representative and also received income from a pension. C30 does not have any other source of income, does not own a business, and did not tell the preparer that she owned a business.

199. The preparer asked C30 about personal expenses, such as the amount she spent on rent and utility bills, expenses for oil changes and repairing her car, and her cable and internet

bill. The UJM Tax Services preparer then falsely claimed on the Form Schedule C attached to C30's tax return that she had a business, identified merely as "work" and named "Amica Mutual Insurance Company," the name of C30's employer. The preparer falsely claimed that the non-existent business received zero gross receipts but incurred expenses totaling \$44,636. The fabricated expenses included \$768 for insurance, \$15,000 for renting business property, \$500 for repairs and maintenance, \$3,100 for meals and entertainment, \$3,360 for utilities, and \$21,908 for other expenses (\$3,000 for a cell phone, \$3,372 for car insurance, \$5,000 for "grocery," \$700 for uniforms, \$2,700 for clothes, \$2,268 for cable, and \$4,868 for car payments). As a result of the fabricated (and otherwise non-deductible personal) expenses reported on the Form Schedule C, the preparer claimed an EITC in the amount of \$1,586 and a bogus refund in the amount of \$10,891 on C30's 2015 tax return.

200. The preparer did not review the completed tax return with C30, but only told her where to sign the return. C30 was not aware that the preparer reported the phony business and expenses on a Form Schedule C attached to the tax return.

Dorceus and Unik Tax Refund Customer 31

201. Customer 31 ("C31") of Bunnell, Florida had her 2013 federal income tax return prepared at the Unik Tax Refund store located at 501 N. State Street, Bunnell, Florida. Dorceus prepared the tax return, but the return identifies another individual at Unik Tax Refund as the paid preparer.

202. C31 was a student in 2013 and did not work. C31 was not a farmer and did not work on a farm. Dorceus falsely reported on the Form Schedule F attached to the tax return that C31 received \$7,200 from a fruit farming business. The fabricated claims reported on the Form Schedule F included phony sales of \$8,700 and phony expenses totaling \$1,500 for chemicals

and seeds and plants. Dorceus also fraudulently claimed a Fuel Tax Credit in the amount of \$3,615, based on the purported purchase of 19,754 gallons of gasoline for farming purposes. These false claims resulted in C31's 2013 tax return claiming a bogus refund of \$5,422.

203. When C31 discovered that this was reported on her tax return, she attempted to contact Dorceus to correct the false claims, but Dorceus was unresponsive. C31 then filed a complaint against Dorceus with the IRS.

Dorceus and Unik Tax Refund Customer 32

204. Dorceus prepared the 2013 federal income tax return of Customer 32 ("C32") of Bunnell, Florida. Dorceus informed C32 that he could get her a larger refund - \$1,000 more than she received the year before - because of the forms that he used. C32 was employed in 2014 and provided Dorceus with copies of her Form W-2, social security cards for herself and her dependent and her ID. Dorceus asked C32 how much gas she purchased, and C32 told Dorceus that she spent around \$100 per month on gas.

205. On the Schedule C attached to C32's tax return, the Dorceus falsely claimed that C32 owned a business, purportedly named "Metro Corral Partner," which is the name of C32's employer as identified on the Form W-2. Dorceus falsely reported that the non-existent business received no gross receipts but incurred \$5,080 in expenses for a cell phone (\$600) and "gas money" (\$4,480). C32 did not tell Dorceus that she owned a business or that she incurred any expenses for a business.

206. By falsely claiming a \$5,080 loss from a fabricated business, Dorceus fraudulently reduced C32's taxable income to zero, claimed an EITC in the amount of \$3,250, and claimed a bogus refund of \$6,840 on C32's tax return.

LED Tax Services Customer 33

207. Customer 33 (“C33”) of Orlando, Florida had her 2014 federal income tax return prepared at the LED Tax Services store at 4520 W. Colonial Drive in Orlando. C33 was employed as a pharmacy technician at a hospital in 2014, and provided the preparer with copies of her Form W-2, social security cards for herself and her dependents, a utility bill showing her current address, and her ID. The preparer asked C33 about expenses for her job, including how much she spent on uniforms for work and gas to drive to and from her workplace. C33 sold Mary Kay products in 2014, but sold no more than \$100 of products, and purchased most of those for her own use.

208. On the Schedule C attached to C33’s tax return, the LED Tax Services preparer falsely claimed that C33 owned a business, not identified by name or type of business, through which C33 received no gross receipts but incurred \$11,900 in expenses for rent (\$7,400), utilities (\$2,000), a cell phone (\$500), insurance (\$800), car maintenance (\$500), and gas (\$700). C33 did not tell the preparer that she owned a business, that she incurred any expenses for a business, or even that she had these amounts of personal expenses.

209. By falsely claiming personal expenses as business-related expenses on C33’s tax return, the preparer fraudulently reduced C33’s taxable income to zero, claimed an EITC in the amount of \$5,460, and claimed a bogus refund of \$8,634.

Unauthorized Filing of Tax Returns

210. Unik Tax Refund also prepares and files bogus tax returns using taxpayer information apparently stolen or otherwise misappropriated from the taxpayer.

211. For example, Unik Tax Refund prepared and filed a 2013 federal tax return listing Taxpayer 34's ("T34") name and social security number. The return listed the Unik Tax Refund store at 328 B Hwy. 60 East, Lake Wales, Florida, as the paid preparer's firm and address. The IRS selected T34's return for an examination. T34 was surprised to learn that a tax return was filed on her behalf in 2013; T34 had her 2012 tax return prepared at Unik Tax Refund, but did not go back to have her 2013 tax return prepared. T34's 2013 tax return did not list any wages or income other than phony farming income in the amount of \$4,216, reported on a Schedule F. T34 did not have a farm or any farming income in 2013. The tax return claimed a phony Fuel Tax Credit in the amount of \$1,849, and requested a bogus refund of \$2,853. It is not known who received that refund, but the refund did not go to T34.

212. Similarly, Unik Tax Refund prepared and filed a 2013 federal tax return listing Taxpayer 35's ("T35") name and social security number. The return listed the Unik Tax Refund store at 328 B Hwy. 60 East, Lake Wales, Florida, as the paid preparer's firm and address. The IRS selected T35's return for an examination. T35 was surprised to learn that a tax return was filed on his behalf in 2013. T35 is disabled, receives monthly disability income, and did not work in 2013. T35's 2013 tax return did not list any wages or income other than phony farming income in the amount of \$4,216, reported on a Schedule F. T35 did not have a farm or any farming income in 2013. The tax return claimed a phony Fuel Tax Credit in the amount of \$1,849, and requested a bogus refund of \$2,853. It is not known who received that refund, as it did not go to T35. T35 filed an identity theft affidavit stating that he has not filed a tax return since 1994 because he is on permanent disability and only found out that a 2013 tax return was filed on his behalf after being contacted by the IRS.

Investigations and Lawsuits Have Not Deterred the Defendants

213. In February 2014, H&R Block sued Yves Demesmin and Unik Tax Refund, LLC in Volusia County, Florida, alleging, among other things, that he and Unik Tax Refund prepared “materially false returns without the knowledge or consent of the taxpayer,” misrepresented the amounts of the refunds that Yves Demesmin and Unik Tax Refund could lawfully obtain for customers, charging high fees without their customers’ knowledge, and attempting to conceal their unlawful and deceptive acts from customers, including by having customers sign and notarize false statements. H & R Block sought injunctive relief and damages. *See HRB Tax Group, Inc. v. Unik Tax Refund, LLC, et al.*, Case no. 2014-10348-CIDL (Fla. Volusia County Ct.).

214. On October 24, 2014, the Florida circuit court ordered Yves Demesmin and Unik Tax Refund, LLC to, among other things, cease and desist from preparing false tax returns, preparing false documents attendant to returns (such as “due diligence” forms), failing to fully disclose fees to customers, and misrepresenting that the business’ fraudulent practices are lawful.

215. Despite knowing of the widespread and pervasive fraudulent conduct surrounding his tax return preparation businesses, notably from the lawsuit filed against Yves Demesmin and Unik Tax Refund, LLC by H&R Block, the several lawsuits that the United States filed against owners and franchisees of LBS Tax Services, a lawsuit filed against LBS by the State of Texas, the IRS’s examinations of customers’ tax returns, and the well-publicized complaints from customers and consumer protection organizations (including those by the Better Business Bureau, online consumer protection sites, and various local media outlets throughout the country), the Defendants have continued to prepare and file fraudulent tax returns and have not taken any meaningful steps to stop the fraud.

216. The Defendants have little incentive to stop the wrongdoing because they directly profits from the misconduct at their tax return preparation stores by taking a percentage of all gross revenues. Accordingly, the Defendants promote a culture that favors volume and ill-gotten profits over accuracy and integrity, and create an environment where fraudulent tax return preparation and violations of federal tax laws flourish.

Harm Caused by the Defendants

217. Yves Demesmin's, Joseph Demesmin's, Cooper's, Fleming's, Dorceus', Unik Tax Refund, LLC's, YvesDemesmin, LLC's, Dia I. Fleming, LLC's, UJM Tax Services, LLC's, Loyal Experience Dependable Tax Service, LLC's, and LED Financial Service, LLC's preparation of tax returns making grossly incompetent, negligent, reckless, and/or fraudulent claims, knowledge and encouragement of negligent or reckless conduct and fraud at their tax return preparation stores, false and misleading statements directed to customers and potential customers, and culture favoring volume and ill-gotten profits over accuracy and integrity have harmed the public and the United States Treasury. These practices harm the public because the Defendants and those acting at their direction and with their knowledge and consent prepare false or fraudulent tax returns that understate their customers' correct income tax liabilities and illegally cause customers to incorrectly report their federal tax liabilities and underpay their taxes.

218. The grossly incompetent, negligent, reckless, and fraudulent practices of Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, LED Financial Service, LLC, and many of their preparers harm the United States Treasury by causing lost tax revenue.

219. The IRS examined 9 of 77 tax returns that Yves Demesmin himself prepared in 2012. Of these 9 returns, 8 required adjustments, with an average tax deficiency of \$4,205.75 per return.

220. The IRS examined 72 of the approximate 577 tax returns filed by Unik Tax Refund in 2013, and made adjustments to 56.9% of those returns, with an average tax deficiency of \$2,916.95 per return.

221. The IRS is also in the process of examining 301 of the 1,398 tax returns filed by Unik Tax Refund in 2014. Of the completed examinations of tax returns prepared in 2014, the IRS made adjustments to 68.8% of the returns, with an average tax deficiency of \$3,253.45 per return.

222. Based on the IRS's completed examinations of tax returns prepared by Yves Demesmin and Unik Tax Refund from 2012 to 2014, and the total number of tax returns prepared by Yves Demesmin and Unik Tax Refund over this three-year period, the IRS estimates that the tax loss caused by just these tax return preparation stores over these three years could be as much as \$2.8 million or more.

223. Yves Demesmin's, Joseph Demesmin's, Cooper's, Fleming's, Dorceus', Unik Tax Refund, LLC's, Yves Demesmin, LLC's, Dia I. Fleming, LLC's, UJM Tax Services, LLC's, Loyal Experience Dependable Tax Service, LLC's, and LED Financial Service, LLC's customers have also been harmed because they relied on the Defendants to prepare proper tax returns. Instead, customers' tax returns substantially understated their correct tax liabilities after paying unconscionably high fees to have their tax returns prepared. As a result, many customers, who are often low-income taxpayers, now face large income tax debts and may be liable for penalties and interest.

224. Customers are harmed by the unconscionably high and frequently undisclosed fees tied to anticipated tax refunds. These fees are subtracted from the erroneous refunds that result from the fraudulent tax return preparation perpetrated by the Defendants. When the IRS conducts audits or examinations of customers and seeks repayment of these erroneous refunds, the customers are liable for the repayment of those refunds. Not only do customers face the hardship associated with repayment of erroneous refunds resulting from Yves Demesmin's, Joseph Demesmin's, Cooper's, Fleming's, and Dorceus' greed at others' expense, but customers may also have to repay the portion of the refund that the Defendants subtracted in fees. Customers may also have to pay additional fees to other tax return preparers to file amended tax returns to correct the fraudulent tax returns prepared and filed by Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, Yves Demesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC.

225. The Defendants' misconduct further harms the United States and the public by requiring the IRS to devote scarce resources to detecting their false and fraudulent claims on tax returns and assessing and collecting lost tax revenues from the Defendants' customers. Consequently, identifying and recovering all lost tax revenues resulting from the Defendants' negligent, reckless, fraudulent, and illegal activities may be impossible.

226. The Defendants' conduct also harms honest tax return preparers who unfairly lose business to the Defendants due to the Defendants' willingness to break the law. Customers often have their returns prepared at the Defendants' tax preparation stores because they promise the maximum refund, and deliver by fabricating claims and deductions on customers' tax returns.

227. Finally, the Defendants' misconduct harms the public at large by undermining public confidence in the federal tax system and encouraging widespread violations of the internal revenue laws.

228. The harm to the government and the public will continue, and likely increase, unless Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC are enjoined because—given the seriousness and pervasiveness of their illegal conduct—without an injunction, they are likely to continue preparing false and fraudulent federal income tax returns for customers. An injunction will serve the public interest because it will put a stop to the Defendants' illegal conduct and the harm that such conduct causes the United States and its citizens.

Count I
Injunction under 26 U.S.C. § 7407

229. Section 7407 of the Internal Revenue Code authorizes a district court to enjoin a tax return preparer from engaging in conduct subject to penalty under 26 U.S.C. § 6694 or § 6695. Additionally, if the court finds that a preparer has continually or repeatedly engaged in such conduct, and the court further finds that a narrower injunction (i.e., prohibiting only that specific enumerated conduct) would not be sufficient to prevent that person's interference with the proper administration of the internal revenue laws, the court may enjoin the person from further acting as a tax return preparer. The prohibited conduct justifying an injunction includes, among other things, the following:

- a. Engaging in conduct subject to penalty under 26 U.S.C. § 6694(a), which penalizes a return preparer who prepares a return or claim for refund that contains an unreasonable position and the return preparer knew (or reasonably should have known) of the position;

- b. Engaging in conduct subject to penalty under 26 U.S.C. § 6694(b), which among other conduct, penalizes a return preparer who recklessly or intentionally disregards IRS rules or regulations;
- c. Engaging in conduct subject to penalty under 26 U.S.C. § 6695(g), which penalizes a return preparer who fails to comply with the statutory due diligence requirements;
- d. Guaranteeing the payment of any tax refund or the allowance of any tax credit; or
- e. Engaging in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of the internal revenue laws.

230. Section 7701(a)(36) of the Internal Revenue Code defines tax return preparer to include not only the individual who physically prepares a tax return for compensation, but also anyone “who employs one or more persons” to prepare tax returns for compensation.

231. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus, as shown above in paragraphs 1 through 229, are tax return preparers who, individually and through their respective registered corporations, Unik Tax Refund, LLC’s, YvesDemesmin, LLC’s, Dia I. Fleming, LLC’s, UJM Tax Services, LLC’s, Loyal Experience Dependable Tax Service, LLC’s, and LED Financial Service, LLC’s, have repeatedly and continually prepared or submitted returns or portions of returns (or employed or managed others who prepared or submitted returns or portions of returns) that contain unreasonable positions and substantially understate the liability for tax on the return. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus also advise, instruct, direct, and cause their managers, preparers, and employees to engage in tax fraud, and to prepare federal income tax returns asserting unreasonable, unrealistic, frivolous and fraudulent positions. Accordingly, Yves Demesmin, Joseph Demesmin, Cooper,

Fleming, and Dorceus knew (or should have known) of the unreasonable, unrealistic, frivolous and fraudulent positions.

232. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus, and those acting in concert with them and at their direction, have continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. § 6694 by preparing federal tax returns that understate their customers' liabilities based on unrealistic, frivolous and reckless positions. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus, through the actions described above, also recklessly or intentionally disregard IRS rules or regulations.

233. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus, and those acting in concert with them and at their direction, have continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. § 6695. The Treasury regulations promulgated under 26 U.S.C. § 6695(g) prohibit a return preparer from claiming the EITC without first conducting proper due diligence and documenting his or her compliance with the due diligence requirements. *See* 26 C.F.R. § 1.6695-2 (2011). Not only do Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus fail to conduct proper due diligence or comply with the due diligence requirements, but they also advise, encourage, and cause their managers, preparers, and employees to circumvent the due diligence requirements and to ignore or disregard the information provided by customers.

234. Yves Demesmin's, Joseph Demesmin's, Cooper's, Fleming's, and Dorceus' failure to comply with the due diligence requirements for the EITC violates Treasury Regulations and their willingness to falsify information to obtain the EITC for their customers shows a reckless and/or intentional disregard of IRS rules and regulations.

235. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus, and those acting in concert with them and at their direction, have continually and repeatedly prepared federal income tax returns that claim the EITC for customers, where Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus, and those acting in concert with them and at their direction, have not conducted, let alone documented, the required due diligence procedures.

236. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus also fail to comply with 26 U.S.C. § 6695(a), which requires that a tax return preparer provide a copy of the completed tax return to the taxpayer.

237. Yves Demesmin's, Joseph Demesmin's, Cooper's, Fleming's, and Dorceus' continual and repeated violations of 26 U.S.C. §§ 6694 and 6695 fall within 26 U.S.C. § 7407(b)(1)(A), and thus are subject to an injunction under 26 U.S.C. § 7407.

238. Yves Demesmin's, Joseph Demesmin's, Cooper's, Fleming's, and Dorceus' continual and repeated fraudulent or deceptive conduct that substantially interferes with the proper administration of the internal revenue laws falls within 26 U.S.C. § 7407(b)(1)(D), and thus is subject to an injunction under 26 U.S.C. § 7407.

239. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus, and those acting in concert with them and at their direction, have continuously and repeatedly guaranteed refunds to customers and guaranteed the allowance of tax credits, including but not limited to the EITC. This conduct falls within 26 U.S.C. § 7407(b)(1)(C), and thus is subject to an injunction under 26 U.S.C. § 7407.

240. If Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, Yves Demesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC are not enjoined

from all tax preparation, they and those acting in concert with them and at their direction are likely to continue to prepare and file false and fraudulent tax returns.

241. Yves Demesmin's, Joseph Demesmin's, Cooper's, Fleming's, Dorceus', Unik Tax Refund, LLC's, YvesDemesmin, LLC's, Dia I. Fleming, LLC's, UJM Tax Services, LLC's, Loyal Experience Dependable Tax Service, LLC's, and LED Financial Service, LLC's continual and repeated conduct subject to an injunction under 26 U.S.C. § 7407, including their continual and repeated fabrication of expenses and deductions, is so flagrantly illegal and so egregious that it demonstrates that a narrow injunction prohibiting only specific conduct would be insufficient to prevent Yves Demesmin's, Joseph Demesmin's, Cooper's, Fleming's, Dorceus', Unik Tax Refund, LLC's, YvesDemesmin, LLC's, Dia I. Fleming, LLC's, UJM Tax Services, LLC's, Loyal Experience Dependable Tax Service, LLC's, and LED Financial Service, LLC's interference with the proper administration of the internal revenue laws. Accordingly, Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC should be permanently barred from acting as federal tax return preparers, and from owning, operating, managing, investing in, controlling, licensing, franchising, or working for a tax return preparation business.

Count II
Injunction under 26 U.S.C. § 7408

242. Section 7408 of the Internal Revenue Code authorizes a district court to enjoin any person from engaging in conduct subject to penalty under either 26 U.S.C. § 6700 or § 6701 if injunctive relief is appropriate to prevent recurrence of such conduct.

243. Section 6701(a) of the Internal Revenue Code penalizes any person who aids or assists in, procures, or advises with respect to the preparation or presentation of a federal tax return, refund claim, or other document knowing (or having reason to believe) that it will be used in connection with any material matter arising under the internal revenue laws and knowing that if it is so used it will result in an understatement of another person's tax liability. Under 26 U.S.C. § 6701(c)(1), the term "procures" includes "ordering (or otherwise causing) a subordinate to do an act," as well as "knowing of, and not attempting to prevent, participation by a subordinate in an act."

244. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, through the actions detailed above in paragraphs 1 through 229, caused the presentation and preparation of false, fraudulent, and abusive tax returns and other documents. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus prepare, assist, and/or advise with respect to the presentation and preparation of federal tax returns for customers that they know will understate their correct tax liabilities, because Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus knowingly prepare, assist, and/or advise with respect to the presentation and preparation of returns claiming bogus expenses and deductions. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus procured and assisted the preparation of false and fraudulent tax returns by filing and encouraging the filing of tax returns they knew were false or fraudulent, and by employing, training, and supervising tax return preparers engaging in tax fraud. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus have thus engaged in conduct subject to a penalty under 26 U.S.C. § 6701.

245. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus are likely to continue violating the law absent an injunction. Tax return preparation is Yves Demesmin's, Joseph Demesmin's, Cooper's, Fleming's, and Dorceus' primary source of revenue. To maximize that income, Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus prepare and instruct and direct their managers and preparers to prepare fraudulent returns. That fraudulent conduct, in turn, gives Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus a competitive edge over law-abiding preparers. It also provides a means for Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus to further exploit their customers by charging them unconscionably high fees, while Yves Demesmin's, Joseph Demesmin's, Cooper's, Fleming's, and Dorceus' fraud simultaneously and callously exposes their customers to possible civil and criminal liability.

246. If the Court does not enjoin Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, they are likely to continue to engage in conduct subject to penalty under 26 U.S.C. § 6701. The preparation of tax returns claiming improper expenses and deductions by Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus, and those acting in concert with them and at their direction, is widespread over many customers and tax years. Injunctive relief is therefore appropriate under 26 U.S.C. § 7408.

Count III
Injunction under 26 U.S.C. § 7402(a)
Necessary to Enforce the Internal Revenue Laws

247. Section 7402 of the Internal Revenue Code authorizes a district court to issue injunctions as may be necessary or appropriate for the enforcement of the internal revenue laws.

248. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, through the actions described above in paragraphs 1 through 229, including, but not limited to, intentionally understating their customers' tax liabilities and charging unconscionable and undisclosed fees for the preparation of federal tax returns that intentionally understate their customers' tax liabilities, have engaged in conduct that substantially interferes with the enforcement of the internal revenue laws.

249. Unless enjoined, Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, and those acting in concert with them and at their direction, are likely to continue to engage in such improper conduct and interfere with the enforcement of the internal revenue laws. If Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC are not enjoined from engaging in fraudulent and deceptive conduct, the United States will suffer irreparable injury by providing federal income tax refunds to individuals not entitled to receive him.

250. While the United States will suffer irreparable injury if Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC are not enjoined, the Defendants will not be harmed by being compelled to obey the law.

251. Enjoining Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC is in the public interest because an injunction, backed by the Court's contempt powers if needed, will stop the Defendants' illegal conduct and the harm it causes the United States and the Defendants' customers.

252. The Court should impose injunctive relief under 26 U.S.C. § 7402(a).

Count IV
Disgorgement under 26 U.S.C. § 7402(a)
Necessary to Enforce the Internal Revenue Laws

253. Section 7402 of the Internal Revenue Code authorizes a district court to issue orders, judgments, and decrees as may be necessary or appropriate for the enforcement of the internal revenue laws.

254. Yves Demesmin's, Joseph Demesmin's, Cooper's, Fleming's, Dorceus', Unik Tax Refund, LLC's, YvesDemesmin, LLC's, Dia I. Fleming, LLC's, UJM Tax Services, LLC's, Loyal Experience Dependable Tax Service, LLC's, and LED Financial Service, LLC's conduct, described above in paragraphs 1 through 229, substantially interferes with the enforcement of the internal revenue laws and has caused the United States to issue tax refunds to individuals not entitled to receive them. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC have unjustly profited at the expense of the United States by subtracting their exorbitant fees from those refunds.

255. Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC are not entitled to these ill-gotten gains. But for the Defendants' conduct, these bogus refunds would not have been issued.

256. The Court should enter an order under 26 U.S.C. § 7402(a) requiring Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC to disgorge to the United States the gross receipts (in the form of fees subtracted from customers' tax refunds) that Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC received for the preparation of federal tax returns making grossly incompetent, negligent, reckless, and/or fraudulent claims.

WHEREFORE, the United States of America prays for the following:

A. That the Court find that Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC have continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. §§ 6694 and 6695, continually and repeatedly engaged in other fraudulent or deceptive conduct that substantially interferes with the administration of the tax laws, and that a narrower injunction prohibiting only this specific misconduct would be insufficient;

B. That the Court, pursuant to 26 U.S.C. § 7407, enter a permanent injunction prohibiting Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC from acting as federal tax return preparers;

C. That the Court find that Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC have engaged in conduct subject to penalty under 26 U.S.C. § 6701, and that injunctive relief under 26 U.S.C. § 7408 is appropriate to prevent a recurrence of that conduct;

D. That the Court find that Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC have engaged in conduct that interferes with the enforcement of the internal revenue laws, and that injunctive relief is appropriate to prevent the recurrence of that conduct pursuant to the Court's inherent equity powers and 26 U.S.C. § 7402(a);

E. That the Court, pursuant to 26 U.S.C. §§ 7402(a), 7407, and 7408, enter a permanent injunction prohibiting Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, and all those in active concert or participation with them, from:

- (1) acting as federal tax return preparers 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;

- (2) preparing or assisting in preparing federal tax returns that they know or reasonably should know would result in an understatement of tax liability or the overstatement of federal tax refund(s) as penalized by 26 U.S.C. § 6694;
- (3) owning, operating, managing, working in, investing in, providing capital or loans to, receiving fees or remuneration from, controlling, licensing, consulting with, or franchising a tax return preparation business;
- (4) training, instructing, teaching, and creating or providing cheat sheets, memoranda, directions, instructions, or manuals, pertaining to the preparation of federal tax returns;
- (5) maintaining, assigning, holding, using, or obtaining a Preparer Tax Identification Number (PTIN) or an Electronic Filing Identification Number (EFIN);
- (6) engaging in any other 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 any conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws.

F. That the Court, pursuant to 26 U.S.C. §§ 7402(a) and 7407, enter an order requiring Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC to immediately and permanently close, because of the pervasive fraud, all tax return preparation stores that they own directly or through any other entity, and whether those stores do business as Unik Tax Refund, LED Tax Services, UJM Tax Services, D&M Tax Solutions, or under any other name;

G. That the Court, pursuant to 26 U.S.C. §§ 7402(a) and 7407, enter an order appointing a receiver to sell all of the hard assets, such as computers (after any and all taxpayer

information has been removed), electronics, and furniture, for all tax return preparation stores that Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC own directly or through any other entity, and whether those stores do business as Unik Tax Refund, LED Tax Services, UJM Tax Services, D&M Tax Solutions, or under any other name;

H. That the Court, pursuant to 26 U.S.C. § 7402(a), enter an order prohibiting Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, directly or through any other entity, from assigning, transferring, or selling any franchise agreement, independent contractor agreement, or employment contract related to Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, or any other tax return preparation business to which they or any entity under their control is a party;

I. That the Court, pursuant to 26 U.S.C. § 7402(a), enter an order barring Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, directly or through any other entity, from: (1) selling to any individual or entity a list of customers, or any other customer information, for whom Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC and any other

business or name (including but not limited to Unik Tax Refund, LED Tax Services, UJM Tax Services, and D&M Tax Solutions) through which they, or those acting at their direction, have at any time since 2013 prepared a tax return; (2) assigning, disseminating, providing, or giving to any current or former franchisee, General Sales Manager, District Sales Manager, manager, tax return preparer, employee, or independent contractor of Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, or any other business or entity through which Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus prepare tax returns or own or franchise a tax return preparation business, a list of customers or any other customer information for customers for whom Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, and any other business or name (including but not limited to Unik Tax Refund, LED Tax Services, UJM Tax Services, and D&M Tax Solutions) through which Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus, or those acting at their direction, have at any time since 2013 prepared a tax return; and (3) selling to any individual or entity any proprietary information pertaining to Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, and any other business or name (including but not limited to Unik Tax Refund, LED Tax Services, UJM Tax Services, and D&M Tax Solutions) through which Yves Demesmin, Joseph Demesmin, Cooper, Fleming, and Dorceus, or those acting at their direction, have at any time since 2013 prepared a tax return;

J. That the Court, pursuant to 26 U.S.C. § 7402, enter an order requiring Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC to disgorge to the United States the gross receipts (the amount of which is to be determined by the Court) that Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC received (in the form of fees subtracted from customers' tax refunds) for the preparation of tax returns that make or report grossly incompetent, negligent, reckless, and/or fraudulent claims, deductions, credits, income, expenses, or other information that results in the understatement of taxes, prepared since 2013 by Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and/or LED Financial Service, LLC, and at any tax preparation store franchised, owned, or managed by Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, including but not limited to Unik Tax Refund, LED Tax Services, UJM Tax Services, and D&M Tax Solutions;

K. That the Court, pursuant to 26 U.S.C. §§ 7402(a) and 7407, enter an order requiring Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC to contact, within 30 days of the Court's order, by United States mail and, if an e-mail address is known, by e-mail, all

persons for whom Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, LED Financial Service, LLC, and their managers, employees, and tax return preparers (including but not limited to those doing business under the names Unik Tax Refund, LED Tax Services, UJM Tax Services, and D&M Tax Solutions) prepared federal tax returns or claims for a refund from 2013 and continuing through this litigation to inform them of the permanent injunction entered against them, including sending a copy of the order of permanent injunction but not enclosing any other documents or enclosures unless agreed to by counsel for the United States or approved by the Court;

L. That the Court, pursuant to 26 U.S.C. §§ 7402(a), 7407, and 7408, enter an order requiring Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC 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, e-mail address, and telephone number and tax period(s) all persons for whom Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC, and their managers, employees, and tax return preparers (including but not limited to those doing business under the names Unik Tax Refund, LED Tax Services, UJM Tax Services, and D&M Tax Solutions) prepared federal tax returns or claims for a refund from 2013 and continuing through this litigation;

M. That the Court, pursuant to 26 U.S.C. §§ 7402(a), 7407, and 7408, enter an order requiring Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC to produce to counsel for the United States, within 30 days of the Court's order, a list that identifies by name, address, e-mail address, and telephone number all principals, officers, managers, franchisees, employees, and independent contractors of Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC from 2013 and continuing through this litigation;

N. That the Court, pursuant to 26 U.S.C. §§ 7402(a), 7407, and 7408, enter an injunction requiring Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC to provide a copy of the Court's order to all principals, officers, managers, franchisees, employees, and independent contractors of Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC within 15 days of the Court's order, and provide to counsel for the United States within 30 days a signed and dated acknowledgment of receipt of the Court's order for each person whom Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC provided a copy of the Court's order;

O. That the Court retain jurisdiction over Yves Demesmin, Joseph Demesmin, Cooper, Fleming, Dorceus, Unik Tax Refund, LLC, YvesDemesmin, LLC, Dia I. Fleming, LLC, UJM Tax Services, LLC, Loyal Experience Dependable Tax Service, LLC, and LED Financial Service, LLC and over this action to enforce any permanent injunction entered against them;


P. That the United States be entitled to conduct discovery to monitor Yves Demesmin's, Joseph Demesmin's, Cooper's, Fleming's, Dorceus', Unik Tax Refund, LLC's, YvesDemesmin, LLC's, Dia I. Fleming, LLC's, UJM Tax Services, LLC's, Loyal Experience Dependable Tax Service, LLC's, and LED Financial Service, LLC's compliance with the terms of any permanent injunction entered against them; and

Q. That the Court grant the United States such other and further relief, including costs, as is just and reasonable.

Dated: January 9, 2017

A. LEE BENTLEY, III
United States Attorney

CAROLINE D. CIRAOLO
Principal Deputy Assistant Attorney General



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