

1 CAROLINE D. CIRAULO
Acting Assistant Attorney General

2
3 AARON M. BAILEY
Trial Attorney, Tax Division
U.S. Department of Justice
4 PO Box 683
Ben Franklin Station
5 Washington DC 20044-0683
(202) 616-3164

6 *Of Counsel*
7 BENJAMIN B. WAGNER
United States Attorney

8
9 **IN THE UNITED STATES DISTRICT COURT FOR THE**
10 **EASTERN DISTRICT OF CALIFORNIA**
11 **Sacramento Division**

12 **UNITED STATES OF AMERICA**

13 **Plaintiff,**

14 **v.**

15 **SARAD CHAND, individually and**
16 **doing business as S. Chand Tax &**
Accounting Services, Inc.

17 **Defendant.**

Case No. 2:15-CV-00518-GEB-DAD

Stipulation to Permanent Injunction

18
19
20 Plaintiff, the United States of America, and Defendant Sarad Chand (d/b/a S. Chand Tax
21 & Accounting Services, Inc.), stipulate as follows:

22 1. The United States filed a complaint alleging that defendant prepared tax returns which
23 understated his customers' tax liabilities by claiming, inter alia, false and exaggerated business
24 and personal deductions, false or exaggerated education and energy tax credits, and improper
25 miscellaneous itemized deductions to which his customers are not entitled.

26 2. Defendant admits that this Court has jurisdiction over him and over the subject matter
27 of this action.

28 3. Defendant waives the entry of findings of fact and conclusions of law under Federal
Rule of Civil Procedure 52 and 26 U.S.C. § 7402, 7407 and 7408.

1 4. Defendant enters into this Stipulated Order of Permanent Injunction voluntarily.

2 5. Defendant waives any right they may have to appeal from the Stipulated Order of
3 Permanent Injunction.

4 6. Defendant acknowledges that entry of this Stipulated Order of Permanent Injunction
5 neither precludes liability (e.g. the assessment of taxes, interest, or penalties) against him for
6 asserted violations of the Internal Revenue Code, nor precludes defendant from contesting any
7 such liability.

8 7. Defendant consents to the entry of this Stipulated Order of Permanent Injunction
9 without further notice and agrees that this Court shall retain jurisdiction over him for the purpose
10 of implementing and enforcing this Stipulated Order of Permanent Injunction. Defendant further
11 understands that if he violates this Stipulated Order of Permanent Injunction, he may be found to
12 be in contempt of court and may be sanctioned for that.

13 8. Entry of this Stipulated Order of Permanent Injunction resolves only the government's
14 civil injunction claim, and neither precludes the government from pursuing any other current or
15 future civil or criminal matters or proceedings against Defendant, nor precludes him from
16 contesting his liability in any other matter or proceeding.

17 9. If the Defendant violates the Injunction, he may be subject to civil and criminal
18 sanctions for contempt of court.

19 WHEREFORE, the Court hereby FINDS, ORDERS, and DECREES:

20 A. The Court has jurisdiction over this action under 28 U.S.C. § 1340 and 1345 and under
21 26 U.S.C. § 7402, 7407 and 7408.

22 B. Defendant consents to the entry of this injunction and agrees to be bound by its terms.

23 C. Sarad Chand, in his own capacity and doing business under any other name, including
24 defendant S. Chand Tax & Accounting Services, Inc., or using any other entity, and all persons in
25 active concert or participation with him, are permanently enjoined under 26 U.S.C. § 7402, 7407
26 and 7408 from, directly or indirectly:
27
28

- 1 i. Acting as a federal tax return preparer or assisting in, directing or advising
2 others with the preparation or filing of any federal tax returns, amended returns, or
3 other related documents or forms for any person or entity other than himself, or
4 appearing as a representative on behalf of any person or organization before the
5 Internal Revenue Service, either individually or through an entity, inclusive of S.
6 Chand Tax & Accounting Services, Inc.;
- 7 ii. Assisting or advising anyone in connection with any tax matter;
- 8 iii. Having an ownership interest in or working for (either as an employee or
9 independent contractor) or profiting from any entity that prepares tax returns or
10 represents clients before the Internal Revenue Service;
- 11 iv. Misrepresenting any of the terms of this Order;
- 12 v. Organizing or selling plans, or arrangements that advise or encourage taxpayers
13 to attempt to evade the assessment or collection of their correct federal tax;
- 14 vi. Engaging in any other activity subject to penalty under I.R.C. § 6694, 6695,
15 6700, or 6701, including preparing or assisting in the preparation of a document
16 related to a matter material to the internal revenue laws that includes a position
17 Defendant know will (if so used) result in an understatement of another person's
18 tax liability; and
- 19 vii. Engaging in conduct that substantially interferes with the proper
20 administration and enforcement of the internal revenue laws and from promoting
21 any false tax scheme.
- 22

23 D. IT IS FURTHER ORDERED that defendant produce to counsel for the United States
24 within 20 days of the date of this order a list that identifies by name, social security number,
25 address, e-mail address, telephone number, and tax period(s) all persons from for whom they
26 prepared federal tax returns, forms, or claims for refund since January 1, 2012.

27

28

1 E. IT IS FURTHER ORDERED that defendant Sarad Chand, within 90 days of this
2 Order, shall send a letter (approved by counsel for the United States) to customers for whom he
3 prepared federal tax returns since January 1, 2007, informing them that he has agreed to this
4 permanent injunction and is no longer permitted to prepare tax returns for others. Chand shall
5 provide certification to counsel for the United States, within 100 days of this Order, that he has
6 complied with this provision.

7 F. IT IS FURTHER ORDERED that the Court shall retain jurisdiction to enforce this
8 injunction and the United States may conduct discovery using the procedures prescribed by Fed.
9 R. Civ. P. 30, 31, 33, 34, 36, and 45 or as otherwise provided in the Federal Rules of Civil
10 Procedure to ensure compliance with this permanent injunction.

11 Dated: May 18, 2015

12
13 
14 _____
GARLAND E. BURRELL, JR.
Senior United States District Judge

1 *Stipulated Permanent Injunction*
2 *against Sarad Chand (individually*
3 *and d/b/a S. Chand Tax & Accounting Services, Inc.)*

4 Dated: _____, 2015.

5 *Prepared by:*

6 CAROLINE D. CIRAULO
7 Acting Assistant Attorney General

8 _____
9 AARON M. BAILEY
10 Trial Attorney, Tax Division
11 U.S. Department of Justice
12 Post Office Box 683
13 Ben Franklin Station
14 Washington, DC 20044
15 (202) 616-3164
16 Aaron.M.Bailey@usdoj.gov

17 *Of Counsel*
18 BENJAMIN B. WAGNER
19 United States Attorney

20 *Reviewed and Agreed:*

21 _____
22 SARAD CHAND (*individually and d/b/a S. Chand*
23 *Tax & Accounting Services, Inc.*)

24 _____
25 *Counsel for Sarad Chand & S. Chand Tax &*
26 *Accounting Services, Inc.*