



U.S. Department of **JUSTICE**

The Department of Justice is posting this court document as a courtesy to the public. An official copy of this court document can be obtained (irrespective of any markings that may indicate that the document was filed under seal or otherwise marked as not available for public dissemination) on the Public Access to Court Electronic Records website at <https://pacer.uscourts.gov>. In some cases, the Department may have edited the document to redact personally identifiable information (PII) such as addresses, phone numbers, bank account numbers, or similar information, and to make the document accessible under Section 508 of the Rehabilitation Act of 1973, which requires federal agencies to make electronic information accessible to people with disabilities.

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Case No.
)	
MABIKA ILUNGA; SIMON ILUNGA;)	
SIMON ILUNGA JR.; MABILUS, INC.)	
d/b/a METRO INSURANCE AND TAX)	
SERVICE; THE BIG CHEEZ, INC.)	
d/b/a METRO INSURANCE AND TAX)	
SERVICE; SN TAX SERVICES, INC.)	
d/b/a METRO INSURANCE AND TAX)	
SERVICE,)	
)	
Defendants.)	
_____)	

**COMPLAINT FOR PERMANENT INJUNCTION AND
DISGORGEMENT**

1. The United States of America brings this action to permanently enjoin Mabika Ilunga, Simon Ilunga, and Simon Ilunga Jr., individually and doing business as Mabilus, Inc. d/b/a Metro Insurance and Tax Service, The Big Cheez, Inc. d/b/a Metro Insurance and Tax Service, and SN Tax Services, Inc. d/b/a Metro Discount Tax Services (collectively, “Defendants”), from:

- a. Preparing, assisting in the preparation of, or directing the preparation of federal tax returns, amended returns, or other tax-related documents and forms, including any electronically

submitted tax returns or tax-related documents, for any entity or person other than themselves;

- b. Filing, assisting in the filing of, or directing the filing of federal tax returns, amended returns, or other tax-related documents or forms, including any electronically submitted tax returns or tax-related documents, for any entity or person other than themselves;
- c. Using a false or fictitious Employer Identification Number (“EIN”), Taxpayer Identification Number (“TIN”), Preparer Taxpayer Identification Number (“PTIN”), Electronic Filing Identification Number (“EFIN”), Social Security Number (“SSN”), or any other federally issued identification number to file or remit federal tax returns;
- d. Using an EFIN, EIN, TIN, PTIN, SSN, or any other federally issued identification number that belongs to another to file or remit federal tax returns;
- e. Allowing others the use of an EFIN, EIN, TIN, PTIN, or any other federally issued identification number to prepare or file federal tax returns;
- f. Using, maintaining, renewing, obtaining, transferring, selling, or assigning any PTIN or EFIN;

- g. Owning, managing, assisting, working for, profiting from, or volunteering for any individual, business, or entity that prepares or assists in the preparation of tax returns, amended returns, or other tax-related documents or forms, including any electronically submitted tax returns or tax-related documents;
- h. Transferring, selling, or assigning their customer lists and/or other customer information;
- i. Engaging in activity subject to penalty under 26 U.S.C. (“I.R.C.”) §§ 6694, 6695, or 6701; and
- j. Engaging in conduct that substantially interferes with the proper administration and enforcement of tax laws;

2. The United States also seeks an order for disgorgement of ill-gotten gains from Defendants’ preparation of tax returns.

Authorization

3. The Chief Counsel of the Internal Revenue Service, as a delegate of the Secretary of the Treasury, authorized and requested this action and the Attorney General directed that it be commenced.

Jurisdiction and Venue

4. This Court has jurisdiction pursuant to I.R.C. § 7402(a) and 28 U.S.C. §§ 1340 and 1345.

5. Venue is proper in this Court, pursuant to I.R.C. §§ 7407(a), 7408(a), and 28 U.S.C. § 1391, because Defendants' principal place of business is within this district, Defendants prepare tax returns in this district, and the events giving rise to this claim occurred within this judicial district.

Background on Defendants and their Return Preparation Business

6. Mabika Ilunga ("Mabika") moved to the United States from the Congo in Africa in 1983. In 1986, he received a bachelor's degree in agriculture (Food and Resource Economics) from the University of Florida, which is his only degree. He has worked as a federal income tax preparer as defined by I.R.C. § 7701(a)(36) for approximately 20 years.

7. Simon Ilunga ("Simon Sr.") is the brother of Mabika. Simon Sr. works as a federal income tax preparer as defined by I.R.C. § 7701(a)(36).

8. Simon Ilunga Jr. ("Simon Jr.") is the son of Mabika. Simon Jr. works as a federal income tax preparer as defined by I.R.C. § 7701(a)(36).

9. Mabika, Simon Sr., and Simon Jr. operate their tax preparation business under the official business name Metro Insurance and Tax Service, but customers also refer to it as Metro Discount Tax Services or Metro Taxes. The business is referred to as "Metro Taxes" in this complaint. Their tax preparation office is at 5300 Memorial Drive, Suite 108, Stone Mountain, GA 30083.

10. Upon information and belief, Defendants operate their tax return preparation business as a trade name under one or more Georgia entities.

- a. Mabika is the sole owner and officer of Defendant Mabilus, Inc. (“Mabilus”), a Georgia corporation. Mabilus was administratively dissolved on September 8, 2023. Defendants hold the electronic filing identification number (EFIN) for their business through Mabilus.
- b. Mabika owns Defendant Big Cheez, Inc. (“Big Cheez”), a Georgia corporation, which also does business under the name Metro Taxes. Big Cheez was administratively dissolved on August 26, 2019, but is still used in relation to Defendants’ return preparation business.
- c. Simon Sr. is the officer of Defendant SN Tax Services, Inc. (“SN Tax”), an active Georgia corporation. After being administratively dissolved for failure to file an annual statement, SN Tax was reinstated as an active corporation on October 7, 2024.

11. Defendants prepare over a thousand income tax returns each year for customers in the greater Atlanta area. Between January 27, 2025, and February 10, 2025, Defendants had already prepared 405 returns.

12. Defendants primarily serve low-income African immigrant communities in Gwinnett County, Georgia, east of Atlanta.

13. As shown in the chart below, Defendants claim refunds on over 97 percent of all returns they file annually.

Filing Year	# of Returns	# with Refunds	% with Refunds
2021	1,505	1,496	99.4%
2022	1,214	1,207	99.4%
2023	1,562	1,555	99.6%
2024	1,599	1,556	97.3%
2025	405	402	99.3%

14. Defendants often do not provide customers complete copies of their returns.

15. Defendants do not disclose the true amount of fees they take from their customers.

16. Defendants take their fees directly from their customers' refunds.

17. Defendants advertise to customers that their preparation fees are between \$250 to \$300, but they frequently charge their customers much higher fees, sometimes as high as \$1,000 per return. They often extract their fees from their customers' refund, obfuscating their total charge from these customers.

Defendants Improperly Identify Themselves on Returns

18. Return preparers must have a PTIN to prepare federal income tax returns professionally. *See* I.R.C. § 6109.

19. The IRS issued Mabika a PTIN on May 10, 2012.

20. Prior to May 2024, Mabika was the only individual at Metro Tax who had a PTIN.

21. Mabika failed to timely renew his PTIN in 2016 and 2019, but continued to file returns while his PTIN was expired.

22. Despite not having PTINs of their own as required by section 6109, Simon Sr. and Simon Jr., meet with customers and prepare returns at Metro Taxes.

23. Through 2024 Simon Sr. and Simon Jr. did not sign—or otherwise identify themselves on—the returns they prepared for customers. Instead, only Mabika and Mabika’s PTIN were listed on the returns filed by Metro Taxes.

24. In May 2024—a week after Mabika was interviewed by the IRS—Simon Jr. applied for and received a PTIN.

25. Section 6109 of the Internal Revenue Code requires a tax return preparer to identify themselves with their assigned PTIN on all returns they prepare. Failure to do so subjects a tax return preparer to penalty under section 6695(c).

26. Section 6695(b) of the Internal Revenue Code also subjects tax return preparers to penalty for failing to sign a return they prepare. *See also* Treas. Reg. (26 C.F.R.) § 1.6695-1(b).

27. Defendants regularly engage in conduct subject to penalty under I.R.C. §§ 6695(b) and 6695(c) by preparing and filing tax returns that do not accurately identify the return preparer.

28. Due to the clandestine nature of Defendants' actions, it is impossible to ascertain exactly the total number of returns Simon Sr. and Simon Jr. prepare under the auspice of Mabika's PTIN.

29. EFINs are used to identify firms that are authorized to electronically file tax returns for customers.

30. Mabika first applied for and obtained EFIN ****77 on November 6, 2007. The EFIN was registered to his wife, Kapinga Mbuebue. Mabika applied for and received a new EFIN (****09) in January 2022. This is the sole EFIN used by Defendants during the 2023 and 2024 filing season.

Defendants' Fraudulent Schemes

Defendants manipulate their customers' income reported on Schedule C to decrease their taxable income or increase the refundable credits they receive.

31. Taxpayers use Schedule C, *Profit or Loss from a Business*, to report income or loss from a business or profession operated as a sole proprietor.

32. Defendants often claim fictitious Schedule C losses on returns they prepare for their customers, primarily by contriving bogus expenses for non-existent businesses. Such claims artificially lower their customers' tax

liabilities and in many cases fraudulently inflate the refund amount

Defendants claim on returns they prepare. For example:

Customer¹	Preparer	Tax Year	\$ Fabricated Loss claimed on Sch. C
Customer 1 and 2	Mabika	2023	\$16,221
	Ilunga	2022	\$10,837
Customer 3 and 4	Mabika Ilunga	2023	\$22,302
Customer 5	Mabika Ilunga	2023	\$16,125

- a. Customers 1 and 2 were W-2 employees at a warehouse during 2022 and 2023. Mabika nevertheless prepared a Schedule C for a made-up grocery store business that he claimed Customer 1 worked for without Customer 1's knowledge. Mabika included fabricated expenses, including costs for materials and supplies, resulting in a net loss to reduce the customers' taxable income for each year. Customers 1 and 2 did not represent to Mabika that they owned such a business or otherwise received income as sole proprietors for either year. Mabika fraudulently claimed business losses of \$16,221 on Customers 1 and 2's joint return for 2023,

¹ The Complaint refers to each customer by a number, e.g., Customer 1, etc. A Customer Key, which identifies each customer by name and Social Security number, will be served on Defendants with this Complaint.

and of \$10,837 for 2022, reducing their taxable income for each year.

- b. Customers 3 and 4's only income during 2023 was from 3's job as a traffic signal technician as a W-2 employee. Mabika nevertheless prepared a Schedule C for a made-up business without Customers 3 and 4's knowledge. Mabika included fabricated expenses for car milage, utilities, and insurance, resulting in a net loss to reduce the customers' taxable income for each year. Customers 3 and 4 did not represent to Mabika that they owned a business or otherwise received income as sole proprietors for either year. Mabika fraudulently claimed a business loss of \$22,302 on Customers 3 and 4's return for 2023, reducing their taxable income.
- c. Customer 5 worked two jobs as a W-2 employee at Masonite and Dominos. Mabika nevertheless prepared a Schedule C for a made-up business without Customer 5's knowledge. Mabika included fabricated expenses resulting in a net loss to reduce Customer 5's taxable income for the year. Customer 5 did not represent to Mabika that he owned a business or otherwise received income as a sole proprietor during 2023. Mabika

fraudulently claimed a business loss of \$16,125 on Customer 5's return for 2023, reducing his taxable income for each year.

33. In addition to reducing taxable income, Defendants' Schedule C schemes often result in customers receiving a greater earned income tax credit ("EITC") than they are entitled to obtain.

Defendants manipulate their customers' income to qualify them for the Earned Income Tax Credit.

34. The EITC is a benefit for working taxpayers with low to moderate income. The amount of the EITC for which taxpayers may qualify depends upon several factors, including the taxpayer's filing status, number of dependents, and amount of "earned income." The amount of the EITC increases in relation to the taxpayer's "earned income" to a certain threshold. Then the amount of the credit decreases as income rises until the taxpayer becomes ineligible to claim the credit. Thus, some taxpayers may receive a larger refundable credit by reporting more income. The range of income corresponding to the maximum EITC credit with the minimum tax burden is sometimes referred to as the "sweet spot."

35. Preparers who claim certain tax benefits, including the EITC, must attest to meeting certain due diligence requirements. *See* I.R.C. § 6695(g) and Treas. Reg. § 1.6695-2. These requirements include knowledge, computational, and recordkeeping requirements, as well as the requirement

to submit Form 8867, *Paid Preparer's Due Diligence Checklist*, with returns submitted.

36. The below chart shows the number of returns prepared under Mabika's PTIN that claimed the EITC.

Filing Year	# of Returns	# EITC Returns	% with EITC
2021	1,505	824	54.8%
2022	1,214	737	60.7%
2023	1,562	913	58.5%
2024	1,599	934	58.4%

37. Defendants fail to ask questions to properly determine the taxpayer's eligibility to claim the EITC. Defendants also make up Schedule C businesses to manipulate the EITC they claim for their customers and include false information on Forms 8867. Defendants' falsification results in increased claims for EITCs for some customers and, in other cases, customers receiving an EITC they are not truly eligible for. For example:

Customer	Preparer	Tax Year	\$ Fraudulent EITC Claim
Customer 6	Mabika Ilunga	2023	\$3,995
Customer 7	Mabika Ilunga	2023	\$2,951

- a. Mabika listed \$15,006 of adjusted gross income on Customer 6's 2023 return. Although Customer 6 reported that her only income was \$6,049 she earned for her work as a W-2 employee at a

senior living care facility, Mabika reported an additional \$9,638 in income as a “clothing retailer” on a fictitious Schedule C he prepared for Customer 6. The fictitious Schedule C income Mabika fraudulently claimed on Customer 6’s return without her knowledge improperly increased her EITC to \$3,995, the maximum amount for the credit.

- b. Customer 7 was ineligible for the EITC in 2023 based on his earned income of \$52,252. Customer 7 worked as a W-2 employee at Tyson Poultry. Although Customer 7 told Mabika he had no other sources of income, Mabika reported a fictitious trucking business on Customer 7’s Schedule C and claimed a business loss of \$27,243 without Customer 7’s knowledge. As a result, Mabika improperly reduced Customer 7’s taxable income below the income limit of \$46,560 for his filing circumstances and claimed for Customer 7’s a \$2,951 EITC.

Defendants fraudulently filed tax returns with incorrect filing statuses and dependents to reduce customer income and maximize refunds.

38. A taxpayer’s filing status is generally determined from marital status. For example, married taxpayers must usually file as either “married filing jointly” or “married filing separately.”

39. Taxpayers who are unmarried, or considered unmarried, with a qualified dependent may also file as “head of household” (HOH). This filing status usually results in lower tax rates than “single” or “married filing separately” and allows a higher standard deduction.

40. Filing status can have a significant effect on a taxpayer’s total liability. For example, in tax year 2023, the standard deduction amount varied as follows depending on filing status:

Filing Status	Amount of Standard Deduction
Single	\$13,850
Married Filing Separately	\$13,850
Head of Household	\$20,800
Married Filing Jointly	\$27,700

41. Defendants disregard the rules for claiming a filing status, filing returns showing the incorrect filing status for their customers without the customers’ knowledge or consent.

42. Defendants file an unusually high number of returns claiming HOH, including many returns claiming HOH for taxpayers living at the same address, as shown in the following chart.

Tax Year	# of Returns Claiming HOH	% of Total Returns Filed	# of HOH Returns with Same Address
2020	344	23%	34
2021	307	25%	35
2022	392	25%	30
2023	503	31%	62

43. The standard deduction for taxpayers with the married filing jointly filing status is \$27,700, while two taxpayers filing with the HOH filing status could claim a total standard deduction of \$41,600 in 2023.

44. If multiple returns are filed for taxpayers in one household, only one taxpayer may claim HOH on their return. Further, couples who are married but file separately may not claim HOH status on either of their returns. The IRS's system will reject a return that lists a taxpayer as HOH if a return has already been received for a taxpayer at the same address and also lists HOH status.

45. To work around this restriction, Defendants misspelled the home address on married customers' separate returns. By doing so, when they submitted each return, neither would be flagged as ineligible for HOH status.

46. For example:

- a. Customers 8 and 9 are married. Simon Sr. prepared their returns for 2023 and 2022. Even though Simon Sr. knows they are married, he claimed the HOH filing status on each of their returns for both years. And although they live together at the same address, Simon Sr. changed the first letter of the street address on each of their returns. These claims allowed both customers to claim the EITC, resulting in a larger refund than

they were entitled. Customer 8 has faced issues qualifying for student financial aid as a result of Simon Sr.'s false claims.

- b. Customers 10 and 11 are married. Mabika prepared their 2022 and 2023 returns. Even though Mabika knows they are married, he improperly claimed the HOH filing status on each of their returns for both years. Rather than filing one return with a single EITC claim, Mabika was able to fraudulently claim duplicative EITCs on each of their returns for 2023 (\$5,636 on Customer 10 and \$4,484 on Customer 11).

47. In addition, Defendants falsely claim ineligible dependents on their customers' returns to claim the HOH filing status and EITC. For example:

- a. Mabika prepared Customer 12's 2023 return. Despite knowing that Customer 12's son did not live with him at all during 2023, Mabika improperly claimed him as a dependent on Customer 12's 2023 return and listed his filing status as HOH instead of single. As a result, Mabika fraudulently claimed an EITC of \$3,170 to which Customer 12 was not entitled.
- b. Mabika prepared Customer 7's 2023 return. Despite knowing that Customer 7's nieces did not live with him at all during 2023, Mabika improperly claimed them as dependents on Customer 7's

2023 return and listed his filing status as HOH instead of single.

As a result, Mabika fraudulently claimed an EITC of \$3,726 to which Customer 7 was not entitled.

Defendants make ineligible claims for unreimbursed employee business expenses to reduce their customers' income.

48. Until tax year 2018, taxpayers with W-2 income who itemized their deductions could deduct ordinary and necessary unreimbursed employee business expenses (“UEBE”).

49. Since 2018, most taxpayers are ineligible to claim unreimbursed business expenses. The deduction is limited to Armed Forces reservists, qualified performing artists, fee-basis state or local government officials, and employees with impairment-related work expenses. *See* I.R.C. § 62(a)(2).

50. Eligible taxpayers can claim UEBE on Schedule 1, *Additional Income and Adjustments to Income*. Taxpayers compute the amount of deductible expenses using Form 2106, *Employee Business Expenses*, which lists the eligible employment categories in bold letters at the top of the form.

51. Despite the limited eligibility for this deduction, Defendants prepare a disproportionately high number of returns including Form 2106 deductions, as shown in the following chart:

Filing Year	# of Returns with Form 2106	% of Returns with Form 2106	Total \$ Deducted on Form 2106
2022	251	21%	\$1,153,113
2023	384	25%	\$2,285,168
2024	488	31%	\$3,821,048

52. In total, Defendants claimed over \$7 million in UEBE deductions on their customers' returns between 2022 and 2024, the majority of which are likely ineligible.

53. Defendants prepare returns claiming deductions for wholly ineligible professions and expenses. For example:

Customer	Preparer	Tax Year	\$ Fraudulently Deducted on Form 2106
Customers 13 and 14	Simon Ilunga, Jr.	2023	\$15,720
Customer 12	Mabika Ilunga	2023	\$7,860
Customers 15 and 16	Simon Ilunga, Sr.	2023	\$7,860

a. Simon Jr. prepared Customers 13 and 14's joint return for 2023.

Customer 13 worked for nurse staffing agencies, and Customer 14 worked for a food service company. Neither were eligible to claim Form 2106 expenses. But Simon Jr. claimed \$15,720 in vehicle expenses on Form 2106 for Customers 13 and 14's joint return without their knowledge, thereby improperly reducing their taxable income. Simon Jr. did not include the false Form

2106 he prepared in the copy of the return he provided

Customers 13 and 14.

- b. Mabika prepared Customer 12's 2023 return. Customer 12 worked as a school janitor and was ineligible to claim Form 2106 expenses. But Mabika claimed \$7,860 in vehicle expenses on Form 2106 without Customer 12's knowledge, thereby improperly reducing his taxable income.
- c. Simon Sr. prepared Customers 15 and 16's 2023 return. Customer 15 worked as a machine operator and was ineligible to claim Form 2106 expenses. But Simon Sr. claimed on Form 2106 that Customer 15 incurred \$7,860 in unreimbursed vehicle-related expenses in 2023. Simon Sr. did not ask Customer 15 whether he had any qualifying employment, just how long his commute was and how much he spent refueling his car that year. Thus, although Customer 15 was ineligible for UEBE deductions due to the nature of his employment, Simon Sr. fraudulently claimed these expenses without Customers 15 and 16's knowledge to reduce their taxable income.

Defendants Prepare Tax Returns with False or Inflated Education Credits

54. Education credits are refundable or non-refundable credits for certain types of education expenses incurred by taxpayers or their qualified dependents. Defendants fraudulently reported the American Opportunity Tax Credit and Lifetime Learning Credit on customers' returns to increase their refunds.

55. The American Opportunity Tax Credit ("AOTC")—formerly the Hope Scholarship Credit—is a credit for qualified education expenses of eligible students for the first four years of higher education. The AOTC reduces the amount of tax reported by the taxpayer on a dollar-for-dollar basis up to \$2,500. Up to \$1,000 of that is refundable to the taxpayer if the amount of the credit exceeds the tax shown due. The educational institution provides the taxpayer and the IRS with a Form 1098-T that reports the qualified expenses.

56. Eligible taxpayers may claim these credits using Form 8863, *Education Credits*.

57. Since 2014, at least six taxpayers lodged official complaints with the IRS against Mabika Ilunga, describing his claims for false education credits without their knowledge.

58. Defendants claim false education credits for customers who either did not incur qualified education expenses *at all* or who incur less than Defendants claim. For example:

Customer(s)	Preparer	Tax Year	Credit Claimed	\$ Fraudulently Claimed
Customer 8	Simon Ilunga, Sr.	2022	American Opportunity	\$6,681
		2023		\$5,666
Customer 17	Simon Ilunga, Sr.	2023	American Opportunity	\$2,425
Customers 15 and 16	Mabika Ilunga	2023	American Opportunity	\$6,700

- a. Simon Sr. prepared Customer 8's 2022 and 2023 tax returns.

While Customer 8 and her dependent both attended community college during these years, both received grants that fully covered their education expenses. Customer 8 provided Simon Sr. her and her dependent's Forms 1098-T confirming that they had no out-of-pocket expenses. Yet, on Customer 8's returns for 2022 and 2023, Simon Sr. claimed \$6,681 and \$5,666 in AOTCs respectively. Simon Sr. did not discuss with them whether they had any out-of-pocket tuition expenses, nor did Customer 8 know that Simon Sr. claimed these credits on her returns.

- b. Simon Sr. prepared Customer 17's 2023 tax return. Customer 17 did not attend any school in 2023, and Simon Sr. never asked him if he did. On his 2023 return, however, Simon Sr. claimed an

AOTC of \$2,425 based on out-of-pocket education expenses.

Simon Sr. claimed this AOTC, along with numerous other fraudulent credits and losses, without Customer 17's knowledge.

c. Mabika prepared Customers 15 and 16's 2023 joint tax return.

Customers 15 and 16 are married to each other. Customer 16 had \$1,300 of eligible out-of-pocket education expenses that year, while Customer 15 did not attend school at all. Yet, on their joint tax return for 2023, Mabika claimed an AOTC of \$8,000. Mabika inflated the AOTC without Customers 15 and 16's knowledge.

Defendants Prepare Tax Returns with False Passive Activity Credits for Qualified Electric Vehicles

59. Beginning with tax year 2023, taxpayers who purchased certain new or used electric vehicles ("EVs") could use Form 8936 to receive a refundable credit for their purchase.

60. However, for EVs purchased between 2007 and 2022, a taxpayer is not entitled to claim the EV credit using Form 8936. Instead, a taxpayer may claim a "passive activity credit" for an EV purchased during that time using Forms 8834 and 8582-CR.

61. A "passive activity credit" is a credit that allows a taxpayer to decrease their tax liability based on certain passive activities like renting real

estate or purchasing EVs. For the latter, the credit is limited to the amount of taxes owed for the current year (minus certain other credits).

62. Defendants used Form 8834 to falsely claim their customers purchased qualified EVs between 2007 and 2022, which in turn generated a “passive activity credit” that reduced or eliminated their customers’ tax liabilities for a given year.

63. Specifically, Defendants claimed passive activity electric vehicle credits on 457 tax returns for tax year 2021, on 396 tax returns for tax year 2022, and on 424 tax returns for tax year 2023.

64. In reality, these customers did not own EVs, did not qualify for a passive activity credit for purchasing EVs, and did not know Defendants had claimed this credit on their returns.

65. In total, Defendants claimed over \$3 million in erroneous passive activity credits on their customers’ returns from tax years 2021 to 2023. For example:

Customer(s)	Preparer	Tax Year	\$ Expenses Fraudulently Deducted
Customer 18	Mabika	2022	\$4,882
	Ilunga	2023	\$5,818
Customer 19	Mabika	2022	\$3,548
	Ilunga	2023	\$4,013
Customer 20	Simon	2022	\$7,757
	Ilunga, Sr.	2023	\$4,319

- a. Mabika prepared Customer 18's 2022 and 2023 tax returns. On Customer 18's 2022 and 2023 returns, Mabika claimed \$4,882 and \$5,818 in passive activity EV credits, respectively. Customer 18 never owned, nor could she afford to purchase, an EV. She was not aware that Mabika claimed this credit on either return. The copies of the 2022 and 2023 returns she received did not include the Form 8834.
- b. Mabika prepared Customer 19's 2022 and 2023 tax returns. On Customer 19's 2022 and 2023 returns, Mabika claimed \$3,548 and \$4,013 in passive activity EV credits, respectively. Customer 19 did not own any EVs. He was not aware that Mabika claimed this credit on either return. The copies of the 2022 and 2023 returns he received did not include the Form 8834.
- c. Simon Sr. prepared Customer 20's 2022 and 2023 tax returns. On Customer 20's 2022 and 2023 returns, Simon Sr. claimed \$7,757 and \$4,319 in passive activity EV credits, respectively. Customer 20 did not own any EVs. He was not aware that Simon Sr. claimed this credit on either return. The copies of the 2022 and 2023 returns he received did not include the Form 8834.

**Defendants Have Continued their Wrongful Conduct
Despite Being Confronted by the IRS**

66. The IRS contacted the Defendants on multiple occasions to try and rectify Defendants' wrongful conduct.

67. In 2013, the IRS sent a letter to Mabika, alerting him that he prepared many returns claiming the EITC containing apparent errors.

68. In 2018, Mabika was subject to a Due Diligence Visitation from the IRS. The IRS conducts Due Diligence visits of return preparers based on errors in returns filed by the preparer claiming the EITC and other credits. The IRS evaluated whether Mabika met the requirements under section 6695(g), including the knowledge and record retention requirements.

69. As a result of Mabika's apparent lack of knowledge about tax law and errors on returns he prepared, the IRS assessed a penalty against him under section 6695(g) for failure to be diligent in determining his customers' eligibility for certain tax benefits.

70. In 2023, the IRS investigated Defendants following a referral from the Abusive Transaction Support Unit, which identified a high number of mistakes on returns Defendants prepared.

71. The IRS interviewed thirty-four randomly selected customers who used Defendants to prepare their tax returns during the 2024 filing season.

72. The interviews showed that Defendants continued to make false claims on returns without their customers' knowledge, even *after* the IRS notified and penalized Mabika for this conduct.

73. The interviews showed that Simon Sr. and Simon Jr. also prepare returns using Mabika's PTIN.

74. An IRS Revenue Agent interviewed Mabika on May 21, 2024. The interview showed Mabika had not become compliant with the tax law in spite of the IRS's prior intervention efforts.

75. During the interview, Mabika claimed he was unaware of the eligibility requirements for Form 2106 deductions, the due diligence requirements for claiming the Head of Household (HOH) filing status, and the requirements for claiming the EV credits.

Harm Caused by Defendants' False Claims

76. Defendants' pattern of preparing returns that understate their customers' tax liabilities and overstate their refunds through the schemes described above has resulted in the loss of significant federal tax revenue.

77. Of the 34 customers interviewed by the IRS in 2024, 33 had errors on their returns that required an adjustment.

78. Indeed, the errors for just these 33 customers resulted in total tax not reported and paid of over \$200,000. Because Defendants prepare

thousands of individual and business tax returns each year, the total tax loss caused by Defendants is likely much higher.

79. In many instances, Defendants' fraudulent practices have caused the United States to issue refunds that the customers were not entitled to receive.

80. In addition, the United States has had to bear the substantial cost of examining the returns Defendants have prepared, determining the customers' correct tax liabilities, recovering the customers' understated liabilities and overstated refunds, and collecting additional taxes and penalties due.

81. Apart from the direct harm caused by preparing tax returns that fraudulently understate customers' tax liabilities and overstate their refunds, Defendants' activities encourage customers' noncompliance with the internal revenue laws. Defendants' fraudulent preparation practices create illegally inflated refunds under the pretenses of legitimate return preparation practices, and thereby encourage their customers to continue using their services.

82. Defendants' practices also harm customers who pay substantial fees for what they believe to be honest return preparation services, but eventually learn that they owe money to the IRS because of the inaccuracies reported on their returns. Customers face hardship associated with

repayment of erroneous refunds resulting from Defendants' misconduct and may be liable for penalties and interest triggered by the fraudulent positions taken by Defendants on their returns. Further, Defendants' customers may also have to pay additional fees to other tax return preparers to file amended tax returns to correct the false or fraudulent tax returns prepared and filed by Defendants.

83. Defendants' illegal conduct also harms honest tax return preparers because, by preparing tax returns that unlawfully claim bogus business losses that falsely inflate customers' refunds, Defendants gain a competitive advantage over tax return preparers who prepare returns in accordance with the law. Customers who are satisfied with the tax refunds they receive but are unaware of Defendants' illegal return practices often return to Defendants for subsequent tax seasons.

84. Defendants' activities undermine public confidence in the administration of the federal tax system and encourage noncompliance with the internal revenue laws.

85. The harm to the government and the public will continue, and likely increase, unless Defendants are enjoined because—given the seriousness and pervasiveness of their illegal conduct—without an injunction, Defendants are likely to continue preparing false and fraudulent federal income tax returns for customers.

**COUNT I: INJUNCTION UNDER I.R.C. § 7407 FOR CONDUCT
SUBJECT TO PENALTY UNDER I.R.C. §§ 6694 and 6695**

86. The United States incorporates by reference the allegations contained in paragraphs 1 through 85.

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

- a. Engaging in conduct subject to penalty under I.R.C. § 6694(a), which penalizes a tax return preparer who prepares a return that contains an understatement of tax liability or an overstatement of a refund or credit due to an unreasonable position that the preparer knew or should have known was unreasonable;
- b. Engaging in conduct subject to penalty under I.R.C. § 6694(b), which penalizes a tax return preparer who prepares a return that contains an understatement of tax liability or an overstatement of a refund or credit due to willful or reckless conduct;
- c. Engaging in conduct subject to penalty under I.R.C. § 6695(g), which penalizes a tax return preparer who does not exercise due diligence in determining eligibility for Earned Income Tax Credits and for American Opportunity Tax Credits; and

- d. Engaging in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of the internal revenue laws.

88. For a court to issue such an injunction, the court must find that:

- a. The tax return preparer engaged in the prohibited conduct; and
- b. Injunctive relief is appropriate to prevent the reoccurrence of such conduct.

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

90. Defendants continually and repeatedly engage in conduct subject to penalty under I.R.C. § 6694 by preparing returns that understate their customers' tax liabilities and overstate their refunds and credits. As described above, Defendants prepare returns for customers that claim deductions for expenses that were not incurred by the customers and credits to which the customers were not entitled. Defendants do so with the knowledge that the positions they take on returns are unreasonable and lack substantial authority. Defendants thus engage in conduct subject to penalty under I.R.C. § 6694(a).

91. Additionally, Defendants engage in conduct subject to penalty under I.R.C. § 6694(b) by willfully understating customers' liabilities, overstating their refunds and credits, and acting with a reckless and intentional disregard of rules and regulations.

92. Defendants also engage in conduct subject to penalty under I.R.C. § 6695(g) by repeatedly failing to exercise due diligence in determining the eligibility of their customers to claim the EITC and AOTC.

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

94. A narrower injunction would be insufficient to prevent Defendants' interference with the administration of the internal revenue laws. Defendants prepare returns understating their customers' liabilities and overstating their refunds and credits through multiple schemes that report false information on their customers' tax returns. In addition, the IRS may not yet have identified all the schemes used by Defendants to understate liabilities and overstate refunds and credits. Failure to permanently enjoin Defendants will require the IRS to spend additional resources to uncover all the future schemes. The harm resulting from these schemes includes both the

expenditure of these resources and the revenue loss caused by the improper deductions and credits Defendants claim on returns they prepare.

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

95. The United States incorporates by reference the allegations contained in paragraphs 1 through 94.

96. Section 7408 of the Internal Revenue Code authorizes a district court to enjoin any person from engaging in conduct subject to penalty under I.R.C. § 6701, which penalizes a person who aids or assists in the preparation of tax returns that the person knows will result in an understatement of tax liability.

97. Defendants engage in conduct subject to penalty under I.R.C. § 6701 by preparing, and aiding each other in preparing, income tax returns that claim credits and deductions that they knew to be improper, false, and/or inflated.

98. Defendants' repeated actions fall within I.R.C. § 7408, and injunctive relief is appropriate to prevent reoccurrence of this conduct.

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

99. The United States incorporates by reference the allegations contained in paragraphs 1 through 98.

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

101. Defendants repeatedly and continually engage in conduct that interferes substantially with the administration and enforcement of the internal revenue laws.

102. If Defendants continue to act as federal tax return preparers, their conduct will result in irreparable harm to the United States, and the United States has no adequate remedy at law. The harm to Defendants from enjoining their return preparation activities is nil in comparison to the harm they cause.

103. Defendants' conduct has caused and will continue to cause tax losses to the United States Treasury, much of which may be undiscovered and unrecoverable. Moreover, unless Defendants are enjoined from preparing returns, the IRS will have to devote substantial and unrecoverable time and resources auditing their customers individually to detect understated liabilities and overstated refund and credit claims.

104. The detection and audit of erroneous tax credits and deductions claimed on returns prepared by Defendants is a significant burden on IRS resources.

COUNT IV: DISGORGEMENT OF ILL-GOTTEN GAINS
UNDER I.R.C. § 7402(a)

105. The United States incorporates by reference the allegations contained in paragraphs 1 through 104.

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

107. Defendants' conduct substantially interferes with the enforcement of the internal revenue laws. Specifically, Defendants caused and continue to cause the United States to issue tax refunds to individuals not entitled to receive them. Without Defendants' conduct, the United States would not have issued these bogus refunds.

108. Defendants unjustly profit from their misconduct at the expense of the United States. They frequently subtract their fees from their customers' improper refunds. Further, by failing to inform their customers exactly how much they will charge for a given return, Defendants are able to subtract capriciously high fees for their fraudulent services.

109. Defendants are not entitled to these ill-gotten gains. Using its broad authority under section 7402(a), this Court should enter an order requiring Defendants to disgorge to the United States the unlawful profits (in the form of fees subtracted from customers' tax refunds) they obtained for the

preparation of federal tax returns that make grossly incompetent, negligent, reckless, fraudulent, and otherwise unsupportable claims.

RELIEF REQUESTED

WHEREFORE, the United States respectfully requests that the Court:

A. Find that Defendants repeatedly and continually engage in conduct subject to penalty under I.R.C. §§ 6694 and 6695 and that injunctive relief is appropriate under I.R.C. § 7407 to prevent recurrence of that conduct;

B. Find that Defendants repeatedly and continually engage in conduct subject to penalty under I.R.C. § 6701 and that injunction relief is appropriate under I.R.C. § 7408 to prevent recurrence of that conduct;

C. Find that Defendants repeatedly and continually engage in conduct that substantially interferes with the proper enforcement and administration of the internal revenue laws and that injunctive relief is appropriate under I.R.C. § 7402(a) and this Court's equitable powers to prevent recurrence of that conduct;

D. Permanently enjoin Defendants and any other person working in active concert or participation with them from directly or indirectly:

- i. Preparing, assisting in the preparation of, or directing the preparation of federal tax returns, amended returns, or other tax-related documents and forms, including any electronically

- submitted tax returns or tax-related documents, for any entity or person other than themselves;
- ii. Filing, assisting in the filing of, or directing the filing of federal tax returns, amended returns, or other tax-related documents or forms, including any electronically submitted tax returns or tax-related documents, for any entity or person other than themselves;
 - iii. Using or allowing the use of a false or fictitious EIN, TIN, PTIN, EFIN, SSN, or any other federally issued identification number, whether their own or belonging to others, to file or remit federal tax returns;
 - iv. Using, maintaining, renewing, obtaining, transferring, selling, or assigning any PTIN or EFIN, including those assigned to others and misused by Defendants;
 - v. Owning, managing, assisting, working for, profiting from, or volunteering for any individual, business, or entity that prepares or assists in the preparation of tax returns, amended returns, or other tax-related documents or forms, including any electronically submitted tax returns or tax-related documents;
 - vi. Transferring, selling, or assigning their customer lists and/or other customer information;

- vii. Engaging in activity subject to penalty under any provision of the Internal Revenue Code (Title 26 of the U.S. Code) including I.R.C. §§ 6694, 6695, or 6701; and
- viii. Engaging in conduct that substantially interferes with the proper administration and enforcement of tax laws;

E. Require Defendants, by injunction and order, to at their own expense and within the times specified below:

- i. Send by certified mail, return receipt requested, to each person for whom Defendants prepared federal tax returns or any other federal tax forms after January 1, 2020, within 30 days of entry of the final injunction in this action: (a) a copy of the final injunction entered against Defendants in this action; (b) a copy of the Complaint setting forth the allegations as to how Defendants fraudulently prepared federal tax returns; and (c) a letter prepared by the United States explaining the injunction in English, Swahili, and any other language in which they do substantial business;
- ii. Turn over to the United States complete copies of all returns and claims for refund that Defendants prepared after January 1, 2020, within 30 days of entry of the final injunction in this action;

- iii. Provide the United States a list of the names, Social Security numbers, addresses, phone numbers, and email addresses of each person for whom Defendants prepared tax returns, other tax forms, or claims for refund after January 1, 2020, within 30 days of entry of the final injunction in this action, regardless of the PTIN or EFIN used;
- iv. Prominently post, within 10 days of entry of the final injunction in this action, in Defendants' place of business where they prepared tax returns and any other locations: a statement, to be approved by the United States, in English, Swahili, and any other language in which they do substantial business that they have been enjoined from the preparation of tax returns;
- v. Prominently post for two years on all social media accounts and websites Defendants used to advertise their tax preparation services: a statement, to be approved by the United States, in English, Swahili, and any other language in which they do substantial business that they have been enjoined from the preparation of tax returns, a copy of the injunction, and a hyperlink to any press release regarding the injunction that the Department of Justice may issue;

- vi. Deliver a copy of the injunction to any employees, contractors, any other individuals preparing tax returns on behalf of Defendants, and all vendors of Defendants, including tax preparation software companies, within 30 days of entry of the final injunction in this action;
 - vii. File a sworn statement with the Court evidencing Defendants' compliance with the foregoing directives within 45 days of entry of the final injunction in this action; and
 - viii. Keep records of Defendants' compliance with the foregoing directives, which may be produced to the Court, if requested, or the United States pursuant to paragraph F, below;
- F. Order, without further proceedings:
- i. The immediate revocation of all PTINs and EFINs held by, assigned to, or within the control of Defendants issued pursuant to I.R.C. § 6109;
 - ii. That Defendants cease using and not use in the future any other PTINs or EFINs;
 - iii. The immediate revocation of any EFIN held by, assigned to, or within the control of Defendants; and

iv. That Metro Discount Tax Services, The Big Cheez Inc., and SN Tax Services Inc. cease using and not use in the future any other EFINs or EINs;

G. Require, pursuant to I.R.C. § 7402(a), Defendants to disgorge to the United States the unlawful profits (the amount of which is to be determined by the Court) that Defendants obtained through fees for the preparation of federal tax returns that make grossly incompetent, negligent, reckless, and/or fraudulent claims.

H. Allow, by order, United States to monitor Defendants' compliance with the injunction and to engage in post-judgment discovery in accordance with the Federal Rules of Civil Procedure;

I. Retain jurisdiction over Defendants and this action to enforce any permanent injunction entered; and

J. Award the United States its costs incurred in connection with this action, along with such other relief as justice requires.

Dated: February 18, 2025

Respectfully submitted,

/s/ Daniel B. Causey, IV
DANIEL B. CAUSEY, IV
Trial Attorney, Tax Division
U.S. Department of Justice
P.O. Box 14198
Washington, D.C. 20044
202-307-1427 (v)
202-514-4963 (f)
Daniel.B.Causey@usdoj.gov

/s/ Christina Tallulah Lanier
CHRISTINA T. LANIER
Trial Attorney, Tax Division
U.S. Department of Justice
P.O. Box 14198
Washington, D.C. 20044
202-765-4908 (v)
202-514-4963 (f)
Christina.T.Lanier@usdoj.gov

Of Counsel:

RICHARD S. MOULTRIE, JR.
Acting United States Attorney

NEELI BEN-DAVID
Assistant U.S. Attorney
Georgia Bar No. 049788
Office of the U.S. Attorney
75 Ted Turner Drive, SW, Suite 600
Atlanta, GA 30303
404-581-6303
Neeli.Ben-David@usdoj.gov

L. R. 5.1 CERTIFICATION

I certify that this document was prepared using Century Schoolbook
12- and 13-point font, pursuant to L. R. 5.1.

/s/ Daniel B. Causey, IV
DANIEL B. CAUSEY, IV
Trial Attorney, Tax Division
U.S. Department of Justice