



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 MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

UNITED STATES OF AMERICA,)	
)	Case No. 6:25-cv-00482
Plaintiff,)	
)	
v.)	
)	
JUAN HUMBERTO GARCIA,)	
MARCOS YARIEL FIGUEROA, and)	
THE TAX MASTER OF BVL, INC.,)	
)	
Defendants.)	
_____)	

COMPLAINT FOR PERMANENT INJUNCTION

1. The United States of America brings this action to permanently enjoin Juan Humberto Garcia, Marcos Yariel Figueroa, and The Tax Master of BVL, Inc. (collectively, the “Defendants”) and anyone acting in concert with them 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 and forms, including any electronically submitted tax returns or tax-related documents, for any entity or person other than themselves;

c. 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;

d. Using, maintaining, renewing, obtaining, transferring, selling, or assigning any Preparer Tax Identification Number (“PTIN”) or Electronic Filing Identification Number (“EFIN”);

e. Transferring, selling, or assigning their customer lists and/or other customer information;

f. Engaging in activity subject to penalty under 26 U.S.C. §§ 6694, 6695, or 6701; and

g. Engaging in conduct that substantially interferes with the proper administration and enforcement of tax laws.

2. The United States also seeks an order under 26 U.S.C. § 7402(a) requiring Defendants to disgorge to the United States the gross receipts they received for the preparation of federal tax returns making false or fraudulent claims.

JURISDICTION AND VENUE

3. This action is requested and authorized by a delegate of the Secretary of the Treasury and is commenced at the direction of the Attorney General of the United States pursuant to 26 U.S.C. §§ 7401, 7402, and 7408.

4. This Court has jurisdiction under 26 U.S.C. §§ 7402 and 7407, and 28 U.S.C. §§ 1340 and 1345.

5. Venue is proper in this Court because Defendants reside in, and their principal place of business is within this judicial district. 26 U.S.C. §§ 7407(a) and 7408(a); 28 U.S.C. § 1391. Furthermore, venue is proper under 28 U.S.C. § 1391(b)(2) because a substantial part of the events giving rise to the claim occurred in this judicial district through Defendants, namely, filing returns reflecting false or fraudulent claims, in this district.

DEFENDANTS

Juan Humberto Garcia and The Tax Master of BVL, Inc.

6. Juan Humberto Garcia (“Garcia”) is a paid “tax return preparer” as defined by 26 U.S.C. § 7701(a)(36). He has been preparing returns for customers either individually, or through his company, The Tax Master of BVL, Inc. (“The Tax Master”), since approximately 2002. He resides in Kissimmee, Florida.

7. Garcia and his spouse are each 50% owners of, and are the sole operators of, The Tax Master. The company was founded in 2005. It is organized as a Florida corporation. Its principal place of business is 1517 Fortune Retail Court, Kissimmee, Florida 34744.

8. Garcia dropped out of high school in 1990 and earned his GED in 2019. He has never attended college or taken any college courses. He holds no tax-related certifications or licenses. All of his tax training is self-taught.

9. On November 20, 2010, the IRS issued Garcia a PTIN ending in 0556. A PTIN is an identification number the IRS issues to return preparers that they must use to identify themselves on returns they prepare for compensation.

10. On October 3, 2007, the IRS issued Garcia an EFIN ending in 4243. An EFIN is an identification number the IRS issues to return preparers who have completed an e-file application and passed a suitability check. The EFIN is used to electronically file returns for customers.

Marcos Yariel Figueroa

11. Marcos Yariel Figueroa (“Figueroa”) is Garcia’s son-in-law and is a paid “tax return preparer” as defined by 26 U.S.C. § 7701(a)(36). Figueroa has been preparing returns for customers through the Tax Master since approximately 2021. He resides in Kissimmee, Florida.

12. Figueroa worked for a bank as a customer service representative. He holds an insurance and contracts license to sell insurance. Figueroa’s tax training came from Garcia. Additional tax training is self-taught.

13. On June 9, 2020, the IRS issued Figueroa a PTIN ending in 6627. Figueroa also has an EFIN ending in 7435. However, only the EFIN ending in 4243 is used by both Garcia and Figueroa to electronically file tax returns through The Tax Master.

14. Figueroa is paid between \$50 to \$60 per return he prepares and files at the Tax Master.

DEFENDANTS’ ACTIVITIES

15. Defendants prepare returns that understate the tax their customers actually owe and/or overstate the refund to which they are entitled. Defendants do so through a variety of schemes, including: (1) falsifying customers’ income to

increase the amount of such customers' Earned Income Tax Credit; (2) falsifying and overstating Schedule C business expenses; and (3) falsifying and overstating Schedule A itemized deductions.

16. For tax years 2020, 2021, 2022, and 2023, Defendants prepared 11,146 Forms 1040 U.S. Individual Income Tax Return. Garcia prepared 55%. Figueroa prepared the remaining 45%. For each return prepared during this period, Defendants charged between \$150 to \$600 in tax return preparation fees. Most customers pay the return preparation fees using debt or credit cards, Apple Pay, and cash. Some elect to have the fees deducted directly from their refunds.

17. Although customers pay the Defendants for honest returns, the returns Defendants prepare do not accurately reflect the tax the customers owe and overstate, or in some cases fabricate, the amount of the tax refunds they claim.

The IRS Begins to Receive Complaints Against Garcia

18. Defendants' tax preparation schemes first came to light in 2014, when the IRS received a complaint from one of Garcia's customers. The customer alleged that Garcia prepared the customer's return and included a business that he never owned, income that he never made, and expenses that he never incurred.

19. In 2015, another customer complained to the IRS that Garcia erroneously diverted his refund to another one of Garcia's customers.

20. And in 2016, the IRS received a complaint alleging that Garcia falsely claimed losses on customer returns to increase their credits and refunds and falsely increase their wages or salary to increase their Earned Income Tax Credit.

Earned Income Tax Credit Scheme

21. The EITC is a refundable tax credit available to certain working taxpayers with low to moderate income. The amount of the credit is based on the taxpayer's income, filing status, and claimed number of dependents. 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.

22. Due to the method used to calculate the EITC, for certain income ranges, individuals with higher earned income are entitled to a larger credit than those with lower income. The amount of the credit increases as income increases between \$1 and a set income amount and decreases as income increases beyond another higher set income amount. For example, in tax year 2024, the maximum EITC was \$7,830 and was available to eligible individuals with at least three dependent children who earned income between \$17,400 and \$22,750. 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."

23. 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.

24. Between 2015 and 2018, the IRS visited Garcia and his business, the

Tax Master, to determine whether he was complying with the EITC's due diligence requirements for determining customers' eligibility for the EITC.

25. During these visits, the IRS found that for the 2011 and 2012 tax years, Garcia engaged in conduct subject to penalty under 26 U.S.C. § 6694(b) by knowingly taking an unrealistic position to understate his customers' tax liabilities. In each of those years, the IRS assessed Garcia a penalty of \$1,000.

26. The IRS also found that for the 2014, 2015, and 2017 tax years, Garcia engaged in conduct subject to penalty under 26 U.S.C. § 6695(g) by failing to comply with the due diligence requirements to determine his customers' eligibility to claim the EITC. As a result, the IRS assessed Garcia a total of \$62,370 for failing the EITC due diligence requirement for at least 124 of his customers over the span of those three years.

27. Between 2021 and 2024, Garcia prepared 6,860 individual income tax returns (Form 1040), 32% of which claimed the EITC. During that same period, Figueroa prepared 4,286 returns, 31% of which claimed the EITC. Both rates are much higher than the Florida average of 21% for returns prepared between 2021 and 2023.

28. Garcia's abuse of the EITC, in part, led to a decision by the IRS to conduct a formal civil investigation into Defendants in 2022 for other schemes.

Investigation into other Schemes

29. As part of its investigation, the IRS interviewed 27 of Defendants' customers to determine the accuracy of their 2023 federal income tax returns

prepared by Garcia or Figueroa. Almost all of these customers had their 2022 returns prepared by Defendants as well, so those returns also were reviewed.

30. The 27 customers were randomly selected out of a pool of 200 out of a total of 463 customers for whom Defendants prepared a Form 1040 that included a Schedule A or Schedule C Form for tax year 2023.

31. The interviews revealed that Defendants engaged in a pattern and practice of violating the federal tax laws by preparing and filing false and fraudulent tax returns that claim (1) fabricated medical expenses, charitable donations, and personal property taxes as deductions on Schedule A; and (2) fictitious or inflated business losses on Schedules C. Defendants make these frivolous and fraudulent claims to understate the taxes they report on their customers' tax returns, which result in overstated or false tax refunds their customers are not entitled to receive.

32. Defendants utilize these schemes in furtherance of their fraudulent preparation business strategy by taking advantage of the fact that most self-employment income (reported on Schedule C), charitable donations and medical expenses (reported on Schedule A), are self-reported and not subject to independent verification from third-party information reports. Accordingly, the IRS can only verify the numbers reported on Schedules A and C by conducting an examination of each customer's return.

33. Defendants were still preparing and filing fraudulent federal income tax returns on behalf of their customers claiming false deductions and fake expenses even though Defendants were aware that: (a) their customers were being audited by the

IRS; and (b) Garcia's failure to abide by the due diligence requirements of the Earned Income Credit led to penalty assessments that remain unpaid.

Schedule C Scheme

34. Individual taxpayers who operate a business as a sole proprietorship must report the business's income and expenses on a Schedule C "Profit or Loss from Business (Sole Proprietorship)" that is filed as part of the taxpayer's Form 1040 U.S. Individual Income Tax Return. The net figure reported on a Schedule C, whether a profit or a loss, is a component of the taxpayer's adjusted gross income ("AGI").

35. The Schedule C is a detailed schedule, requiring the tax preparer to inquire whether a taxpayer had a business, what their income was, and what expenses they incurred (such as rent, travel, utilities, wages, office expenses, and professional services). As a matter of course, tax preparers routinely discuss this detailed schedule with appropriate taxpayers to ensure the information is accurate.

36. Defendants rarely discuss the specifics of this schedule with their customers. Instead, they knowingly fabricate Schedules C for customers that do not own or operate a business and then understate their customers' AGI by fabricating or inflating expenses, and therefore overstate losses claimed on a Schedule C filed with returns. For customers who do operate a business, the Defendants often inflate the income and expenses claimed on the Schedule C. In both instances, the Defendants manufacture or inflate business losses that improperly reduce customers' taxable income, often by offsetting other income, such as wage income reported on a Form

W-2 “Wage and Tax Statement.”

37. Defendants’ practice fraudulently reduces the amount of taxable income the customers report and thus the amount of tax that they report they owe. The reduction in tax also leads to inflated refund claims in some cases.

38. Statistics maintained by the IRS show that only 7% of Florida taxpayers who filed a Schedule C with their return between 2021 and 2023 claimed a loss. As the chart below illustrates, the percentage of returns Defendants filed between 2021 and 2024—for tax years 2020 through 2023—that claimed a Schedule C loss is significantly higher than that average.

Tax Year	Total # of Returns	# of Returns with Sch C	% of Returns with Sch C	# of Sch C Loss Claimed	% of Returns Claiming Sch C Loss
2023	2593	793	31%	229	29%
2022	2791	921	33%	431	47%
2021	2746	799	29%	294	37%
2020	2796	810	29%	361	45%

39. Examples of the Schedule C abuses taken from some of the 27 customers interviewed during the investigation are illustrated below:

CUSTOMER 2¹

40. For the 2022 and 2023 tax years, Garcia prepared CUSTOMER 2’s federal income tax returns as a paid tax return preparer. Garcia charged a \$400 preparation fee for the 2023 tax year.

¹ Defendants will be provided a key to customer names.

41. CUSTOMER 2, of Kissimmee, Florida, was employed as an office manager for a doctor's office in 2022 and 2023.

42. On CUSTOMER 2's 2022 and 2023 returns, Garcia claimed a refund of \$1,587 and \$4,095, respectively, based in part on Garcia's use of the Schedule C Scheme.

43. Garcia filed a false Schedule C with CUSTOMER 2's returns for the 2022 and 2023 tax years purporting that CUSTOMER 2 had a "Sales Ebay" business. For 2022, Garcia reported gross receipts, cost of goods sold, total business expenses, and business miles of \$4,415, \$3,115, \$4,789, and 1,544, respectively. For 2023, Garcia reported gross receipts, cost of goods sold, total business expenses, and business miles of \$6,895, \$4,200, \$7,025, and 4,328, respectively.

44. CUSTOMER 2 did not have a "Sales Ebay" business, and she did not provide Garcia with any support for his claiming such a business on her Schedules C.

45. Garcia reported false Schedule C business expenses on CUSTOMER 2's federal income tax returns to fraudulently reduce CUSTOMER 2's tax liabilities, thereby falsely increasing CUSTOMER 2's tax refund for the 2022 and 2023 tax years.

CUSTOMER 3

46. CUSTOMER 3—husband and wife—of Kissimmee, Florida, were employed as a salesman at Conchito Foods Inc. and as a notary, respectively.

CUSTOMER 3's joint federal income tax returns for 2022 and 2023 were prepared by Garcia as a paid tax return preparer. Garcia charged a \$280 preparation fee for

the 2023 tax year.

47. On CUSTOMER 3's 2022 and 2023 returns, Garcia reported a reduced tax balance due of \$3,615 and an inflated refund of \$2,908, respectively, based in part on Garcia's use the Schedule C scheme.

48. Garcia filed a false Schedule C with CUSTOMER 3's 2022 and 2023 returns reflecting that the husband had a "sales" business. For 2022, Garcia reported car expenses, supplies, taxes, meals, other business expenses, and cost of goods of \$7,778, \$1251, \$335, \$443, \$2,029, and \$2,500, respectively. For 2023, Garcia reported expenses for a car, rent, repairs, meals, other business expenses, and supplies in the amount of \$5,541, \$585, \$622, \$753, \$1,523, and \$3,199, respectively.

49. As a salesman, the husband drove his car to various locations ensuring his sales product was stocked. His position as a salesman required that he use his personal cell phone for business.

50. Out of the \$26,559 in business expenses Garcia reported on the Schedules Cs for both 2022 and 2023, only \$14,879 could be justified. All other amounts Garcia reported on the Schedules C were falsified.

51. CUSTOMER 3 did not incur expenses for supplies, taxes, meals, repairs, and costs of goods nor did they did not provide Garcia with any support for his claiming such items on their Schedules C.

52. Garcia reported false Schedule C business expenses on CUSTOMER 3's federal income tax returns to fraudulently reduce CUSTOMER 3's tax liabilities, thereby falsely increasing CUSTOMER 3's tax refund for tax years

2022 and 2023.

CUSTOMER 4

53. For the 2022 and 2023 tax years, Garcia prepared CUSTOMER 4's federal income tax returns as a paid tax return preparer. Garcia charged a \$250 preparation fee for the 2023 tax year.

54. CUSTOMER 4, of Orlando, Florida, was a wage earner employed as an exam proctor for medical students as well as an anatomy teacher for a college in 2022 and 2023.

55. On CUSTOMER 4's 2022 and 2023 returns, Garcia claimed a refund of \$2,662 and \$1,820, respectively, based in part on his use of the Schedule C Scheme.

56. Garcia filed a false Schedule C with CUSTOMER 4's returns for the 2022 and 2023 tax years purporting that CUSTOMER 4 had a "Proctor" business. For 2022, Garcia reported gross receipts and total business expenses of \$4,400 and \$5,128, respectively; Garcia also reported business miles of 6,845. For 2023, Garcia reported gross receipts, total business expenses, and cost of goods sold of \$3,800, \$4,479, and \$520, respectively, and also reported business miles of 2,905.

57. CUSTOMER 4 did not have a "Proctor" business, and she did not provide Garcia with any support to justify the items claimed on her Schedules C.

58. Garcia reported false Schedule C business expenses on CUSTOMER 4's federal income tax returns to fraudulently reduce CUSTOMER 4's tax liabilities, thereby falsely increasing CUSTOMER 4's tax refund for the 2022 and 2023 tax years.

CUSTOMER 7

59. For the 2022 and 2023 tax years, Garcia prepared CUSTOMER 7's federal income tax returns as a paid tax return preparer. Garcia charged a \$240 preparation fee for the 2023 tax year.

60. CUSTOMER 7, of Kissimmee, Florida, was employed as a staff development coordinator for Central Florida Communities and had a side business doing in-home support for Allstate Insurance Company in 2022 and 2023.

61. On CUSTOMER 7's 2022 and 2023 returns, Garcia claimed a refund of \$3,092 and \$2,221, respectively, based in part on his use of the Schedule C Scheme.

62. Garcia filed a false Schedule C with CUSTOMER 7's 2022 return reflecting car expenses of \$7,865, repairs of \$865, meal expenses of \$763, and other expenses of \$2,610. For 2023, Garcia filed a false Schedule C reflecting cost of goods sold of \$6,500, car expenses of \$10,645, and insurance, repairs, taxes, meals, and other business expenses of \$2,552, \$1,032, \$300, \$1,425, and \$1,881, respectively.

63. Out of the \$29,938 in business expenses Garcia reported on CUSTOMER 7's 2022 and 2023 tax returns, only \$1,891 could be accounted for. Garcia falsified all of the other Schedules C expenses.

64. Although CUSTOMER 7 did have a side business justifying the use of a Schedule C for 2022 and 2023, the only item that could be accounted for was the car expense totaling \$1,891 for both years. Garcia fabricated all other expenses for both years totaling \$34,547.

65. CUSTOMER 7 did not provide Garcia with any support for his

claiming such items on CUSTOMER 7's Schedules C.

66. Garcia reported false Schedule C business expenses on CUSTOMER 7's federal income tax returns to fraudulently reduce CUSTOMER 7's tax liabilities, thereby falsely increasing CUSTOMER 7's tax refund for the 2022 and 2023 tax years.

CUSTOMER 8

67. For the 2022 tax year, Figueroa prepared CUSTOMER 8's federal income tax return as a paid tax return preparer.

68. CUSTOMER 8, of Saint Cloud, Florida, was a wage earner who worked as a trucker transporting sod for a A1 Florida Sod, Inc. in 2022.

69. On CUSTOMER 8's 2022 return, Figueroa claimed a refund of \$5,849 based in part on his use of the Schedule C Scheme.

70. Figueroa filed a false Schedule C with CUSTOMER 8's return for the 2022 tax year purporting that CUSTOMER 8 was a "Driver" working for himself. On the Schedule C, Figueroa falsely reported car/truck expenses of \$8,343 and repairs of \$5,744.

71. CUSTOMER 8 did not provide Figueroa with any support for his claiming those expenses on CUSTOMER 8's Schedule C.

72. Figueroa reported false Schedule C business expenses on CUSTOMER 8's federal income tax return to fraudulently reduce CUSTOMER 8's tax liabilities, thereby falsely increasing CUSTOMER 8's tax refund for the 2022 tax year.

Schedule A Scheme

73. The Defendants often understate their customer's tax liabilities by overstating or fabricating deductions claimed on Schedule A – “Itemized Deductions,” submitted to the IRS as an attachment to the customer's income tax return.

74. Schedule A is used to claim itemized deductions including, among other things, charitable giving, professional fees and expenses, healthcare costs, and other unreimbursed expenses.

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

76. Defendants knowingly prepare returns with Schedules A containing false or overstated personal property taxes, medical expenses, and charitable donations, without their customers' knowledge.

77. The Defendants prepared thousands of returns between 2021 and 2024 that claimed false or inflated Schedule A deductions for their customers, resulting in significant tax harm to the United States.

78. Statistics maintained by the IRS show that approximately 8% of returns filed by Florida taxpayers between 2021 and 2023 include a Schedule A. As the chart below illustrates, the percentage of returns Defendants filed between 2021 and 2024—for tax years 2020 through 2023—that claim Schedule A deductions is

significantly higher than that average.

Tax Year	Total # of Returns	# of Returns with Sch A	% of Returns with Sch A	Total Itemized Deductions	Average Deduction per Sch A
2023	2593	520	20%	\$13,063,495	\$25,122
2022	2791	1276	46%	\$32,109,595	\$25,164
2021	2746	1099	40%	\$26,670,072	\$24,267
2020	2796	1015	36%	\$24,426,925	\$24,066

79. Examples of the Schedule A abuses taken from some of the 27 customers interviewed during the investigation are illustrated below:

CUSTOMER 1

80. For the 2023 tax year, Garcia prepared CUSTOMER 1's federal income tax return as a paid tax return preparer. Garcia charged a \$200 preparation fee.

81. CUSTOMER 1, of Kissimmee, Florida, was a wage earner employed by Florida Hospital Medical Center and Fields Motorcars in 2023.

82. On CUSTOMER 1's 2023 return, Garcia claimed a refund of \$3,914, based in part on his use of the Schedule A Scheme.

83. Garcia filed a false Schedule A with CUSTOMER 1's 2023 tax return reflecting \$9,996 in medical expenses, \$9,542 in state and local personal property taxes, and donations totaling \$5,925.

84. CUSTOMER 1 did not provide or discuss any medical bills with Garcia nor does she know how Garcia came up with the \$9,996 in medical expenses reported on her Schedule A.

85. Out of the \$5,925 of charitable contributions Garcia reported, CUSTOMER 1 at most only donated about \$200.

86. Garcia reported false Schedule A deductions on CUSTOMER 1's federal income tax return in order to fraudulently reduce CUSTOMER 1's tax liabilities, thereby falsely increasing CUSTOMER 1's tax refund for tax year 2023.

CUSTOMER 2

87. On CUSTOMER 2's 2022 and 2023 returns, Garcia claimed a refund of \$1,587 and \$4,095, respectively, based in part on Garcia's use of the Schedule A Scheme, as well as the Schedule C Scheme as alleged in paragraphs 40 through 45, *supra*.

88. For the 2022 tax year, Garcia filed a false Schedule A with CUSTOMER 2's tax return reflecting personal property taxes of \$6,322 and charitable contributions amounting to \$6,910. For the 2023 tax year, Garcia filed a falsified Schedule A reflecting personal property taxes of \$6,295 and charitable contributions totaling \$6,705.

89. CUSTOMER 2 did not incur the property tax expenses nor make the charitable contributions Garcia reported on her Schedules A, and she did not provide Garcia with any support for his claiming such items on her Schedules A.

90. Garcia reported false Schedule A deductions on CUSTOMER 2's federal income tax returns to fraudulently reduce CUSTOMER 2's tax liabilities, thereby falsely increasing CUSTOMER 2's tax refund for the 2022 and 2023 tax years.

CUSTOMER 4

91. On CUSTOMER 4's 2022 and 2023 returns, Garcia claimed a refund of \$2,662 and \$1,820, respectively, based in part on his use of the Schedule A Scheme, as well as the Schedule C Scheme as alleged in paragraphs 53 through 58, *supra*.

92. For 2022, Garcia filed a false Schedule A with CUSTOMER 4's 2022 tax return reflecting medical expenses, personal property taxes, and charitable contributions of \$8,950, \$7,158, and \$6,735, respectively. For 2023, Garcia filed a false Schedule A reflecting medical expenses, personal property taxes, and charitable contributions of \$7,417, \$7,410, and \$5,780, respectively.

93. CUSTOMER 4 did not incur the medical or personal property tax expenses nor make the charitable contributions Garcia reported on her Schedules A, and she did not provide Garcia with any support for his claiming such items on her Schedules A.

94. Garcia reported false Schedule A deductions on CUSTOMER 4's federal income tax returns to fraudulently reduce CUSTOMER 4's tax liabilities, thereby falsely increasing CUSTOMER 4's tax refund for the 2022 and 2023 tax years.

CUSTOMER 5

95. For the 2022 and 2023 tax years, Garcia prepared CUSTOMER 5's federal income tax returns as a paid tax return preparer. Garcia charged a \$345 preparation fee for the 2023 return.

96. CUSTOMER 5, of Kissimmee, Florida, was a wage earner employed as

a manager of casting for the Walt Disney Company in 2022 and 2023.

97. On CUSTOMER 5's 2022 and 2023 returns, Garcia claimed a refund of \$8,138 and \$8,434, respectively, based in part on Garcia's use of the Schedule A Scheme.

98. For the 2022 tax year, Garcia filed a false Schedule A with CUSTOMER 5's tax return reflecting medical expenses of \$9,841, personal property taxes of \$5,201, and charitable contributions of \$6,250. For the 2023 tax year, Garcia filed a falsified Schedule A reflecting medical expenses of \$7,782, personal property taxes of \$7,515, and charitable contributions of \$6,796.

99. Out of the \$13,046 in charitable contributions reported on CUSTOMER 5's 2022 and 2023 tax returns, only \$4,160 could be accounted for. Garcia falsified all other items on both these returns.

100. CUSTOMER 5 did not incur the expenses nor make the charitable contributions as reported on her Schedules A, and she did not provide Garcia with any support to justify claiming the items Garcia reported on her Schedule A.

101. Garcia reported false Schedule A deductions on CUSTOMER 5's federal income tax returns to fraudulently reduce CUSTOMER 5's tax liabilities, thereby falsely increasing CUSTOMER 5's tax refund for the 2022 and 2023 tax years.

CUSTOMER 6

102. For the 2022 and 2023 tax years, Figueroa and Garcia prepared CUSTOMER 6's federal income tax returns as paid tax return preparers,

respectively. For the 2023 tax year, Garcia charged a \$250 preparation fee.

103. CUSTOMER 6, of Orlando, Florida, was a wage earner employed by the Hyatt Hotel in 2022 and 2023.

104. CUSTOMER 6's 2022 and 2023 returns claimed refunds of \$2,209 and \$2,165, respectively, based in part on Figueroa's and Garcia's use of the Schedule A Scheme.

105. For the 2022 tax year, Figueroa filed a false Schedule A with CUSTOMER 6's tax return reflecting \$8,775 in medical expenses, \$9,193 in personal property taxes, and \$5,210 in charitable contributions.

106. For the 2023 tax year, Garcia filed a false Schedule A with CUSTOMER 6's tax return reflecting \$9,415 in medical expenses, \$7,415 in personal property taxes, and \$5,130 in charitable contributions.

107. Out of the \$10,340 in charitable contributions reported on CUSTOMER 6's 2022 and 2023 tax returns, only \$2,000 could be accounted for. All other items on both returns were falsified.

108. CUSTOMER 6 did not incur expenses nor make most of the charitable contributions Figueroa and Garcia reported on her Schedules A, and she did not provide them with any support to justify them claiming the items they reported on her Schedules A.

109. Figueroa and Garcia reported false Schedule A deductions on CUSTOMER 6's federal income tax returns to fraudulently reduce CUSTOMER 6's tax liabilities, thereby falsely increasing CUSTOMER 6's tax refund for the 2022 and

2023 tax years.

CUSTOMER 8

110. On CUSTOMER 8's 2022 and 2023 returns, Figueroa and Garcia claimed refunds of \$5,849 and \$6,180, respectively, based in part on Figueroa's and Garcia's use of the Schedule A Scheme, as well as the Schedule C Scheme as alleged in paragraphs 67 through 72, *supra*.

111. Figueroa filed a false Schedule A with CUSTOMER 8's 2022 tax return reflecting medical expenses, personal property taxes, and charitable donations of \$8,340, \$7,052, and \$5,630, respectively.

112. For 2023, Garcia filed a false Schedule A reflecting medical expenses, personal property taxes, and charitable donations of \$7,418, \$9,652, and \$7,395, respectively.

113. CUSTOMER 8 did not incur the expenses nor make the charitable contributions Figueroa and Garcia reported on CUSTOMER 8's Schedules A, and CUSTOMER 8 did not provide them with any support to justify claiming the items on those schedules.

114. Figueroa and Garcia reported false Schedule A deductions on CUSTOMER 8's federal income tax returns to fraudulently reduce CUSTOMER 8's tax liabilities, thereby falsely increasing CUSTOMER 8's tax refund for the 2022 and 2023 tax years.

CUSTOMER 9

115. For the 2022 and 2023 tax years, Garcia and Figueroa prepared CUSTOMER 9's federal income tax returns as paid tax return preparers, respectively. For the 2023 tax year, Figueroa charged a \$250 preparation fee.

116. CUSTOMER 9—husband and wife—of Orlando, Florida, were wage earners employed by SunTrust Bank and Orlando Regional Healthcare Systems, respectively, in 2022 and 2023.

117. On CUSTOMER 9's 2022 and 2023 returns, Garcia and Figueroa claimed refunds of \$4,143 and \$4,115, respectively, based in part on their use of the Schedule A Scheme.

118. For the 2022 tax year, Garcia filed a false Schedule A with CUSTOMER 9's tax return reflecting \$6,322 in personal property taxes and \$12,410 in charitable donations.

119. For the 2023 tax year, Figueroa filed a false Schedule A with CUSTOMER 9's tax return reflecting \$8,810 in medical expenses, of which \$6,000 could be accounted for, personal property taxes of \$7,581, and \$13,385 in charitable donations

120. Out of the \$25,795 in charitable contributions reported on CUSTOMER 9's 2022 and 2023 tax returns, only \$800 could be accounted for. All other items on both returns were falsified.

121. CUSTOMER 9 did not incur the expenses or make the charitable donations as reported on their Schedules A, and they did not provide Garcia and

Figueroa with any support to justify claiming the items reported on those schedules.

122. Garcia and Figueroa reported false Schedule A deductions on CUSTOMER 9's federal income tax returns to fraudulently reduce CUSTOMER 9's tax liabilities, thereby falsely increasing CUSTOMER 9's tax refund for the 2022 and 2023 tax years.

CUSTOMER 10

123. For the 2023 tax years, Garcia prepared CUSTOMER 10's federal income tax return as a paid tax return preparer. Garcia charged a \$200 preparation fee.

124. CUSTOMER 10, of Kissimmee, Florida, was a maintenance worker for a resort in 2023.

125. On CUSTOMER 10's 2023 return, Garcia claimed a refund of \$1,785 based in part on Garcia's use of the Schedule A Scheme.

126. For the 2023 tax year, Garcia filed a false Schedule A with CUSTOMER 10's tax return reflecting medical expenses, personal property taxes, and charitable contributions of \$9,135, \$8,930, and \$4,340, respectively.

127. CUSTOMER 10 did not incur the expenses or make the charitable donations reported on his Schedule A, and he did not provide Garcia with any support to justify his claiming those items on her Schedule A.

128. Garcia reported false Schedule A deductions on CUSTOMER 10's federal income tax returns to fraudulently reduce CUSTOMER 10's tax liabilities, thereby falsely increasing CUSTOMER 10's tax refund for the 2023 tax year.

CUSTOMER 11

129. For the 2022 and 2023 tax years, Figueroa prepared CUSTOMER 11's federal income tax returns as a paid tax return preparer. Figueroa charged a \$250 preparation fee for tax year 2023.

130. CUSTOMER 11, of Davenport, Florida, was a wage earner in 2022 and 2023 working at a steakhouse, bar and grill, and resort.

131. On CUSTOMER 11's 2022 and 2023 returns, Figueroa claimed a refund of \$1,819 and \$834, respectively, based in part on Figueroa's use of the Schedule A Scheme.

132. Figueroa filed a false Schedule A with CUSTOMER 11's 2022 tax return reflecting \$9,525 in medical expenses, \$7,491 in state and local personal property taxes, and \$3,380 in charitable contributions. For 2023, Figueroa filed a false Schedule A reflecting \$9,630 in medical expenses, \$7,946 in state and local personal property taxes, and \$3,450 in charitable contributions.

133. CUSTOMER 11 did not incur the property tax expenses nor make the charitable contributions Figueroa reported on her Schedules A, and she did not provide him with any support for his claiming those item on her Schedules A.

134. Figueroa reported false Schedule A deductions on CUSTOMER 11's federal income tax returns to fraudulently reduce CUSTOMER 11's tax liabilities, thereby falsely increasing CUSTOMER 11's tax refund for the 2022 and 2023 tax years.

CUSTOMER 12

135. For the 2022 and 2023 tax years, Figueroa prepared CUSTOMER 12's federal income tax returns as a paid tax return preparer. Figueroa charged a \$200 preparation fee for tax year 2023.

136. CUSTOMER 12, of Kissimmee, Florida, was employed as a housekeeper for Walt Disney World in 2022 and 2023.

137. On CUSTOMER 12's 2022 and 2023 returns, Figueroa claimed refunds of \$1,313 and \$1,100, respectively, based in part on Figueroa's use of the Schedule A Scheme.

138. For the 2022 tax year, Figueroa filed a false Schedule A with CUSTOMER 12's tax return reflecting \$9,030 in medical expenses, \$7,887 in state and local personal property taxes, and \$2,595 in charitable donations. For 2023, Figueroa filed a false Schedule A reflecting medical expenses of \$9,525, state and local personal property taxes of \$8,816, and \$4,015 in charitable donations.

139. CUSTOMER 12 did not incur the expenses nor make the charitable contributions Figueroa reported on his Schedules A, and he did not provide Figueroa with any support for his claiming those items on his Schedule A.

140. Figueroa reported false Schedule A deductions on CUSTOMER 12's federal income tax returns to fraudulently reduce CUSTOMER 12's tax liabilities, thereby falsely increasing CUSTOMER 12's tax refunds.

CUSTOMER 13

141. For the 2022 and 2023 tax years, Garcia prepared CUSTOMER 13's

federal income tax returns as a paid tax return preparer. Garcia charged a \$240 preparation fee for tax year 2023 alone.

142. CUSTOMER 13, of Ocoee, Florida, worked in the marketing department for Hilton Hotels in 2022 and 2023.

143. On CUSTOMER 13's 2022 and 2023 returns, Garcia claimed refunds of \$6,004 and \$5,046, respectively, based in part on Garcia's use of the Schedule A Scheme.

144. Garcia filed a false Schedule A with CUSTOMER 13's 2022 tax return reflecting \$11,014 in state and local property taxes and other taxes, and \$6,895 in charitable contributions. For 2023, Garcia filed a false Schedule A reflecting \$7,255 in state and local property taxes and other taxes, and \$9,850 in charitable contributions

145. CUSTOMER 13 did not incur the expenses nor make the charitable contributions Garcia reported on her Schedules A, and she did not provide Garcia with any support for his claiming those items on her Schedules A.

146. Garcia reported false Schedule A deductions on CUSTOMER 13's federal income tax returns to fraudulently reduce CUSTOMER 13's tax liabilities, thereby falsely increasing CUSTOMER 13's tax refunds.

CUSTOMER 14

147. For the 2022 and 2023 tax years, Figueroa and Garcia prepared CUSTOMER 14's federal income tax returns, respectively, as paid tax return preparers. For the 2023 tax year, Garcia charged a \$240 preparation fee.

148. CUSTOMER 14, of Kissimmee, Florida, was a wage earner who worked for Publix Supermarkets in 2022 and 2023.

149. On CUSTOMER 14's 2022 and 2023 returns, Figueroa and Garcia claimed refunds of \$1,177 and \$798, respectively, based in part on their use of the Schedule A Scheme.

150. Figueroa filed a false Schedule A with CUSTOMER 14's 2022 tax return reflecting \$9,606 in medical expenses, \$9,775 in personal property taxes, and \$4,915 in charitable contributions. For 2023, Garcia filed a false schedule A reflecting \$9,986 in medical expenses, \$7,299 in personal property tax expenses, and \$4,600 in charitable contributions.

151. CUSTOMER 14 did not incur expenses nor make the charitable contributions Figueroa and Garcia reported on his Schedules A, and he did not provide them with any support for their claiming such items on his Schedules A.

152. Figueroa and Garcia reported false Schedule A deductions on CUSTOMER 14's federal income tax returns to fraudulently reduce CUSTOMER 14's tax liabilities, thereby falsely increasing CUSTOMER 14's tax refunds for the 2022 and 2023 tax years.

CUSTOMER 15

153. For the 2022 and 2023 tax years, Garcia prepared CUSTOMER 15's federal income tax returns as a paid tax return preparer. Garcia charged a \$210 preparation fee for tax year 2023.

154. CUSTOMER 15, of Tampa, Florida, was a wage earner who worked

for a security company in 2022 and 2023.

155. On CUSTOMER 15's 2022 and 2023 returns, Garcia claimed refunds of \$935 and \$14, respectively, based in part on Garcia's use of the Schedule A Scheme.

156. For the 2022 tax year, Garcia filed a false Schedule A with CUSTOMER 15's tax return reflecting personal property taxes of \$9,300 and charitable contributions of \$6,070. For 2023, Garcia filed a false Schedule A reflecting personal property taxes of \$4,232 and charitable contributions of \$5,602.

157. Out of the \$11,672 in charitable contributions reported on CUSTOMER 15's 2022 and 2023 tax returns, only \$800 could be accounted for. All other items on both returns were falsified.

158. CUSTOMER 15 did not incur the expenses nor make the charitable contributions Garcia reported on his Schedules A, and he did not provide Garcia with any support to his claiming those items on his Schedules A.

159. Garcia reported false Schedule A deductions on CUSTOMER 15's federal income tax returns to fraudulently reduce CUSTOMER 15's tax liabilities, thereby falsely increasing CUSTOMER 15's tax refund for the 2022 and 2023 tax years.

HARM CAUSED BY DEFENDANTS' ACTIONS

160. Defendants' pattern of preparing returns that understate their customers' taxes and/or overstate their refunds through the schemes described above has resulted in the loss of significant federal tax revenue. Defendants' manipulation of their customers' income and deductions, and other fraudulent practices, cause the United States to issue refunds that Defendants' customers are not entitled to receive. Based on the 27 customer interviews alone, the IRS determined actual tax harm to the United States of \$44,430 for tax year 2022 and \$45,422 for tax year 2023. Given the complexity of Defendants' schemes, it is difficult to estimate the full loss caused to the United States, which could be in the millions of dollars.

161. In addition to lost tax revenue, the United States has to bear the substantial cost of examining returns Defendants prepare and collecting the understated liabilities from their customers.

162. Defendants' illegal conduct also harms honest tax return preparers because, by preparing tax returns that unlawfully inflate their customers' refunds, Defendants have 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 are often unaware of Defendants' illegal return preparation practices and return to Defendants for subsequent tax seasons.

163. Defendants' actions also undermine confidence in the federal tax system. Defendants' customers trust—and pay—they to prepare honest returns. Defendants betray that trust and harm their customers, who must foot the bill for the

deficiencies and, potentially, interest and penalties resulting from Defendants' conduct.

164. Defendants' activities also encourage noncompliance with the internal revenue laws by failing to confirm with their customers that their returns honestly and accurately reflect the information they provided.

165. Finally, Defendants' actions undermine Congress' intent in implementing many aspects of the internal revenue code that rewards taxpayers for engaging in certain behaviors. Congress chose to reduce tax liabilities for those who open new businesses or donate to charitable organizations. By lying about their customers' situations, Defendants defraud the United States Treasury, and override Congress' directives in incentivizing certain actions.

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

166. The United States incorporates by reference the allegations in paragraphs 1 through 165.

167. 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 the following:

- a. Engaging in conduct subject to penalty under 26 U.S.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 due to an unreasonable position (as defined by § 6694(a)(2)) which the preparer knew or should have known was unreasonable;

b. Engaging in conduct subject to penalty under 26 U.S.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 due to willful or reckless conduct; and

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

168. In order for a court to issue such an injunction, the court must find (1) that the preparer engaged in the prohibited conduct defined in paragraph 167, above, and (2) that injunctive relief is appropriate to prevent the recurrence of the conduct.

169. 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* 26 U.S.C. § 7407(b).

170. The Defendants continually and repeatedly engage in conduct subject to penalty under 26 U.S.C. § 6694 by preparing returns that overstate their customers' refunds based upon unreasonable and reckless positions. As described above, the

Defendants prepare returns that claim credits and deductions which are fabricated and/or to which their customers are not entitled. They do so with the knowledge that the positions taken on the returns are unreasonable and lack substantial authority. The Defendants thus engage in conduct subject to penalty under 26 U.S.C. § 6694(a).

171. 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 through multiple schemes that report false information on their customers' tax returns. In addition, the IRS may not yet have identified all of the schemes used by Defendants to understate liabilities and overstate refunds. Denial of a permanent injunction against Defendants will require the IRS to spend additional resources to uncover all of their 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. Accordingly, only a permanent injunction is sufficient to prevent future harm caused by Defendants acting as tax return preparers.

**COUNT II: INJUNCTION UNDER 26 U.S.C. § 7408 FOR CONDUCT
SUBJECT TO PENALTY UNDER 26 U.S.C. § 6701**

172. The United States incorporates by references the allegations contained in paragraphs 1 through 165.

173. Section 7408 of the Internal Revenue Code authorizes a district court to

enjoin any person from engaging in conduct subject to penalty under 26 U.S.C. § 6701.

174. Section 6701 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.

175. The Defendants engage in conduct subject to penalty under 26 U.S.C. § 6701 by knowingly and willfully preparing, aiding, or assisting in the preparation of tax returns that claim credits and deductions that they know to be improper, false, or inflated.

176. If the Court does not enjoin the Defendants, they are likely to continue engaging in conduct subject to penalty under 26 U.S.C. § 6701. The Defendants' preparation and filing of tax returns claiming improper deductions is widespread over many customers and many tax years. Injunctive relief is appropriate under 26 U.S.C. § 7408 to prevent recurrence of this conduct.

**COUNT III: INJUNCTION UNDER 26 U.S.C. § 7402 FOR UNLAWFUL
INTERFERENCE WITH THE ENFORCEMENT OF
INTERNAL REVENUE LAWS**

177. The United States incorporates by reference the allegations contained in paragraphs 1 through 165.

178. 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.

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

180. If Defendants continue to act as tax return preparers, their conduct will result in irreparable harm to the United States and the United States has no adequate

remedy at law.

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

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

183. The threatened injury to the United States far outweighs the harm to Defendants if this injunction is granted.

184. The public interest is served by granting this requested injunction, for the reasons set forth in paragraphs 160–65.

COUNT IV: DISGORGEMENT UNDER 26 U.S.C. § 7402(a)

185. The United States incorporates by reference the allegations of paragraphs 1 through 165.

186. Section 7402(a) 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.

187. Defendants' conduct substantially interferes with the enforcement of the internal revenue laws and causes the United States to issue tax refunds to individuals not entitled to receive them. But for Defendants' conduct, the United States would

not have issued these inflated refunds.

188. Defendants have unjustly profited from their misconduct at the expense of the United States. They subtracted fees from their customers' fraudulent refund claims.

189. Defendants are not entitled to these ill-gotten gains. Using its broad authority under Section 7402(a), the Court should enter an order requiring Defendants to disgorge to the United States the receipts (in the form of fees paid and those subtracted from customers' tax refunds) they received for the preparation for federal tax returns that make grossly incompetent, negligent, reckless, and or fraudulent claims.

RELIEF REQUESTED

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

A. That the Court find that Defendants have repeatedly and continually engaged in conduct subject to penalty under 26 U.S.C. §§ 6694, 6695, and 6701 and that injunctive relief is appropriate under 26 U.S.C. §§ 7407 and 7408 to prevent recurrence of that conduct;

B. That the Court find that Defendants have repeatedly and continually engaged in conduct that substantially interferes with the proper enforcement and administration of the internal revenue laws and that injunctive relief is appropriate under 26 U.S.C. § 7402(a) and this Court's equitable powers to prevent recurrence of that conduct;

C. That the Court enter a permanent injunction prohibiting Defendants and any other person working in concert or participation with them from directly or indirectly:

1. Preparing, assisting in the preparation of, or directing the preparation 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;
2. Filing, assisting in the filing of, or directing the filing 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;
3. Owning, managing, assisting, working for, profiting from, or volunteering for any individual, business, or entity engaged in tax return preparation;
4. Using, maintaining, renewing, obtaining, transferring, selling, or assigning any PTIN or EFIN;
5. Transferring, selling, or assigning their customer lists and/or other customer information;
6. Engaging in activity subject to penalty under 26 U.S.C. §§ 6694, 6695 and 6701; and
7. Engaging in conduct that substantially interferes with the proper

administration and enforcement of the internal revenue laws.

D. That the Court enter an injunction requiring Defendants, at their own expense, to:

1. To send by certified mail, return receipt requested, a copy of the final injunction entered against Defendants in this action, as well as a copy of the Complaint setting forth the allegations as to how Defendants fraudulently prepared federal tax returns, to each person for whom Defendants prepared federal tax returns or any other federal tax forms after January 1, 2022, within 30 days of entry of the final injunction in this action;
2. To turn over to the United States copies of all returns and claims for refund that Defendants prepared after January 1, 2022;
3. To provide the United States a list of the names, Social Security and/or Taxpayer Identification 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, 2022, within 30 days of entry of the final injunction in this action;
4. To prominently post: a copy of the injunction, a statement that they have been enjoined from the preparation of tax returns and a hyperlink to any press release regarding the injunction that the Department of Justice may issue, on Defendants' social media accounts and websites used to advertise their tax preparation services, if any, and in

Defendants' places of business where they prepared tax returns over the past 4 years, within 10 days of entry of the final injunction in this action;

5. To deliver a copy of the injunction to any employees, contractors and vendors of Defendants, if any, within 30 days of entry of the final injunction in this action;
6. To 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
7. To 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 E, below;

E. That the Court enter an order allowing the 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; and

F. Order, without further proceedings, the immediate revocation of any and all PTINs and EFINs held by, assigned to, or used by Defendants issued under 26 U.S.C. § 6109;

G. Enter an order, pursuant to 26 U.S.C. § 7402(a), requiring Defendants to disgorge to the United States the gross receipts (the amount of which is to be determined by the Court) that Defendants received (in the form of fees subtracted from customers' tax refunds or paid out of pocket) for the preparation of tax returns

that make or report false or fraudulent claims, deductions, credits, income, expenses, or other information that results in the understatement of taxes;

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

I. Order that Defendants' failure to comply with the injunction may result in sanctions of civil and/or criminal contempt, including but not limited to:

1. Disgorgement of fees for returns prepared in violation of the injunction;
2. Reimbursement to the United States of all costs associated with enforcing the injunction;
3. Seizure of items with returns that are being prepared, including computers;
4. Daily fines during non-compliance;
5. Barring access to locations at which returns are being prepared in violation of the injunction, including permitting the United States to change the locks at any location at which returns are prepared in violation of the injunction to prevent employees and customers from entering the location; and
6. Appointment of a receiver to take possession of any business at which Defendants prepare returns in violation of this injunction and the assets of said business and to sell the business and its assets to pay any civil compensatory sanctions imposed on Defendants; and

J. Award the United States its costs incurred in connection with this

action, along with such other relief as justice requires.



FRANKLIN D. SANDREA-RIVERO
Trial Attorney, Tax Division
U.S. Department of Justice
P.O. Box 55, Ben Franklin Station
Washington, D.C. 20044-0055
Tel: (202) 353-2121
Fax: (202) 532-3714
Franklin.Sandrea-Rivero@usdoj.gov

Of Counsel:

SARA C. SWEENEY
Acting United States Attorney

For Plaintiff, United States of America

CERTIFICATE OF COMPLIANCE

I certify pursuant to Local Rule 1.08(a), that this document is typed using 13-point Calisto MT font and is double-spaced with one-inch margins.



FRANKLIN D. SANDREA-RIVERO
Trial Attorney, Tax Division
U.S. Department of Justice