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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA, Plaintiff, v. THOMAS E. DONKOR, both individually and as the sole proprietorship VIP Tax Service, and VIP BIZ CENTER, LLC, Defendants.	Case No. 3:26-cv-2220

COMPLAINT FOR PERMANENT INJUNCTION

1. The United States of America brings this action to permanently enjoin Thomas E. Donkor ("Donkor")—individually and through his sole proprietorship, VIP Tax Services—and VIP Biz Center, LLC, from:

a. Preparing, filing, directing, or assisting in the preparation or filing of federal tax returns, amended returns, and 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, maintaining, renewing, obtaining, transferring, selling, or assigning any Preparer Tax Identification Number ("PTIN") and Electronic Filing Identification Number ("EFIN");

d. 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;

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

f. Training, instructing, teaching, creating, or providing guides, memoranda, directions, instructions, or manuals, pertaining to the preparation of federal tax returns;

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

h. Engaging in conduct that substantially interferes with the proper administration and the enforcement of the Internal Revenue Code.

2. This action also seeks an order for disgorgement of ill-gotten gains from Donkor's preparation of tax returns.

JURISDICTION AND VENUE

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

4. The Court has jurisdiction pursuant to 26 U.S.C §§ 7402(a), 7407, and 7408 and 28 U.S.C. §§ 1331, 1340, and 1345.

5. Venue in this Court is proper pursuant to 26 U.S.C. §§ 7407(a) and 7408(a), and 28 U.S.C. §§ 1391(b) and 1396, because Donkor's principal place of business is within this district, Donkor prepares tax returns in this district, and the events giving rise to the United States claims occurred in this district.

BACKGROUND

Donkor, VIP Biz Center, and VIP Tax Services

6. Donkor is a tax return preparer within the meaning of 26 U.S.C. § 7701(a)(36)(A) because he prepares tax returns or claims for refund for compensation.

7. Donkor has been preparing tax returns for at least ten years.

8. Donkor is doing business via VIP Biz Center, LLC, and VIP Tax Services.

9. VIP Biz Center is a limited liability company organized on December 11, 2013.

10. VIP Tax Services is a sole proprietorship.

11. Donkor reports income and expenses from both businesses on his income tax return via a Schedule C, Profit or Loss from Business (Sole Proprietorship).

12. Both businesses are located in Newark, New Jersey. VIP Biz Center maintains an office at 845 Sanford Avenue, Newark, New Jersey 07106. VIP Tax Services maintains an address at 456 Springfield Avenue, Floor 2, Newark, New Jersey 07103.

13. A website for VIP Biz Center lists both the 845 Stanford Avenue address and the 456 Springfield Avenue address as the business's locations.

14. The two addresses are located approximately 2.5 miles apart. Donkor goes between the two addresses to prepare tax returns. On his most busy days, he will go back and forth spending a portion of each day at each of the two addresses.

15. However, both entities have other employees that Donkor pays as independent contractors.

16. Since 2021, Donkor has prepared approximately 1,414 returns per year through his businesses.

17. Donkor uses a variable fee structure for preparing tax returns. Donkor charges upfront payments in addition to bank fees. The upfront fees range from $50 to $500. The additional bank fees range from $100 to $950.

18. Donkor obtained a PTIN (PXXXX2179) from the IRS. A PTIN is an identification number the IRS issues to return preparers that the return preparer must use to identify themselves on returns they prepare for compensation. The returns filed under Donkor's

PTIN, along with the number of returns for each year for which the IRS issued refunds, are as follows[1]:

Tax Year	Returns Prepared	Refunds	Refund Percentage
2020	1,417	1,267	89%
2021	1,362	1,191	87%
2022	1,464	1,320	90%
2023	1,414	1,287	91%
Total	**5,657**	**5,065**	**90%**

19. A return preparer who expects to file (or who works at a firm whose members together expect to file) more than ten returns per year must file the returns electronically. 26 C.F.R. § 301.6011-7(a)(3); *see also* 26 U.S.C. § 6011(e).

20. To electronically file returns, a return preparer must obtain an EFIN from the IRS. EFINs are identification numbers used by the IRS to identify and track business entities involved in electronic return preparation. All preparers working for a particular firm must include the firm's EFIN on returns that they transmit to the IRS electronically.

21. Donkor obtained an EFIN (XXX650) that is registered to VIP BIZ Center. He also obtained an EFIN (XXX177) that is registered to VIP Tax Services.

22. The IRS allows taxpayers to file formal complaints about their tax return preparers with the IRS Return Preparer Office. A customer has previously submitted a formal complaint against Donkor regarding her tax year 2017 return. They claimed that Donkor filed

[1] The numbers reflect filings as of July 2024.

their returns without authorization or without informing them, and that he did so without their permission or signature.

23. Under 26 U.S.C § 6695(g), the IRS is authorized to assess penalties against a return preparer who fails to follow the due diligence requirements for claiming certain deductions and credits.

24. The IRS has assessed penalties against Donkor under 26 U.S.C. § 6695(g) for failure to act with due diligence in determining his customers' eligibility to file for certain tax benefits. On April 26, 2021, the IRS assessed Donkor with $41,870 in civil penalties for violating § 6695(g).

25. Donkor has not stopped or corrected his improper return preparation practices despite these penalties.

26. The IRS conducted 204 audits of Donkor's customers between the years 2010 and 2022. Of those, 189 (92.6%) resulted in a change to the taxes owed. The average tax deficiency that resulted from these audits was $4,295 per return. The total amount of unreported tax that resulted from these audits was $876,191.

27. In December 2019, the IRS issued a Letter 5025-F, *You Prepared Inaccurate Tax Returns – You Risk Penalties from an Audit*, to Donkor alerting him that he may be assessed penalties for filing inaccurate tax returns. That same month, the IRS also issued Letter 5138, *Return Preparer Client Audit Notification*, to Donkor informing him that the IRS was auditing some of his customers' returns.

28. On November 28, 2023, the IRS issued another Letter 5138 to Donkor, again informing him that some of his customers' returns were being audited.

29. On December 10, 2024, the IRS issued a Letter 6138, *You Need to Make Sure Your Tax Return is Accurate*, to Donkor informing again of possible accuracy related issues arising from his tax return(s).

30. These warnings have gone unheeded and have not deterred Donkor. Donkor has continued to file improper and illegal tax returns for his customers despite these warnings.

31. The IRS conducted customer interviews of twenty-eight of Donkor's customers about their 2022 through 2024 tax returns. Twenty-five of the customers had errors and fabrications, resulting in an average tax deficiency of $2,557 per customer for the 2024 tax year.

32. Donkor was uncooperative during the IRS's investigation into his tax preparation schemes. For instance, an administrative Information Document Request was issued to Donkor in March, April, and June of 2025. Each of the mailings was sent to Donkor's personal addresses. Additionally, the third mailing was also sent to Donkor's business addresses. Further, some of Donkor's customers requested that he reach out to an IRS Revenue Agent assigned to the investigation. Donkor never reached out or responded to that Revenue Agent.

Donkor's Fraudulent Tax Preparation Schemes

33. Donkor has prepared thousands of federal income tax returns (Form 1040) for customers since forming VIP Biz Center and VIP Tax Services. In 2024 alone (for tax year 2023), 1,414 returns were prepared for customers of VIP Biz Center and VIP Tax Services.

34. Donkor deliberately prepares returns that understate his customers' tax liabilities and overstate the refund to which his customers are entitled. Donkor does so through a variety of schemes, including: (1) claiming fraudulent Form 2106 business expenses; (2) reporting false Schedule A itemized deductions; and (3) falsifying Schedule C expenses and income losses.

35. The United States refers below to customers of Donkor by number to protect the customers' privacy.

Bogus Form 2106 Business Expenses

36. Donkor prepares tax returns for his customers that include bogus Forms 2106 based on fabricated occupations and false business expenses on the federal tax returns filed on behalf of Donkor's customers.

37. The Internal Revenue Code previously allowed taxpayers to claim itemized deductions for unreimbursed employment-related expenses. 26 U.S.C. §§ 67(a), 162(a). When allowed, such expenses were limited to the extent the expenses exceeded 2% of the taxpayer's adjusted gross income. The expenses were claimed on the part of an income tax return known as Schedule A, Itemized Dedications. However, Congress has suspended this deduction. *See* 26 U.S.C. § 67(h). Thus, most taxpayers—unless subject to a specific exception—may not report their business-related expenses as a deduction.

38. In contrast, individual taxpayers who are an Armed Forces reservist, a qualified performing artist, a fee-basis state or local government official, or an employee with impairment-related work expenses may report unreimbursed ordinary and necessary expenses for their jobs on a Form 2106, Employee Business Expenses. Individuals who do not fit into one of those listed categories may not use a Form 2106. Form 2106 specifically instructs taxpayers and return preparers in bold letters that it is "**for use only by Armed Forces reservists, qualified performing artists, fee-based state or local government officials, and employees with impairment-related work expenses.**" Taxpayers who do not fall into these extremely limited categories are categorically ineligible to claim unreimbursed employee business expenses.

39. A Form 2106 is a detailed form which requires a tax preparer to inquire whether a taxpayer was within a specific class of occupations, what business expenses they incurred (such as vehicle and transportation related expenses, meal expenses, and other business expenses), and whether the taxpayer received reimbursements for those expenses.

40. Donkor improperly uses Forms 2106 to report business expenses for his customers who are not eligible to use Form 2106 or deduct business expenses.

41. As reflected in the table below, Donkor claimed at least $206,813 in false business expenses on Forms 2106 in tax years 2022, 2023, and 2024:

Customer	Tax Year	False Business Expenses
Customer 1	2023	$4,980
	2024	$4,449
Customer 2	2023	$5,419
	2024	$3,390
Customer 3	2023	$6,629
	2024	$6,250
Customer 4	2022	$3,329
	2023	$4,198
	2024	$4,498
Customer 5	2022	$4,489
	2023	$4,840
	2024	$3,188
Customer 9	2023	$6,289
	2023	$3,390
Customer 10	2022	$2,418

	2023	$5,141
	2024	$4,689
Customer 11	2023	$5,218
	2024	$4,892
Customer 12	2024	$4,418
Customer 13	2022	$3,520
	2023	$3,318
	2024	$6,850
Customer 14	2024	$5,400
Customer 15	2024	$5,598
Customer 16	2023	$5,189
	2024	$4,218
Customer 17	2022	$4,398
	2023	$6,099
	2024	$4,728
Customer 18	2023	$6,521
	2024	$6,180
Customer 19	2022	$3,989
	2023	$5,188
	2024	$3,200
Customer 24	2022	$2,891
	2023	$5,118
	2024	$4,218
Customer 25	2023	$5,199
	2024	$4,500

Customer 26	2023	$4,890
	2024	$4,089
Customer 27	2023	$5,180
	2024	$4,218
	Total	**$206,813**

42. In all instances above, Donkor's customers were not qualified because they did not fall into the narrow class of people eligible to file Form 2106. No customer told Donkor about their occupations, and Donkor did not ask customers about their occupations. Customers did not tell Donkor to input Form 2106 information. Donkor did not tell customers about Form 2106 being used on their returns. Customers stated they provided only a Form W-2, Wage and Tax Statement, to Donkor and no information regarding expenses. Yet Donkor prepared the returns with false Form 2106 information without the customers' knowledge or consent.

43. Examples of Donkor's scheme include:

a. Donkor claimed business expenses on Forms 2106 for Customer 10's 2022–2024 tax returns ($2,418 for 2022, $5,141 for 2023, and $4,689 for 2024). Customer 10 stated that "Thomas" was their preparer and had been preparing their returns for the last five years. Customer 10 is a mail carrier and is not a fee-based government official, performing artist, or military reservist. During preparation, Donkor did not ask if Customer 10 qualified for a Form 2106, nor did Customer 10 comment about the qualifying occupations. Despite this, Donkor claimed Form 2106 expenses for Customer 10. Customer 10 also does not recall having any discussion about the amount of expenses Donkor claimed.

b. Customer 13 is retired and was not employed during the 2022, 2023, or 2024 tax years. At no time were they ever a performing artist, a military reservist, or a government official. Customer 13 stated that someone with the nickname "Joe," with an email address at vipbizcenter2@gmail.com, prepared their returns for those years. However, "Joe" did not ask Customer 13 if they were employed in a qualifying occupation, nor did Customer 13 disclose if they were so employed. Nevertheless, each of Customer 13's tax returns for 2022–2024 contained a Form 2106 listing business related expenses ($3,520 for 2022, $3,318 for 2023, and $6,850 for 2024). Customer 13's return states that the preparer was Donkor and the preparer's firm was VIP Tax Service.

c. Customer 17 has used Donkor as a preparer for almost ten years. Customer 17 is an aerospace technician and is not a performing artist or government official. While Customer 17 was previously in the military, they are not a reservist. Further, Customer 17 has no work expenses. During Customer 17's tax preparation for the 2022–2024 tax years, Customer 17 did not discuss the Form 2106 qualifying occupations. Likewise, Donkor did not discuss the qualifying occupations. Despite this, Donkor reported transportation-related business expenses on Forms 2106 for Customer 17's 2022–2024 tax returns ($4,398, $6,099, and $4,728 respectively).

44. As shown in the table below[2], Donkor prepares hundreds of returns with Forms 2106 each year. On these returns, he claims millions of dollars in business expenses each year:

Tax Year	Returns	Returns with Forms 2106	Total Business Expenses Claimed
2022	1,504	196 (13%)	$709,314
2023	1,505	538 (36%)	$2,983,486
2024	1,391	613 (44%)	$2,676,729
Total	**4,400**	**1,115 (31%)**	**$6,369,529**

45. In tax year 2024, only 1.1% of taxpayers in Newark, New Jersey—where the majority of Donkor's customers reside—filed returns with a Form 2106. Nationwide, that percentage was even lower, at 0.2%. Contrarily, 44% of the returns Donkor filed for tax year 2024 contained a Form 2106.

Improper Schedule A Itemized Rent Deductions

46. Donkor prepares returns with false Schedule A information without his customers' knowledge or consent.

47. Schedule A, Itemized Deductions, is used by individuals to claim itemized deductions for charitable giving, professional fees and expenses, healthcare costs, job-related costs, and other unreimbursed expenses. Claiming false or inflated deductions allows a fraudulent tax preparer to underreport the customer's taxable income and reduce the tax liability reported on the customer's tax return. In many cases, the reduction in tax leads to bogus and

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[2] The number of filings in this Table, and similar tables below, reflect filings as of April 14, 2025. The IRS determined its method of witness selection for customer interviews on that date and used the data available to it at that time.

fraudulent refund claims. Taxpayers use Schedule A to itemized deductions if the deductions exceed the standard deduction.

48. As reflected in the table below, Donkor claimed at least $520,028 in improper Schedule A deductions in tax years 2022, 2023, and 2024:

Customer	Tax Year	Improper Deductions
Customer 1	2024	$22,800
Customer 2	2024	$24,980
Customer 3	2023	$19,800
	2024	$26,800
Customer 11	2024	$26,180
Customer 12	2024	$24,180
Customer 13	2023	$21,500
	2024	$24,200
Customer 14	2023	$16,000
Customer 15	2024	$28,870
Customer 16	2024	$24,100
Customer 17	2023	$18,900
	2024	$26,450
Customer 18	2024	$29,500
Customer 19	2024	$21,088
Customer 21	2024	$26,100
Customer 24	2024	$24,180
Customer 25	2022	$13,500
	2023	$16,800

	2024	$25,400
Customer 26	2023	$15,200
	2024	$19,900
Customer 27	2024	$23,600
	Total	**$520,028**

49. In each of the above instances, Line 6 of the Schedule A, "Other Taxes," is falsely reported. "Other Taxes" is a line item intended for a taxpayer to deduct taxes related to generation-skipping or foreign activity. Instead, Donkor reports the deduction as "RENT" expense. While some customers do have rent expenses, personal rent expenses are non-deductible regardless of the amount.

50. None of the customers listed above told Donkor about their rent expenses and Donkor did not ask customers about rent expenses. No customer told Donkor about other taxes or any amount to input on Line 6 of Scheule A, and Donkor did not ask customers about other taxes.

51. Examples of Donkor's scheme include:

a. In preparing Customer 3's 2023 and 2024 tax returns, Donkor filed both with a Schedule A claiming expenses in the amount of $19,800 and $26,800 respectively in "Other Taxes." Customer 3 did not tell Donkor they had other taxes. Instead, Customer 3 thinks that the amounts in the other taxes line reflect their personal expenses for rent and utilities. However, Customer 3 states that they never discussed personal expenses with Donkor.

b. Donkor prepared Customer 17's 2023 and 2024 tax returns with a Schedule A. When Customer 17 met with Donkor to have their returns prepared, Donkor did not ask about "Other Taxes" and Customer 17 did not mention them. Nor did the two discuss rent expenses. Thus, Donkor filed out the Schedule A with $18,900 and $26,450 of bogus Schedule A deductions, respectively.

52. As shown in the table below, Donkor prepares hundreds of returns with Schedules A each year. On these returns, he claims millions of dollars in itemized deductions each year:

Tax Year	Returns	Returns with Itemized Deductions	Total Deductions Claimed
2022	1,504	148 (10%)	$3,928,801
2023	1,505	306 (20%)	$7,640,029
2024	1,391	632 (45%)	$19,363,073
Total	**4,400**	**1,086 (25%)**	**$30,931,903**

53. While roughly 90% of taxpayers claim a standard deduction, Donkor filed tax returns with itemized deductions that far outpaces that statistic. For instance, in tax year 2024, 45% of the tax returns Donkor filed contained itemized deductions rather than the standard deduction.

Falsification of Schedule C Expenses and Income Losses

54. Donkor prepares tax returns for his customers that include false claims for business losses based on fabricated business income and expenses that are reported on the federal tax returns filed on behalf of Donkor's customers.

55. Individual taxpayers who are self-employed report their business's income and expenses on a Schedule C, Profit or Loss From Business, that is filed as part of the taxpayer's Form 1040. The net figure reported on a Schedule C, whether profit or a loss, is a component of the taxpayer's adjusted gross income ("AGI").

56. 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 business 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.

57. Donkor understates his customers' AGI by fabricating or inflating expenses, and therefore overstating losses claimed on a Schedule C filed with the returns. Some customers are unable to confirm the amount of expenses claimed but do have Schedule C activities. Additionally, sometimes Donkor reports business-related losses without any resulting gross receipts. These misrepresentations reduce 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 bogus refund claims in some cases.

58. As reflected in the table below, Donkor claimed at least $150,092 in false or inflated losses in tax years 2022, 2023, and 2024:

Customer	**Tax Year**	**False or Inflated Loss**
Customer 4	2024	$19,460
Customer 5	2024	$19,400
Customer 8	2024	$15,000
Customer 15	2024	$23,188
Customer 21	2024	$14,749
Customer 23	2022	$11,240
	2023	$22,409
	2024	$24,426

Total	**$150,092**

59. Examples of Donkor's scheme include:

a. Customer 4 is an employee in the medical field and receives Forms W-2 for that work. Customer 4 is not self-employed. Despite this, Donkor prepared Customer 4's tax year 2024 return with a Schedule C for "private care" self-employment. Customer 4 does not recall any discussion with Donkor about self-employment or private care and did not know why the Schedule C was included on their tax return. The Schedule C listed $14,250 in gross receipts and expenses including $16,000 for rent/lease, $4,180 for repairs and maintenance, $4,000 for travel, $6,000 for cost-of-goods-sold purchases, and $7,130 for other expenses. In total, the Schedule C claimed $19,460 in false losses which offset Customer 4's taxable W-2 income.

b. Customer 15 claims to have used Donkor as their tax preparer for seventeen years. Donkor filed Customer 15's 2024 tax return with a Schedule C claiming business expenses related to a sole-proprietorship name "Excrow LLC." Customer 15 is not self-employed, does not recall discussing Schedule C or Excrow LLC with Donkor, and did not share information or documentation related to the Schedule C. Instead, Excrow LLC is a fictitious business. The Schedule C prepared by Donkor claims $10,000 in gross receipts with expenses including $4,000 for cost of goods sold, $3,000 for legal and professional fees, $16,520 for rent/lease, $4,188 in repairs and maintenance, $3,000 in supplies, and $2,480 in travel. In total, the fictitious sole proprietorship was used to claim $23,188 in false business expenses on Customer 15's 2024 tax return.

c. Customer 21 states that "Thomas" at "VIP" was her return preparer and that they email him for tax preparation at vipbizcetner1@gmail.com. Customer 21's 2024 tax return confirms that Donkor prepared the return and that the preparer's firm was VIP Tax Services. Though Customer 21 is a W-2 earning employee and is not self-employed, Donkor filed Customer 21's 2024 tax return with a Schedule C stating they performed "consulting" work. The Schedule C lists $6,200 in gross receipts and expenses including $2,580 in cost of goods sold, $13,000 in rent/lease, $3,369 in repairs and maintenance, and $2,000 in utilities. Customer 21 states that the only communication they had with Donkor was through email and that they only shared their Form W-2 and unemployment documents. They did not know why a Schedule C would have appeared. This led to reporting $14,749 in false business expenses.

60. Additionally, in one instance, Donkor increased the AGI of a customer, Customer 6, by reporting inflated self-employment gross receipts. In tax year 2023, Customer 6 had $15,000 in gross receipts, but Donkor reported their gross receipts as $21,000. In tax year 2024, Customer 6 had $19,200 in gross receipts, but Donkor reported their gross receipts as $24,000. By artificially inflating Customer 6's AGI, Donkor was able to claim larger Earned Income Credits (EIC) for Customer 6. Thus, for 2023 Customer 6 received $1,164 more in EIC than the customer was entitled to. Likewise, for tax year 2024 Customer 6 received $1,170 more in EIC than the customer was entitled to.

61. As shown in the table below, Donkor prepares hundreds of returns with Schedules C each year:

Tax Year	Returns	Returns with Schedules C
2022	1,504	506 (34%)
2023	1,505	461 (31%)
2024	1,391	474 (34%)
Total	**4,400**	**1,441 (33%)**

62. In Newark, New Jersey, where most of Donkor's customers reside, the self-employment rate is only 6.6%. This is in stark contrast to Donkor's filing rate. In tax year 2024, for instance, 34% of all returns filed by Donkor contained a Schedule C.

Failure to Provide a Copy of Returns or Obtain Signatures

63. Under 26 U.S.C. § 6107(a), a tax return preparer must provide a copy of any tax return they prepare "not later than the time such return or claim is presented for such taxpayer's signature." *See also* 26 C.F.R. § 1.6107-1.

64. Under 26 U.S.C. § 6061, all tax returns must be signed unless the return is an electronic filing, in which case the Secretary of Treasury can provide alternative procedures.

65. When a tax preparer files a customer's return electronically, they must fill out and have the customer sign Form 8879, IRS e-file Signature Authorization. The Form then allows the preparer to enter or generate the taxpayer's PIN as the taxpayer's signature on the tax return.

66. Numerous customers interviewed claimed that they never received a copy of their return or were not sure if they received a copy.

67. Twelve of the twenty-eight customers interviewed confirmed they did not receive copies for at least one tax year. These customers include Customers 3, 11, 16, 17, 18, 19, 20, 21, 23, 24, 25, and 26.

68. Additionally, numerous customers could not recall or did not know if they signed their tax returns.

69. However, three customers could confirm that they never signed their returns. These customers were Customers 3, 4, and 26.

Unexplained Fees

70. Donkor charges customers both upfront payments for his preparation services and "processing fees" for the customer to have a direct deposit.

71. Donkor does not explain the fees to his customers. During customer interviews, customers could not explain the fees they were charged. Many were unaware of the exact processing fees they were charged.

72. However, eighteen customers were able to describe the method of upfront payment and/or its amounts. These payments ranged from $50 to $500. Customers paid the upfront fee to Donkor via various methods including cash, Zelle, and CashApp.

73. Twelve of the twenty-eight customers interviewed stated they did not receive some or all of their federal refund. For instance:

a. Customer 2's 2024 return claimed a $3,246 refund, but they state they only received $2,300.

b. Customer 4's 2024 return claimed a $15,723 refund, but they state they only received $12,000.

c. Customer 25's 2024 tax return claimed a $4,186 refund, but they claim they never received any refund.

d. Customer 26's 2024 tax return claimed a $1,725 refund, but they state they only received $718.10.

74. Donkor primarily uses Green Dot Corporation as his bank product processor to provide direct deposits of refunds to customers.

75. Green Dot records show that, for tax year 2024, Green Dot charged $19.95 per transaction and Donkor received processing fees of $100–975 per return. In tax year 2024, Donkor received $517,015 in processing fees withheld by Green Dot.

Harm Caused by Donkor's Actions

76. Through the schemes and other conduct described above, Donkor has engaged in a pattern of understating customers' tax liabilities and overstating their refunds or credits, which results in a loss of Federal tax revenue.

77. In many instances, Donkor's fraudulent understatement of his customers' taxable income and overstatement of his customers' refunds and credits caused the United States to issue refunds that the customers were not entitled to receive.

78. For instance, the IRS examined twenty-eight tax returns prepared and filed by Donkor for tax year 2024. Twenty-five of these examined returns (89%) had errors and fabrications, resulting in $63,921 of tax deficiency—an average of $2,557 per return. While Donkor filed 1,391 tax returns for tax year 2024, only 1,072 had a Form 2106, Schedule A, and/or Schedule C. By taking only those 1,072 tax forms and multiplying them by the average tax harm per customer interviewed ($2,557) and the error rate (89% or 25/28), the IRS calculated the estimated tax harm of Donkor's filings for tax year 2024 to be over $2.4 million.

79. In addition to lost tax revenue, the United States must bear the substantial cost of examining tax returns Donkor has prepared and collecting the understated liabilities from his customers.

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

81. Donkor's actions also undermine confidence in the Federal income tax system and harm his customers. Donkor's customers trust—and pay—him to prepare honest tax returns. Donkor betrays that trust and harms his customers, who could be required to pay tax deficiencies, interest, and penalties resulting from Donkor's conduct.

82. Donkor also encourages noncompliance with the Internal Revenue laws by failing to confirm with customers that their tax returns honestly and accurately reflect information they provided.

COUNT I
Injunction Under 26 U.S.C. § 7407 for Conduct Subject to Penalty Under 26 U.S.C. §§ 6694 and 6695

83. The United States realleges paragraphs 1 through 82.

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

a. Engaging in conduct subject to penalty under 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 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 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;

c. Engaging in conduct subject to penalty under 26 U.S.C. § 6695(g), which penalizes a tax return preparer who does not exercise due diligence in determining eligibility to file as a head of household or in determining eligibility for earned income tax credits, child tax credits, and education credits; and

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

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

86. If a tax return preparer's conduct is continual or repeated and the court finds that a narrower injunction would be insufficient 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).

87. Donkor has continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. § 6694 by preparing returns that understate his customers' tax liabilities and overstate their refunds and credits. As described above, Donkor prepares returns that claim

deductions for expenses not incurred by his customers and credits to which the taxpayers are not entitled. Donkor does so with knowledge that the positions he takes on tax returns are unreasonable and lack substantial authority. Thus, Donkor engages in conduct subject to penalty under 26 U.S.C. § 6694(a).

88. Additionally, Donkor engages in conduct subject to penalty under 26 U.S.C. § 6694(b) by willfully understating customers' liabilities and acting with a reckless and intentional disregard of rules and regulations.

89. Donkor has also engaged in conduct subject to penalty under 26 U.S.C. § 6695(g) by repeatedly failing to exercise due diligence in determining the eligibility of his customers to claim certain tax benefits.

90. Donkor's conduct substantially interferes with the administration of the Internal Revenue laws. Injunctive relief is necessary to prevent this misconduct because, absent an injunction, Donkor is likely to continue to prepare false federal income tax returns. The IRS has assessed penalties against Donkor for understatement of his customers' liabilities and failure to exercise due diligence in determining customers' eligibility to claim certain tax benefits. Donkor has received several other warnings regarding his problematic return preparation practices. The warnings and penalties had no effect on his practices, and Donkor continues to prepare tax returns that understate his customers' liabilities and claim false or inflated deductions and credits.

91. A narrower injunction would be insufficient to prevent Donkor's interference with the administration of Internal Revenue laws. Donkor prepares tax returns understating his customers' liabilities through multiple schemes that report false information on their customers' tax returns. In addition, the IRS may not yet have identified all the schemes used by Donkor to

understate liabilities and to overstate refunds and credits. Without a permanent injunction against Donkor, the IRS will have to spend additional resources to uncover all his future schemes. The harm resulting from these schemes includes both the expenditure of these resources and the revenue loss caused by the improper deductions and credits Donkor claims on tax returns he prepares. According, only a permanent injunction is sufficient to prevent future harm caused by Donkor acting as tax return preparer.

COUNT II
Injunction Under 26 U.S.C. § 7408 for Conduct Subject to Penalty Under 26 U.S.C. § 6701

92. The United States realleges paragraphs 1 through 91.

93. 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.

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

95. Donkor engages in conduct subject to penalty under 26 U.S.C. § 6701 by knowingly and willfully preparing, aiding, or assisting in the preparation of income tax returns that claim credits and deductions he knows to be improper, false, or inflated.

96. If the Court does not enjoin Donkor, he is likely to continue engaging in conduct subject to penalty under 26 U.S.C. § 6701. The preparation and filing of tax returns claiming improper credits and deductions is widespread over many customers and tax years. Injunctive relief is appropriate under 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

97. The United States realleges paragraph 1 through 96.

98. Section 7402(a) of the Internal Revenue Code authorizes a court to issue orders of injunctions as may be necessary and appropriate for the enforcement of the Internal Revenue laws.

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

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

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

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

COUNT IV
Disgorgement Under 26 U.S.C. § 7402(a)

103. The United States realleges paragraph 1 through 102.

104. 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.

105. Donkor's 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 Donkor's conduct, the United States would not have issued these fraudulent refunds.

106. Donkor has unjustly profited at the expense of the United States.

107. For tax year 2024, Donkor made at least $593,415 from preparing returns. Donkor received $517,075 in preparation fees withheld by Green Dot and at least $76,400 in upfront fees (a minimum of $50 per return at 1,528 returns) through August 25, 2025.

108. For tax year 2023, Donkor made at least $478,180 from preparing returns. Donkor received $402,930 in preparation fees withheld by Green Dot and at least $75,250 in upfront fees (a minimum of $50 per return at 1,505 returns).

109. For tax year 2022, Donkor made at least $442,256 from preparing returns. Donkor received $367,056 in preparation fees withheld by Green Dot and at least $75,200 in upfront fees (a minimum of $50 per return at 1,504 returns).

110. Adjusting this income by the amount of fraudulent tax returns, Donkor received at least $555,470 in ill-gotten gains in tax years 2022–2024.

111. To calculate this number, the IRS multiplied Donkor's income by the rate of tax returns with a Form 2106 or Schedule A (100% of customers interviewed with a Form 2106 or Schedule A showed fraud). For instance, for tax year 2024, Donkor prepared 1,528 returns total and 781 with a Form 2106 and/or Schedule A. Multiplying his income by this rate (51%), the IRS asserts Donkor received $302,642 in ill-gotten gains ($593,418 * (781/1,528) = $302,642). Likewise, using the rate of 592/1,505 for tax year 2023 and 227/1,504 for tax year 2022, the IRS calculates the amount of ill-gotten gains for those years as $186,490 and $66,338 respectively.

112. Donkor is not entitled to these ill-gotten gains.

113. Using its broad authority under 26 U.S.C. § 7402(a), the Court should enter an order requiring Donkor to disgorge to the United States the receipts (in the form of fees earned by engaging in false or fraudulent conduct) for preparing federal tax returns that make false or fraudulent claims in the amount of $555,470.

RELIEF REQUESTED

The United States respectfully requests that the Court:

A. Find that Donkor has repeatedly and continually engaged in conduct subject to penalty under 26 U.S.C.§§ 6694 and 6695, that injunctive relief is appropriate under 26 U.S.C. § 7407 to prevent recurrence of that conduct, and that a narrower injunction would not be sufficient to prevent the recurrence of Donkor's conduct;

B. Find that Donkor has repeatedly and continually engaged in conduct subject to penalty under 26 U.S.C. § 6701 and that a permanent injunction appropriate under 26 U.S.C. § 7408 to prevent recurrence of that conduct;

C. Find that Donkor has repeatedly and continually engaged in conduct that substantially interferes with the proper enforcement and administration of the Internal Revenue laws and that injunctive relief is appropriate under 26 U.S.C. § 7402(a) and this Court's equitable authority to prevent recurrence of that conduct;

D. Enter a permanent injunction prohibiting Donkor, and another other person or entity working in concert or participation with him, from directly or indirectly:

1. Preparing, filing, directing, or assisting in the preparation or filing of federal tax returns, amended returns, and other tax-related documents and 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 or forms, including any electronically submitted tax returns or tax-related documents, for any entity or person other than themselves;
3. Using, maintaining, renewing, obtaining, transferring, selling, or assigning any PTIN or EFIN;
4. 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;
5. Transferring, selling, or assigning their customer lists and/or other customer information;
6. Training, instructing, teaching, creating, or providing guides, memoranda, directions, instructions, or manuals, pertaining to the preparation of federal tax returns;

7. Engaging in activity subject to penalty under 26 U.S.C. §§ 6694, 6695, and 6701; and
8. Engaging in conduct that substantially interferes with the proper administration and enforcement of the Internal Revenue Code.

E. Enter an injunction requiring Donkor, at his own expense, to:

1. Take reasonable steps to provide a copy of the final injunction entered against Donkor, as well as a copy of the Complaint setting forth the allegations as to how Donkor fraudulently prepared federal tax returns, to each person for whom Donkor prepared federal tax returns or any other federal tax forms after January 1, 2022, within thirty days of entry of the final injunction;
2. Turn over to the United States copies of all returns and claims for refund that Donkor prepared after January 1, 2022;
3. Provide the United States with a list of names, Social Security numbers, addresses, phone numbers, and email addresses of each person for whom Donkor prepared tax returns, other tax forms, or claims for refund after January 1, 2022, within thirty days of entry of the final injunction;
4. Prominently post, within ten days of entry of the final injunction, in Donkor's place of business where he prepared tax returns: a statement that he has been enjoined from the preparation of tax returns;
5. Post for two years, on all social media accounts and websites Donkor uses to advertise his tax preparation services: a statement that he has 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;

6. Deliver a copy of the injunction to any employees, contractors, and vendors of Donkor, if any, within thirty days of entry of the final injunction;

7. File a sworn statement with the Court evidencing Donkor's compliance with the foregoing directives within forty-five days of entry of the final injunction; and

8. Keep records of Donkor's compliance with the foregoing directives, which may be produced to the Court, if requested, or the United States pursuant to paragraph F, below;

F. Enter an order allowing the United States to monitor Donkor's compliance with the injunction and to engage in post-judgment discovery, including depositions, in accordance with the Federal Rules of Civil Procedure;

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

H. Enter an order, pursuant to 26 U.S.C. § 7402(a), requiring Donkor to disgorge to the United States the gross receipts of $555,470 that he received 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;

I. Retain jurisdiction over Donkor and this action to enforce any permanent injunction entered against him; and

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

Respectfully submitted,

BRETT A. SHUMATE
Assistant Attorney General

JOSHUA WU
Deputy Assistant Attorney General
Tax Litigation Branch

Date: March 3, 2026

/s/ Adam S. Domitz

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Counsel for the United States of America

DESIGNATION UNDER LOCAL RULE OF CIVIL PROCEDURE 101.1(f)

In accordance with Local Rule of Civil Procedure 101.1(f), the undersigned hereby designate the U.S. Attorney for the District of New Jersey to receive service of all notices or papers in this action at the following address:

Chief, Civil Division
U.S. Attorney's Office
District of New Jersey
970 Broad Street, Ste. 700
Newark, New Jersey 07102

/s/ Adam S. Domitz
ADAM S. DOMITZ (NY # 6213896)
Trial Attorney, Civil Division
U.S. Department of Justice
Counsel for the United States of America

LOCAL CIVIL RULE 11.2 CERTIFICATION

Pursuant to Local Civil Rule 11.2, I certify that the matter in controversy alleged in the foregoing Complaint is not the subject of any other action pending in any court, or of any pending arbitration or administrative proceeding.

/s/ Adam S. Domitz
ADAM S. DOMITZ (NY # 6213896)
Trial Attorney, Civil Division
U.S. Department of Justice
Counsel for the United States of America