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

UNITED STATES OF AMERICA, Plaintiff, v. TANJA D. HOLLIS, *doing business as* Tanja Tax Preparations, LLC, *and as* Tanja Tax Preparations, Defendant.	:	CIVIL ACTION NO. 3:25-cv-00143-LMM

ORDER

This case comes before the Court on Plaintiff's motion for summary judgment. Dkt. No. [17]. Defendant has not filed a response. After due consideration, the Court enters the following order.

I. LEGAL STANDARD

Rule 56 of the Federal Rules of Civil Procedure provides that "[t]he court shall grant summary judgment if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a).

A factual dispute is genuine if the evidence would allow a reasonable jury to find for the nonmoving party. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248

(1986). A fact is "material" if it is "a legal element of the claim under the applicable substantive law which might affect the outcome of the case." Allen v. Tyson Foods, Inc., 121 F.3d 642, 646 (11th Cir. 1997).

The moving party bears the initial burden of showing the Court, by reference to materials in the record, that there is no genuine dispute as to any material fact that should be decided at trial. Hickson Corp. v. N. Crossarm Co., 357 F.3d 1256, 1260 (11th Cir. 2004) (citing Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986)). In determining whether the moving party has met this burden, the district court must view the evidence and all factual inferences in the light most favorable to the party opposing the motion. Johnson v. Clifton, 74 F.3d 1087, 1090 (11th Cir. 1996).

Once the moving party has adequately supported its motion, the non-movant then has the burden of showing that summary judgment is improper by coming forward with specific facts showing a genuine dispute. Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 587 (1986). There is no "genuine [dispute] for trial" when the record as a whole could not lead a rational trier of fact to find for the nonmoving party. Id. (citations omitted). All reasonable doubts, however, are resolved in the favor of the non-movant. Fitzpatrick v. City of Atlanta, 2 F.3d 1112, 1115 (11th Cir. 1993).

Where, as here, the non-movant does not file a response to the statement of material facts, those facts are deemed admitted, so long as they are properly supported by a citation to evidence. Fed. R. Civ. P. 56(e); Rives v. Lahood,

605 F. App'x 815, 818 (11th Cir. 2015); United States v. One Piece of Real Prop. Located at 5800 SW 74th Ave., Miami, Fla., 363 F.3d 1099, 1101-02 (11th Cir. 2004). However, a district court cannot enter summary judgment based on the mere fact that the motion is unopposed; rather, it must determine whether those undisputed facts entitle the movant to judgment as a matter of law. 5800 SW 74th Ave., 363 F.3d at 1101.

On this basis, the facts recited in this order are construed in the light most favorable to Defendant, as the non-moving party, and are deemed undisputed.

II. BACKGROUND

Defendant Tanja D. Hollis operates a tax return preparation business in Griffin, Georgia, doing business as Tanja Tax Preparations and Tanja Tax Preparations, LLC. Since at least 2014, Hollis has prepared and filed federal income tax returns for compensation using Preparer Tax Identification Number ("PTIN") PXXX70203 and Electronic Filing Identification Number ("EFIN") XXX507. Tanja Tax Preparations was a sole proprietorship, and Hollis is the sole member of Tanja Tax Preparations, LLC, and the only person who prepares returns at her business. She generally charges between $175 and $545 per return, with the fees deducted from the refund claimed, so that her customers receive their refunds net of her fees.

Between the 2022 and 2025 processing years, Hollis prepared and filed 3,604 returns, of which 3,565 (99%) claimed refunds and 3,044 (84%) claimed

Earned Income Tax Credits ("EITC").[1] The Internal Revenue Service ("IRS") investigated Hollis's return-preparation practices, and when Hollis did not respond to a request for documentation, it interviewed customers for whom Hollis prepared returns for the 2022 and/or 2023 tax years. Of the 47 returns examined for those years, 43 required adjustment because they contained false and fraudulent claims—fictitious education expenses, fabricated Schedule C business profits or losses, or inflated business expenses—resulting in a total deficiency determination of $208,711. Across a broader examination of 301 returns Hollis filed for the 2014 through 2022 tax years, over 280 required adjustment, most related to fraudulent Schedule C profits or losses or improper EITC claimed, resulting in deficiency determinations totaling $1,575,016.

The IRS had assessed due-diligence penalties against Hollis under 26 U.S.C. § 6695 on two prior occasions: a $39,500 penalty for the 2014 tax year (assessed August 22, 2016) and a $23,970 penalty for the 2016 tax year (assessed March 19, 2018). Despite the penalties, Hollis's conduct continued. When one customer questioned Hollis about a fabricated Schedule C included on her 2022 return, which resulted in the State of Georgia withholding her refund due to a lack of documentation, Hollis stated that she "does things a little different to get people more money back."

[1] The EITC is a refundable tax credit available to taxpayers who earn income below certain levels. The amount of the credit is based on the taxpayer's income, claimed number of dependents, and filing status. Because the EITC is a refundable credit, claiming an EITC can in certain circumstances reduce a taxpayer's federal tax liability below zero, entitling a taxpayer to a payment from the U.S. Treasury.

On June 13, 2025, United States of America ("Plaintiff" or "the Government") filed this action against Hollis. The Government alleges that Hollis used her tax-preparation business to defraud the IRS by repeatedly fabricating information in tax filings to reduce her clients' tax liability and to inflate refund amounts. To prevent further loss, the United States has asked the Court to issue an order under 26 U.S.C. §§ 7402, 7407, and 7408 permanently enjoining Hollis from preparing future tax returns; engaging in various activities related to tax preparation; engaging in conduct that substantially interferes with the proper administration and enforcement of internal revenue laws; and promoting any false tax scheme. It also seeks an order requiring Hollis to disgorge to the United States the unlawful profits she obtained.

III. DISCUSSION

In the motion for summary judgment, the Government seeks an order and judgment of permanent injunction under 26 U.S.C. §§ 7402(a), 7407, and 7408, and an order requiring Hollis to disgorge her ill-gotten gains under 26 U.S.C. § 7402(a). Since each statute provides an independent basis for relief, the Court will address each separately.

A. Permanent Injunction Under 26 U.S.C. § 7407

The internal revenue code authorizes the United States to bring a civil action for injunctive relief against a "tax return preparer" who engages in conduct subject to penalty under 26 U.S.C. §§ 6694 or 6695, or in other fraudulent or deceptive conduct that substantially interferes with the administration of the

internal revenue laws. 26 U.S.C. § 7407(b)(1)(A), (D). To establish entitlement to injunctive relief under § 7407, the Government must show (1) that the defendant is an "income tax return preparer" within the meaning of 26 U.S.C. § 7701(a)(36); (2) that she engaged in conduct described in § 7407(b)(1); and (3) that injunctive relief is appropriate to prevent recurrence. United States v. Stinson, 729 F. App'x 891, 895 (11th Cir. 2018); United States v. Ernst & Whinney, 735 F.2d 1296, 1303 (11th Cir. 1984). Available relief includes an injunction from further engaging in conduct described in § 7407(b). 26 U.S.C. § 7407(a). Where a preparer's conduct is continual or repeated, and a narrower injunction would not prevent further interference with the tax laws, the Court may bar the preparer from preparing any federal tax returns. 26 U.S.C. § 7407(a), (b).

As discussed below, the Government has demonstrated entitlement to a broad permanent injunction under 26 U.S.C. § 7407(a).

1. Hollis is a Tax Return Preparer

The Government has established that Hollis is a "tax return preparer" and thus has satisfied the first requirement for obtaining an injunction under § 7407. A "tax return preparer" is any person who prepares for compensation any return of tax or claim for refund. 26 U.S.C. § 7701(a)(36). Hollis prepares federal income tax returns for compensation in Griffin, Georgia, typically charging between $175 and $500 per return; lists her PTIN on all filed returns; and is the sole preparer at her business. Hollis therefore qualifies as a tax return preparer under § 7701(a)(36).

2. Hollis Engaged in Conduct Subject to Penalty Under 26 U.S.C. §§ 6694 and 6695

The Government has also shown that Hollis engaged in conduct described in § 7407(b)(1) and thus has satisfied the second requirement for obtaining an order of injunctive relief under § 7407. A tax preparer engages in conduct described in § 7407(b)(1) by, among other things, engaging in conduct subject to penalty under 26 U.S.C. § 6694 or 6695, or in other fraudulent or deceptive conduct that substantially interferes with the administration of the internal revenue laws. 26 U.S.C. § 7407(b)(1)(A), (D). The evidence shows that Hollis has engaged in conduct subject to penalty under §§ 6694 and 6695.

a. 26 U.S.C. § 6694

Section 6694 penalizes tax return preparers who understate a customer's tax liability based on unreasonable positions or through willful, reckless, or intentional disregard of rules and regulations. 26 U.S.C. § 6694(a), (b). The record shows that Hollis has repeatedly violated §§ 6694(a) and (b) by preparing returns that understate tax liabilities and overstate refunds.

For instance, the record establishes that Hollis repeatedly prepared returns containing false Schedule C losses and fictitious business income to manipulate customers' adjusted gross income into the EITC "sweet spot," thus claiming greater credits than customers were entitled to receive.[2] She also repeatedly

[2] Reporting more income, up to a certain point, allows customers to receive a larger refundable credit than they would otherwise be entitled to. Similarly, claiming losses to offset higher income to decrease the total reported income and to fall within a certain range allows customers to claim a larger refundable credit.

claimed education credits on Forms 8863 for customers who did not incur qualified education expenses and were not enrolled in the reported institutions. Customer testimony confirms that Hollis included fabricated credits and business expenses on returns without customers' knowledge or authorization. The evidence also shows that Hollis failed to make reasonable inquiries to verify customers' entitlement to the EITC or the expenses she reported, that she did not require supporting documentation, and that she did not retain required due diligence records.

It is patently obvious that fabricating qualifications for credits and deductions is contrary to internal revenue law, yet the evidence shows that Holliss did so, repeatedly. The Court therefore concludes that Hollis understated customers' tax liability based on unreasonable positions and through willful, reckless, or intentional disregard of rules and regulations, and she thus engaged in conduct described in § 7407(b)(1).

b. 26 U.S.C. § 6695

Section 6695(g) penalizes preparers who fail to comply with due diligence requirements for EITC eligibility determinations. 26 U.S.C. §§ 6695(g), 32. To satisfy the due diligence requirements, the tax return preparer must base a claim for EITC eligibility on information provided by the taxpayer to the tax return preparer or otherwise reasonably obtained or known by the tax return preparer. 26 C.F.R. § 1.6695-2(b)(1)(ii). The tax return preparer must also retain records documenting how the tax return preparer obtained the information. 26 C.F.R.

§ 1.6695-2(b)(4)(C). Claiming the credit without actually receiving supporting information violates those requirements. United States v. Stinson, 661 F. App'x 945, 950-51 (11th Cir. 2016).

As discussed above, the evidence shows that Hollis failed to make reasonable inquiries to verify customers' entitlement to the EITC or the expenses she reported, that she did not require supporting documentation, and that she did not retain required due diligence records. The Court thus concludes that Hollis failed to comply with due diligence requirements for EITC eligibility determinations in violation of 26 U.S.C. § 6695(g) and thus engaged in conduct described in § 7407(b)(1).

c. Other Fraudulent or Deceptive Conduct that Substantially Interferes with the Administration of the Internal Revenue Laws

The Government argues that Hollis has undertaken other fraudulent or deceptive conduct: that Hollis made it appear as though her customers were entitled to the EITC when they were not by preparing fraudulent Schedule C profits and losses; that the schemes allowed Hollis to claim greater EITCs for customers who would otherwise receive a smaller credit; and that this led to underreporting and either underpayment of tax liabilities or receipt of refunds in amounts to which Hollis's customers were not entitled. The Government does not explain how this substantially interferes with the administration of internal revenue laws other than §§ 6694 and 6695. Thus, the Court has no basis for reaching such a conclusion.

Nevertheless, as the Government has provided undisputed evidence of conduct violating §§ 6694 and 6695, the Court concludes that it has satisfied the second element—Hollis's engagement in conduct described in § 7407(b)(1)—entitling it to injunctive relief under § 7407.

3. A Permanent Injunction is Necessary to Prevent Recurrence

The Government has also shown sufficient evidence to establish the third element necessary to entitle it to the injunctive relief it requests—that a permanent injunction is necessary to prevent the recurrence of Hollis's unlawful conduct. In determining whether an injunction is necessary to prevent recurrence, courts use a totality-of-the-circumstances approach and consider six factors: the gravity of the harm caused by the defendant's conduct; the extent of the defendant's participation; the degree of the defendant's scienter; whether the infractions were isolated or recurrent; whether the defendant recognizes his or her culpability; and whether the defendant's occupation would place the defendant in a position where future violations could be anticipated. Stinson, 729 F. App'x at 896.

Here, the facts strongly favor a permanent, broad injunction.

a. Gravity of the Harm

Hollis prepares hundreds of returns per year. Examination of a sample of her returns for the 2014-2022 tax years alone produced deficiency determinations totaling $1,575,016, with over 280 of 301 examined returns

requiring adjustment. For the 2022-2023 tax years, 43 of 47 examined returns required adjustment, producing a $208,711 deficiency.

These numbers alone are significant, and they are a fraction of the tax returns Hollis prepared. Accordingly, the Court finds that the gravity of the harm weighs in favor of the Government.

b. Extent of the Defendant's Participation

Hollis directly prepares all returns at her business. Thus, the participation factor tilts heavily in favor of the Government.

c. Degree of Scienter

Hollis continued her fraudulent schemes after the IRS penalized her in 2016 and 2018 and after agents made an in-person due-diligence visit to her office. She did not respond to the IRS agents' requests for records during the investigation leading to this lawsuit. Her own statement—that "she does things a little different to get people more money back"—demonstrates knowing disregard of internal revenue laws. The scienter factor therefore also favors the Government.

d. Recognition of Culpability

Hollis has not proffered any evidence that she recognizes her culpability, and any reasonable person, much less a tax return preparer—would know that fabricating entitlement to credits and deductions on tax returns is an intentional violation of internal revenue law. Thus, this factor also weighs in favor of the Government.

e. Recurrent Nature of the Conduct and Likelihood of Future Violations

The misconduct spans more than a decade, is evidenced in hundreds of investigated tax returns, and persisted despite two rounds of civil penalties and a due-diligence visit to Hollis's office where she prepared tax returns. Hollis's occupation as a tax return preparer would place her in a position where more fraud could—and, given her history of persistent disregard of fundamental principles of federal income tax law, should—be anticipated.

The Court therefore finds that a permanent injunction barring Hollis from acting as a tax return preparer and otherwise barring her from further engaging in the above-described conduct subject to penalty under § 6694 or 6695 is necessary to prevent Hollis's conduct from recurring.

B. Permanent Injunction Under 26 U.S.C. § 7408

Section 7408 authorizes injunctive relief against a tax return preparer if the Court finds that the preparer engaged in conduct subject to penalty under 26 U.S.C. § 6701 and the Court determines that injunctive relief is appropriate to prevent the recurrence of such conduct. 26 U.S.C. § 7408(b). Section 6701 penalizes any person who aids, assists, or advises in the preparation of a document knowing it will be used in connection with a material matter under federal tax law and will result in an understatement of another person's tax liability. 26 U.S.C. § 6701(a). Once the Court finds both that the preparer engaged in conduct subject to penalty under § 6701 and that injunctive relief is appropriate to prevent the recurrence of the conduct, the statutory remedy is

broader than an order merely prohibiting the repetition of the precise violation: the court may prohibit the specified conduct itself or "any other activity" subject to penalty under the Internal Revenue Code. 26 U.S.C. § 7408(b); United States v. Simon, 824 F. App'x 986, 989-90 (11th Cir. 2020). "Section 7408's scope of prohibitable conduct is broad and should be construed towards achieving its purpose to penalize promoters of . . . abusive tax avoidance schemes." Simon, id. (cleaned up).

As discussed above, the undisputed record shows that Hollis knowingly prepared hundreds of tax returns with fabricated Schedule C entries or fictitious education expenses that generated understated tax liabilities and overstated refunds for her customers. Not only was the conduct repetitive, but Hollis's own statement that "she does things a little different to get people more money back" also shows that her conduct was knowing and intentional. Her customers were also unaware of the false entries, and the fabricated deductions and credits were material to the contents of the returns. A broad permanent injunction under § 7408 barring Hollis from undertaking any activity subject to penalty under the Internal Revenue Code is therefore warranted for the same reasons set forth above with respect to § 7407.

C. Permanent Injunction Under 26 U.S.C. § 7402(a)

Section 7402(a) grants district courts broad authority to issue injunctions as may be necessary or appropriate for the enforcement of the internal revenue laws. 26 U.S.C. § 7402(a); United States v. Askins & Miller Orthopaedics, P.A.,

924 F.3d 1348, 1354 (11th Cir. 2019). The remedies "are in addition to and not exclusive of any and all other remedies of the United States in such courts or otherwise to enforce such laws." 26 U.S.C. § 7402(a). Whether a permanent injunction is warranted under § 7402(a) is determined by applying the traditional equitable factors for injunctive relief, namely, whether the Government has demonstrated that Hollis's conduct has resulted in irreparable injury, that legal remedies are inadequate, that the equitable remedy is warranted by the balance of the hardships between the Government and Hollis, and that the injunction would not disserve the public interest. See Ernst & Whinney, 735 F.2d at 1301; United States v. Cotton, No. 21-10612, 2022 WL 176992, at *2 n.1 (11th Cir. Jan. 20, 2022).

The traditional equitable factors each support entry of a broad permanent injunction here.

1. Irreparable Harm

The United States has demonstrated a longstanding pattern of widespread fraud resulting in the undercollection of taxes owed and issuance of improper Treasury refunds. The Government has also had to bear the cost of investigating Hollis's unlawful conduct and enforcing the internal revenue laws and regulations. Hollis's conduct also undeniably undermines the public's confidence in the EITC and the fairness of the tax system as a whole. These harms are not fully redressable through individual customer audits or administrative penalties

alone. The Court thus finds that the Government has demonstrated irreparable harm.

2. Inadequacy of Legal Remedies

The IRS has already imposed due diligence penalties on Hollis twice, conducted an in-person visit to her office, and tried to obtain compliance during the investigation leading to this suit, none of which deterred her conduct. Additionally, the public's resulting loss of faith in the EITC and the fairness of the tax system as a whole cannot be ameliorated via legal remedies. Accordingly, the Court concludes that no adequate remedy at law exists to halt the ongoing tax losses.

3. Balance of Hardships

While entering the requested injunction against Hollis will preclude her from pursuing her current livelihood, the evidence shows that her business model is largely premised on defrauding customers and the Treasury. That interest does not outweigh the substantial and ongoing harm to the United States and the public and thus does not preclude the requested injunctive relief.

4. Public Interest

A permanent injunction will protect taxpayers from having fraudulent returns filed in their names, guard against taxpayer exposure to IRS audit liability, preserve the integrity of the EITC and education credits, guard against fraud on the Treasury, and prevent Hollis from overtaxing the Government's

auditing, investigative, and enforcement resources. The Court thus finds that broad injunctive relief will benefit the public interest.

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

Section 7402(a) of the Internal Revenue Code also authorizes disgorgement as an equitable remedy to prevent unjust enrichment. Stinson, 729 F. App'x at 898-99. The Government need only provide a reasonable approximation of the defendant's ill-gotten gains; exactitude is not required. Id. at 899; Commodity Futures Trading Comm'n v. Sidoti, 178 F.3d 1132, 1138 (11th Cir. 1999). Once the Government makes the showing, the burden shifts to the defendant to show that the estimate is not reasonable. SEC v. Lauer, 478 F. App'x 550, 557 (11th Cir. 2012).

The Government seeks disgorgement in the amount of $567,000. The Court finds that this is a reasonable approximation of Hollis's ill-gotten gains.

The IRS investigation found that Hollis filed 3,604 returns between 2022 and 2025. Applying a conservative 90% error rate—derived from the IRS's examination of Hollis's returns for the 2022–2023 tax years (43 of 47 adjusted, or 91%) and 2014–2022 tax years (over 280 of 301 adjusted, or 93%), and rounded down—yields approximately 3,240 fraudulent returns for the 2022–2025 period. At the lowest per-return fee reported by Hollis's customers ($175), the minimum disgorgement figure is $567,000.

The United States has met its burden of producing a reasonable approximation of Hollis's ill-gotten gains. Hollis has not contested the

calculation. The Court thus finds $567,000 to be a reasonable disgorgement figure.

IV. CONCLUSION

In accordance with the foregoing, Plaintiff's motion for summary judgment, Dkt. No. [17], is **GRANTED**. Accordingly, the Court hereby **ORDERS** that Defendant Tanja D. Hollis, and all those acting in concert with or under her direction and/or control, are **PERMANENTLY ENJOINED** from:

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 anyone other than herself, or other than for an entity for which she has a legal obligation to file a tax return;

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 herself;

3. Preparing or assisting in preparing federal tax returns that she knows or reasonably should know would result in an understatement of tax liability or the overstatement of federal tax refund(s) as penalized by 26 U.S.C. § 6694;

4. Engaging in any activity subject to penalty under 26 U.S.C. §§ 6694, 6695, 6700, or 6701; and

5. Engaging in conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws and from promoting any false tax scheme.

It also is hereby **ORDERED** that judgment is entered in favor of the United States and against Tanja D. Hollis in the amount of $567,000 for the disgorgement of ill-gotten proceeds she received for the preparation of tax returns making false or fraudulent claims, deductions, credits, income, expenses, or other information resulting in the understatement of taxes.

The Clerk is **DIRECTED** to enter judgment in favor of Plaintiff and close the case.[3]

IT IS SO ORDERED, this 10th day of November, 2026.

Leigh Martin May
Chief United States District Judge

[3] Although the complaint includes additional demands for relief, the Government's motion for summary judgment was not asserted as a partial motion for summary judgment. The Court therefore deems the remaining demands abandoned. See Rd. Sprinkler Fitters Local Union No. 669 v. Independent Sprinkler Corp., 10 F.3d 1563, 1568 (11th Cir. 1994) (holding that the court "could properly treat as abandoned a claim alleged in the complaint but not even raised as a ground for summary judgment" (cleaned up)); see also Baxter v. Santiago-Miranda, 121 F.4th 873, 884 (11th Cir. 2024) (describing such omission as a means of voluntarily dismissing a particular claim or issue).