

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

Case No. 18-24050-Civ-COOKE

UNITED STATES OF AMERICA,

Plaintiff,

vs.

GEORGINAGONZALEZLLC, *et al.*,

Defendants.

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**ORDER AND JUDGMENT OF DISGORGEMENT AGAINST GEORGINA
GONZALEZ AND TRINITY TAX SERVICE LLC AND ORDER AND JUDGMENT
OF PERMANENT INJUNCTION AGAINST GEORGINA GONZALEZ,
GEORGINAGONZALEZLLC, IDEAL TAX PROS LLC,
AND TRINITY TAX SERVICE LLC**

THIS CASE is before me on upon Plaintiff's Motion for Partial Default Final Judgment as to Count IV of the Complaint and for Entry of Order and Judgment of Permanent Injunction against Georgina Gonzalez, GeorGINagonzalezllc, Ideal Tax Pros LLC, and Trinity Tax Services LLC. For the reasons stated below, the motion is **GRANTED** and judgment is entered in favor of the United States and against Georgina Gonzalez and Trinity Tax Services LLC on Count IV of the Complaint in the amount of \$48,214.30. Also, for the reasons stated in the Court's Order on Motion for Entry of Default Judgment (Dkt. No. 16), the Court hereby enters an order and judgment of permanent injunction against Georgina Gonzalez, GeorGINagonzalezllc, Ideal Tax Pros LLC, and Trinity Tax Service LLC.

FINDINGS OF FACT

The United States filed its Complaint for Permanent Injunction and Other Relief on

October 2, 2018. (Dkt. No. 1.) Pursuant to 26 U.S.C. §§ 7407, 7408, and 7402, the government sought injunctive relief barring Georgina Gonzalez, GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC (“the Defendants”) from acting as tax return preparers and owning and operating a tax preparation business, and the disgorgement of the ill-gotten gains that the Defendants received for the preparation of tax returns. (*Id.*) On January 19, 2019, the Clerk entered default against the Defendants. (*See* Dkt. No 10.) The Court entered default judgment in favor of the United States and against the Defendants with respect to Counts I, II, and III of the Complaint on April 23, 2019, but has not yet entered an Order of Permanent Injunction. (Dkt. No. 16.)

The United States’ moves for partial default judgment against Georgina Gonzalez and Trinity Tax Service LLC on Count IV of the Complaint. Based on the well-pleaded allegations of the complaint, the Court finds that Georgina Gonzalez is an owner and officer of Trinity Tax Service LLC, through which Gonzalez manages and/or employs individuals who prepare tax returns for compensation. (Compl. ¶ 9.)

Gonzalez and Trinity Tax Services LLC prepare tax returns that include fraudulent claims for the Earned Income Tax Credit (“EITC”), often based on fabricated income and/or business expenses. (Compl. ¶ 22.)

Gonzalez and Trinity Tax Services LLC falsify information to claim the maximum EITC. (Compl. ¶ 26.) Gonzalez and Trinity Tax Services LLC exploit the EITC rules by creating phony Schedule C income or expenses, or reporting bogus “Household Help” income, to bring customers’ incomes within the EITC “sweet spot.” (Compl. ¶¶ 26-27.) Gonzalez and Trinity Tax Services LLC prepare tax returns reporting non-existent

businesses on bogus Forms Schedule C.¹ (Compl. ¶ 30.) On some of these returns, the Defendants report substantial income, but little or no expenses. (*Id.*) On other returns, the Defendants report substantial expenses, but little or no income. (*Id.*) The determining factor is whether the tax return preparer needs to inflate a customer's income (or create income when the customer has none) to bring the income within the EITC range or "sweet spot," or lower the taxable income of a customer who has actual income (such as wages reported on a W-2) in order to bring the income within the EITC "sweet spot," or simply to create a phony business loss to offset the customer's wages and falsely or fraudulently reduce the customer's income tax liability. (*Id.*)

Gonzalez and Trinity Tax Services LLC systematically and routinely prepared tax returns falsely claiming (1) Household Help income reported as wages on line 7 of the tax return; (2) self-employed business income and/or expenses on Forms Schedule C; and (3) the Earned Income Tax Credit. The fees that Gonzalez and Trinity Tax Services LLC received for preparing tax returns that fall into one or more of these categories are therefore directly connected to the Gonzalez's and Trinity Tax Services LLC's well-documented pattern of gross misconduct in preparing such returns. Gonzalez and Trinity Tax Services LLC received ill-gotten tax preparation fees for the three categories of tax returns described above in the amounts of \$48,214.30 in 2018.

CONCLUSIONS OF LAW

Based on the foregoing facts, the Court concludes that that an order of disgorgement, requiring Gonzalez and Trinity Tax Services LLC to disgorge the ill-gotten gains they

¹ A Form Schedule C is an IRS form used to report income or losses from a sole proprietorship. The net income or loss reported on a Schedule C "flows through" to the Form 1040 tax return and, therefore, can increase or decrease the taxable income on the return.

received in the form of tax preparation fees, is necessary or appropriate under 26 U.S.C. § 7402 for the enforcement of the internal revenue laws. *See, e.g., United States v. Stinson*, 239 F.Supp.3d 1299 (M.D. Fla. 2017), *aff'd*, 729 Fed.Appx. 891, 2018 WL 2026928 (11th Cir. 2018).

Gonzalez and Trinity Tax Services LLC were unjustly enriched through the preparation of unlawful tax returns. The Court finds that \$48,214.30 is a reasonable approximation of the ill-gotten gains that Gonzalez and Trinity Tax Services LLC received in 2018. This conclusion is based on evidence demonstrating that, as necessary to claim falsely-inflated refunds on customers' tax returns from which Gonzalez and Trinity Tax Services LLC could extract their tax preparation fees, Gonzalez and Trinity Tax Services LLC and those acting at their direction or with their knowledge and consent systematically and repeatedly prepared tax returns that falsely claimed: (1) Household Help income reported as wages on line 7 of the tax return; (2) self-employed business income and/or expenses on Forms Schedule C; and (3) the Earned Income Tax Credit. Judgment will be entered in favor of the United States and against Gonzalez and Trinity Tax Services LLC jointly and severally, accordingly.

On April 23, 2019, the Court entered default judgment in favor of the United States and against the Defendants with respect to Counts I, II, and III of the Complaint, finding that "The evidence presented by Plaintiff demonstrates that Georgina Gonzalez, Georinagonzalezllc, Ideal Tax Pros LLC, and Trinity Tax Services LLC and their employees made false claims for tax credits or deductions on behalf of their customers in order to inflate their customers' refunds and charge exorbitant fees." (Dkt. No. 16.) The Court further finds that Georgina Gonzalez, Georinagonzalezllc, Ideal Tax Pros LLC, and

Trinity Tax Services LLC are income tax return preparers who have repeatedly and continually engaged in conduct subject to penalty under 26 U.S.C. § 6694 and 6695, and are subject to injunctive relief under 26 U.S.C § 7407. Georgina Gonzalez, GeorGINagonzalezllc, Ideal Tax Pros LLC, and Trinity Tax Services LLC also repeatedly and continually engaged in conduct subject to penalty under 26 U.S.C. § 6701, and are subject to injunctive relief under 26 U.S.C § 7408. A permanent injunction is necessary to prevent such conduct in the future. A permanent injunction is also necessary or appropriate under 26 U.S.C. § 7402 for enforcement of the internal revenue laws.

ORDER AND JUDGMENT OF DISGORGEMENT AGAINST GEORGINA GONZALEZ AND TRINITY TAX SERVICE LLC

Pursuant to 26 U.S.C. § 7402,

IT IS HEREBY ORDERED that Judgment is entered in favor of the United States and against Georgina Gonzalez and Trinity Tax Services LLC, jointly and severally, in the amount of \$48,214.30 on the United States' claim, brought under 26 U.S.C. § 7402, for the disgorgement of the ill-gotten gains that Gonzalez and Trinity Tax Services LLC received for the preparation of tax returns making false claims.

The Clerk of the Court is **DIRECTED** to enter **Judgment** accordingly on Count IV of the Complaint in favor of the United States and against Gonzalez and Trinity Tax Services LLC, jointly and severally, in the amount of \$48,214.30.

ORDER AND JUDGMENT OF PERMANENT INJUNCTION AGAINST GEORGINA GONZALEZ, GEORGINAGONZALEZLLC, IDEAL TAX PROS LLC, AND TRINITY TAX SERVICE LLC

Pursuant to 26 U.S.C. §§ 7407, 7408, and 7402, and the Court's entry of default judgment in favor of the United States and against Georgina Gonzalez, GeorGINagonzalezllc, Ideal Tax Pros LLC, and Trinity Tax Services LLC (Dkt. No. 16), **IT**

IS HEREBY ORDERED that Georgina Gonzalez, GeorGINagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC, and all those in active concert or participation with them, are permanently enjoined from:

- (1) acting as federal tax return preparers or requesting, assisting in, or directing the preparation or filing of federal tax returns, amended returns, or other related documents or forms for any person or entity other than themselves;
- (2) preparing or assisting in preparing federal tax returns that they know 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;
- (3) owning, operating, managing, working in, investing in, providing capital or loans to, receiving fees or remuneration from, controlling, licensing, consulting with, or franchising a tax return preparation business;
- (4) training, instructing, teaching, and creating or providing cheat sheets, memoranda, directions, instructions, or manuals, pertaining to the preparation of federal tax returns;
- (5) maintaining, assigning, holding, using, or obtaining a Preparer Tax Identification Number (PTIN) or an Electronic Filing Identification Number (EFIN);
- (6) engaging in any other activity subject to penalty under 26 U.S.C. §§ 6694, 6695, 6701, or any other penalty provision in the Internal Revenue Code; and
- (7) engaging in any conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws.

IT IS FURTHER ORDERED that Georgina Gonzalez, GeorGINagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC shall immediately and permanently close, because of the pervasive fraud, all tax return preparation stores that they own directly or through GeorGINagonzalezLLC, Ideal Tax Pros LLC, Trinity Tax Service LLC, or any other entity, and whether those stores do business as GeorGINagonzalezLLC, Ideal Tax Pros LLC,

Trinity Tax Service LLC, or under any other name.

IT IS FURTHER ORDERED that the Defendants are prohibited from assigning, transferring, or selling any franchise agreement, independent contractor agreement, or employment contract related to GeorinagonzalezLLC, Ideal Tax Pros LLC, Trinity Tax Service LLC, or any other tax return preparation business to which they or any entity under their control is a party.

IT IS FURTHER ORDERED that Georgina Gonzalez, GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC are prohibited from: (1) selling to any individual or entity a list of customers, or any other customer information, for whom Georgina Gonzalez, GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC, and any other business or name through which Georgina Gonzalez, GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC, or those acting at their direction, have at any time since 2014 prepared a tax return; (2) assigning, disseminating, providing, or giving to any current or former franchisee, General Sales Manager, District Sales Manager, manager, tax return preparer, employee, or independent contractor of Georgina Gonzalez, GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC, or any other business through which Georgina Gonzalez, GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC prepare tax returns or own or franchise a tax return preparation business, a list of customers or any other customer information for customers for whom Georgina Gonzalez, GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC, and any other business or name through which Georgina Gonzalez, GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC, or those acting at their direction, have at any time

since 2014 prepared a tax return; and (3) selling to any individual or entity any proprietary information pertaining to GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC and any other business or name through which Georgina Gonzalez, GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC, or those acting at their direction, have at any time since 2014 prepared a tax return.

IT IS FURTHER ORDERED that Georgina Gonzalez, GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC shall contact, within 30 days of this Order, by United States mail and, if an e-mail address is known, by e-mail, all persons for whom Georgina Gonzalez, GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC, and their managers, employees, and tax return preparers prepared federal tax returns or claims for a refund from 2014 to the date of this Order to inform them of the permanent injunction entered against them, including sending a copy of this Order but not enclosing any other documents or enclosures unless agreed to by counsel for the United States or approved by the Court.

IT IS FURTHER ORDERED that Georgina Gonzalez, GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC shall produce to counsel for the United States, within 30 days of this Order, a list that identifies by name, social security number, address, e-mail address, and telephone number and tax period(s) all persons for whom Georgina Gonzalez, GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC, and their managers, employees, and tax return preparers prepared federal tax returns or claims for a refund from 2014 to the date of this Order.

IT IS FURTHER ORDERED that Georgina Gonzalez, GeorinagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC shall produce to counsel for the United

States, within 30 days of this Order, a list that identifies by name, address, e-mail address, and telephone number all principals, officers, managers, franchisees, employees, and independent contractors of GeorginagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC from 2014 to the date of this Order.

IT IS FURTHER ORDERED that Georgina Gonzalez, GeorginagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC shall provide a copy of this Order to all principals, officers, managers, franchisees, employees, and independent contractors of GeorginagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC within 15 days of this Order, and provide to counsel for the United States within 30 days of this Order a signed and dated acknowledgment of receipt of the Court's order for each person whom Georgina Gonzalez, GeorginagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC provided a copy of this Order.

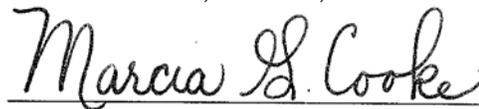
IT IS FURTHER ORDERED that Georgina Gonzalez, GeorginagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC shall, within 5 days of this Order, post a message on all of their social media accounts (Facebook, Twitter, Instagram, and any other account) held or controlled by them or used by any of their tax preparation businesses stating that the Court has permanently barred them from preparing tax returns.

IT IS FURTHER ORDERED that the Court shall retain jurisdiction over Georgina Gonzalez, GeorginagonzalezLLC, Ideal Tax Pros LLC, and Trinity Tax Service LLC and over this action to enforce this Order and Judgment of Permanent Injunction entered against them.

IT IS FURTHER ORDERED that the United States is entitled to conduct discovery to monitor Georgina Gonzalez, GeorginagonzalezLLC, Ideal Tax Pros LLC, and Trinity

Tax Service LLC's compliance with the terms of this Order and Judgment of Permanent Injunction entered against them.

DONE and ORDERED in chambers at Miami, Florida, this 15th day of July 2019.

A handwritten signature in cursive script that reads "Marcia G. Cooke". The signature is written in black ink and is positioned above a horizontal line.

MARCIA G. COOKE
United States District Judge

Copies furnished to:
Counsel of Record