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U.S. DISTRICT COURT  
MIDDLE DISTRICT OF TN

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF TENNESSEE  
NASHVILLE DIVISION

UNITED STATES OF AMERICA,	)
	)
Plaintiff,	)
	)
v.	)
	)
KAREN LIANE MILLER,	)
310 Radnor Street	)
Nashville, Tennessee 37211	)
	)
Defendant.	)

Civil No. \_\_\_\_\_

**COMPLAINT**

Plaintiff, United States of America, for its complaint against Karen Liane Miller, states as follows:

1. Jurisdiction is conferred on this Court by 28 U.S.C. §§ 1340 and 1345 and 26 U.S.C. (“I.R.C.”) §§ 7402(a), 7407, and 7408.
2. This suit is brought under I.R.C. §§ 7402, 7407, and 7408 to enjoin Miller from:
  - (a) Preparing or filing, or assisting in, or directing the preparation or filing of any federal tax return, amended return or other federal tax documents or forms for any other person or entity;
  - (b) Directly or indirectly organizing, promoting, marketing, or selling any plan or arrangement that advises or assists taxpayers to attempt to violate internal

revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities, including promoting, selling, or advocating the misuse of IRS forms under false claims that:

- i. Taxpayers have a secret account with the Treasury Department that they can use to pay their debts or which they can draw on for refunds through a process that is often called “redemption” or “commercial redemption;”
  - ii. Taxpayers can name the Secretary of the Treasury as their fiduciary, or can draw on the Treasury of the United States to pay their tax debt or other debt using Forms 1099-OID, bonded promissory notes, sight drafts or other documents; and
  - iii. Taxpayers can use Forms 1099-OID, or simply report 1099 interest income in a Form 1040 without a substantiating Form 1099, to misidentify their creditors, debts and total liabilities as payers, income and federal income tax withheld.
- (c) Engaging in conduct subject to penalty under I.R.C. § 6700, including organizing or selling a plan or arrangement, and making or furnishing a statement regarding the excludability of income or securing any other tax benefit that he knows or has reason to know is materially false or fraudulent;
- (d) Engaging in conduct subject to penalty under I.R.C. § 6701, including preparing and filing tax returns and other documents that understate the tax liabilities;

- (e) Preparing her own federal income tax returns claiming income and income tax withholding based on misuse of Forms 1099 and other IRS forms;
- (f) Filing, providing forms for, or otherwise aiding and abetting the filing of false and frivolous Forms 1040, 1099, or other IRS forms, including the notarization or signing of certificates of service or similar documents in connection with the frivolous tax returns;
- (g) Representing anyone other than herself before the Internal Revenue Service; and
- (h) Engaging in any other conduct that is subject to penalty under the Internal Revenue Code or that interferes with the proper administration and enforcement of the internal revenue laws.

3. Pursuant to I.R.C. §§ 7402, 7407, and 7408, this action has been requested by the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury, and commenced at the direction of a delegate of the Attorney General.

#### **Defendant**

4. Karen Liane Miller, also known as “Liane Miller,” resides and does business in Nashville, Tennessee. Venue is thus proper in this Court under 28 U.S.C. § 1391.

5. Miller is a paid preparer of tax returns.

6. On January 6, 2009, Miller obtained an Electronic Filing Identification Number (“EFIN”) from the IRS, a unique identifier that allows Miller to electronically file tax returns for others.

7. Miller has used her EFIN to electronically file numerous false and fraudulent tax returns in furtherance of the tax-fraud scheme described below.

### **Defendant Miller's Tax-Fraud Scheme**

#### *Overview of Scheme*

8. Miller promotes a tax-fraud scheme in which she prepares fraudulent tax returns for her customers that grossly overstate her customers' income, as well as federal taxes withheld, so that they may obtain improper tax refunds. She both prepares tax returns and also identifies herself as customers' third party designee before the Internal Revenue Service.

9. Miller overstates her customers' income, withholding, and refund figures on IRS Forms 1040 (U.S. Individual Income Tax Return) and 1040X (Amended U.S. Income Tax Return), and thus files false and fraudulent tax returns and refund claims. Through her tax-fraud scheme, Miller also promotes the misuse of Schedules B (Interest and Ordinary Dividends), Forms 1099-OID (Original Issue Discount), and other IRS forms that she uses to fraudulently "document" her customers' overstated income, withholding, and refund figures.

10. Miller's tax return filings are false and fraudulent in two primary respects. First, Miller reports false interest income on the Schedules B of the income tax returns she prepares for her customers. Instead of listing actual interest income earned by her customers, Miller sets forth the sum total of her customers' current debts (such as mortgages, car loans, credit card balances) as Schedule B interest income.

11. Second, Miller reports these same customer debts as federal tax withholding on Forms 1040 and 1040X. In listing these debts as withheld taxes, Miller frequently instructs the IRS to “see Form 1099.” This notation refers to Form 1099-OID, a form used to report Original Issue Discount (“OID”) Income, or to other false Forms 1099 filed on behalf of Miller’s customers.

12. OID income is a reportable form of taxable interest based on the difference between the maturity and issuance price of a debt instrument. Generally, OID income accrues to a taxpayer over a debt instrument’s life, regardless of whether the taxpayer actually receives payments from the debt instrument’s issuer. OID income is treated like an interest payment, and the debt instrument’s issuer must file a Form 1099-OID to report the recipient’s accrued OID income and withholding. For example, a bond issuer must use a Form 1099-OID to report a bond holder’s interest as OID income.

13. The returns prepared by Miller report such 1099-OID income and withholding. But the IRS has found that the lenders and other third party entities purportedly issuing these Forms 1099-OID do not themselves independently report to the IRS any interest income from any real debt instruments. Indeed, IRS records reflect minimal withholding in proportion to the reported and confirmable income of Miller’s customers. The returns Miller has prepared and electronically filed for her customers in 2009 do not append Forms 1099-OID to the actual tax returns because that cannot be done at present when filing an electronic return, and so for those electronically-filed returns Miller is essentially claiming 1099-OID income and withholding without any corroboration.

14. As a result of this scheme, the tax returns prepared by Miller report significant amounts of taxable interest income, with equivalent amounts of federal tax withholding. The returns Miller prepares claim tax is owing, but also report such significant tax withholding that the taxpayer

is purportedly entitled to receive significant refunds, far in excess of a given taxpayer's actual income.

15. Miller is accordingly promoting the misuse of Forms 1099-OID and fraudulently documenting or substantiating frivolous and false income and withholding amounts on Forms 1040 and 1040X.

*False Withholding Based on Tax Defier "Redemption" Theory*

16. Miller's scheme is predicated on certain absurd and utterly false tax defier contentions (sometimes referred to as the "commercial redemption" or "redemption" theory) about the proper utilization of Forms 1099-OID. This frivolous theory contends that the United States, via the Treasury Department, maintains secret shadow accounts worth millions of dollars under each taxpayer's social security number. Issuance of a Form 1099-OID to a taxpayer's creditor, proponents of this scheme assert, permits access to these accounts, enabling the creditor to receive payment for the full amount of the indebtedness. Through the alchemy of the "redemption" theory, the sums allegedly stashed in these secret accounts can be tapped by taxpayers, transmuting nonexistent withheld taxes into massive tax refunds.

17. Miller's own tax return demonstrates that she embraces this frivolous redemption theory and is well aware of its utility for increasing the size of tax refunds. On or about November 2008, Miller filed her own Form 1040X that purported to amend her income, withholding and claimed refund for the 2005 tax year. Although Miller originally reported no income, withholding or refund entitlement in 2005, her amended 2005 tax return claimed adjusted gross income of \$4,521,895, withheld income tax of \$4,521,895, and accordingly claimed a refund in the staggering amount of \$2,958,762.

18. Appended to her amended return were a number of handwritten Forms 1099-OID identifying her creditors and debts, and containing an instruction to “Pay to Order United States Treasury Loan.” Also included with her amended return was a handwritten letter, in which Miller explained that “I discovered taxable income that was unknown to me in 2005 see 1099 OIDs” and “upon discovering income it now becomes taxable.” In that letter, Miller claimed to be the “trustee of trust account \_\_\_\_\_,” setting forth her Social Security Number to identify this “account.” Miller asked the IRS, as “the fiduciary,” to “discharge payment against the United States Treasury UCC Trust Acct [her social security number]” and “return these accounts to zero.” Miller also admitted in this letter that she had “figured” the income tax withholding amounts featured on her Forms 1099-OID and 1040X.

19. Despite the blatant absurdity of her positions, Miller assured the IRS in her letter that “[t]he filings to you are NOT frivolous. . . .”

20. The income, withholding, and refund figures that Miller includes in the returns she prepares for customers are based on the same frivolous “commercial redemption” theory articulated in her own tax return. In adopting this frivolous theory, Miller has injured her customers who consequently fail to properly file tax returns, as well as the United States Treasury, which has paid more than one million dollars in erroneously-issued refunds because of Miller’s fabricated income and withholding amounts.

21. Miller’s fraudulent tax preparation conduct does not occur in a vacuum, but is instead emblematic of the fraudulent conduct of many other tax preparers around the country who have seized upon the 1099-OID/redemption scheme as a way to raid the U.S. Treasury through fraudulent income tax returns. Several of the returns prepared and electronically filed by Miller in 2009 report

Robert L. Knupp as the taxpayer's third-party designee in communicating with the IRS; Knupp, a tax preparer in Georgia, is himself the defendant in an injunction proceeding brought by the United States (titled *United States v. Knupp*, No. 1:09-cv-2724, U.S.D.C. for N.D. Ga.) and alleging the same fraudulent tax preparation conduct based upon the precisely same scheme.

### **Specific Examples of Miller's Misconduct**

22. Miller has prepared numerous tax returns that employ this Form 1099-OID scheme as a means of obtaining fraudulent and enormous refunds for her customers.

23. For example, Miller prepared and transmitted a 2008 income tax return for Kraig A. and Barbara Kranz of Eden Prairie, Minnesota. The Kranzes' return that Miller prepared reported taxable interest income of \$1,527,741; this figure dwarfed the Kranzes' reported actual income of \$17,813. The Kranzes' return also reported \$1,527,169 in withholding (only \$572 less than the amount claimed as taxable interest income). As a result, the Kranzes' tax return as prepared by Miller reported taxes of approximately \$500,000 but requested a refund of \$1,021,616.

24. The Schedule B appended to the Kranzes' income tax return listed eight sources of taxable interest income, but the sums set forth on that form simply tallied the indebtedness of the Kranzes to their creditors. The lenders and other third parties who were purportedly paying these sums to these taxpayers in fact reported to the IRS that the Kranzes were paying far more modest interest to them - not the other way around. Thus, the return prepared for Mr. and Mrs. Kranz by Miller claimed they had earned from EMC Mortgage \$586,236 in interest income, whereas EMC Mortgage reported to the IRS merely that the taxpayers had themselves paid \$32,533 in mortgage interest. Similarly, the Kranzes' Schedule B claims that they received nearly \$400,000 in taxable

interest income from Aurora Loan Services, which presumably would be corroborated by a Form 1099-OID; but in fact Aurora Loan Services reported to the IRS only that the taxpayers had themselves paid less than \$8,000 in mortgage interest. The refund claimed in the Kranzes' return prepared by Miller is thus fraudulent.

25. Miller also prepared a 2008 income tax return for Keith N. Jackson of Orlando, Florida using the same 1099-OID-based methodology. That return reflected taxable interest income of \$1,466,907 which, when added to the business income he claimed, resulted in a tax liability of \$507,327. However, because Jackson's return also reported federal income tax withholding of \$1,466,791, his return as prepared by Miller claimed an entitlement to refund of \$959,464. Jackson's Schedule B reported taxable interest income received from 15 different lenders or credit card companies - none of which themselves had filed Forms 1099-OID confirming that such interest was earned by or paid to Jackson.

26. In some instances, Miller's clients were able to obtain significant refunds before the IRS became aware of her fraudulent scheme. For example, on or about February 2009, Miller prepared and electronically filed a Form 1040 (2008) for Nellie K. Hartsoe of West Columbia, South Carolina. On that tax return, Miller falsely claimed that Hartsoe had earned interest income of \$525,562 from Countrywide Bank (\$127,800), Citifinancial Inc. (\$10,000), State Credit Union (\$24,400), HFC Subsidiaries (\$153,545), Ascent Home Loans Inc. (\$127,800), and Wachovia Bank (\$82,017). Additionally, Miller falsely claimed that Hartsoe had income tax withholding of \$526,190, even though the IRS could only independently corroborate withholding in the amount of \$663. With these false income and withholding figures, Miller fraudulently claimed for Hartsoe

an overstated refund of \$354,947, which was erroneously issued and wired into Hartsoe's checking account. The IRS has recovered, or is pursuing the recovery of, any such erroneously paid refunds.

27. During the same period, Miller prepared and electronically filed a Form 1040 (2008) for Clifford L. and Phyllis P. Holyfield of Lakeland, Florida. On that tax return, Miller falsely claimed that the Holyfields had earned OID income of \$525,562 from a variety of lenders, including but not limited to Washington Mutual (\$202,500), Long Beach Mortgage Company (\$202,500), and Wells Fargo Educational Financial Services (\$15,100). Additionally, Miller falsely claimed that the Holyfields had income tax withholding of \$427,319, even though the sole attached Form W-2 showed withholding of only \$7,234. Based on the above, Miller fraudulently claimed for the Holyfields an overstated refund of \$294,681, which the Holyfields also received.

#### **Harm Caused by Miller's Fraudulent Tax Return Preparation**

28. Miller's tax-fraud scheme is one of many in a growing trend among tax defiers to employ the Form 1099-OID/redemption scheme. Nationwide, tax defiers have filed an increased number of returns premised upon the frivolous "commercial redemption" concept. Tax preparers like Miller are stealing from the U.S. Treasury.

29. The IRS's investigation of Miller has revealed that she prepared and electronically filed false and fraudulent tax returns on behalf of at least 41 customers in 2009. Most of Miller's returns claimed income withholding of 80 to 100 percent of a customer's reported total income. This is a fantastically large proportion of withholding - a claim that financial institutions withheld, on behalf of Miller's customers, more than eighty cents for every dollar allegedly earned by the relevant

taxpayers. These claimed withholding amounts ranged from \$932 to \$1,529,169. On average, Miller claimed \$300,596 in withholding per customer.

30. Based upon these overstated withholding amounts, Miller calculated and claimed for her customers refunds ranging from \$932 to \$1,021,616. On average, Miller's claimed a \$207,919 refund per customer. Aggregated, her refund claims on behalf of her customers total more than \$8.3 million.

31. In addition, Miller was listed as her customer's third party designee, or having power of attorney with respect to certain customers, on five tax returns filed between 2008 and the present. The total amount of refunds claimed on those five tax returns is approximately \$276,100.

32. While the IRS is able to detect and stop most fraudulent OID refund claims, Miller's fraudulent tax return preparation has resulted in the IRS's issuance of at least \$1,176,629 in erroneous refund payments to her customers. The IRS has recovered some, but not all, of these erroneously paid refunds, but is in the process of attempting to recover all such sums.

33. In addition to lost revenue due to the issuance of erroneous refunds, the Government has also incurred the expense of processing and investigating Miller's fraudulent tax returns and frivolous documents. And Miller's customers are potentially subject to penalties for the erroneous refund claims on their returns as well; such penalties can amount to as much as 20 percent of the excessive refund claimed. *See* 26 U.S.C. § 6676.

#### **Count I: Injunction Under 26 U.S.C. § 7407**

34. The United States incorporates by reference the allegations contained in Paragraphs 1 through 33.

35. Internal Revenue Code § 7407 authorizes the United States to seek an injunction against any tax return preparer who has engaged in any “fraudulent or deceptive conduct which substantially interferes with the proper administration of the Internal Revenue laws,” or who has “engaged in any conduct subject to penalty under section 6694 or 6695.”

36. Section 6694(a) subjects a tax return preparer to penalty for understatements of taxpayer liability due to an “unreasonable position,” defined as a position where “the tax return preparer knew (or reasonably should have known) of the position,” there was no “reasonable belief that the position would more likely than not be sustained on its merits,” and “the position was not disclosed as provided in section 6662(d)(2)(B)(ii)” or “there was no reasonable basis for the position.”

37. Section 6694(b) further subjects tax return preparers to liability for preparing returns or claims for refund which willfully, or with reckless or intentional disregard of rules or regulations, understate the taxpayer’s liability for tax on the return or claim.

38. If a return preparer’s misconduct is continual or repeated and the court finds that a narrower injunction (*i.e.* prohibiting specific enumerated conduct) would not be sufficient to prevent the preparer’s interference with the proper administration of federal tax laws, the court may enjoin the person from further acting as a return preparer.

39. Miller has continually and repeatedly prepared and filed with the IRS false and frivolous federal income tax returns on behalf of her customers.

40. As a result Miller has repeatedly engaged in fraudulent or deceptive conduct which substantially interferes with the proper administration of the Internal Revenue laws.

41. Miller has repeatedly and continually prepared and filed federal tax returns that understate her customers' tax liabilities as a result of unreasonable and frivolous claims, including claims for inflated refunds, and has thus engaged in conduct subject to penalty under 26 U.S.C. § 6694. She has done so, moreover, intentionally and/or with reckless disregard of internal revenue laws and regulations.

42. Injunctive relief is appropriate to prevent Miller's misconduct because, absent an injunction, Miller is likely to continue to prepare false federal income tax returns and engage in other misconduct of the type described in this complaint.

43. Miller should be permanently enjoined under 26 U.S.C. § 7407 from acting as a federal tax return preparer because a more limited injunction would be insufficient to stop her from interfering with the proper administration of the tax laws.

**Count II: Injunction Under 26 U.S.C. § 7408 for Violations §§ 6700 and 6701**

44. The United States incorporates by reference the allegations contained in Paragraphs 1 through 43.

45. I.R.C. § 7408 authorizes a district court to enjoin any person from, *inter alia*, engaging in conduct subject to penalty under I.R.C. §§ 6700 or 6701 if injunctive relief is appropriate to prevent recurrence of that conduct.

46. Section 6700 imposes a penalty on any person who organizes or participates in the sale of a plan or arrangement and in so doing makes a statement with respect to the allowability of any deduction or credit, the excludability of any income, or the securing of any tax benefit by

participating in the plan or arrangement which that person knows or has reason to know is false or fraudulent as to any material matter.

47. Since 2008, Miller has “organized and participated in the sale of a plan or arrangement” by acting as a paid preparer of tax returns for her customers. In particular, Miller has encouraged her customers to adopt the frivolous position that they could use their debts and liabilities to misstate their income and withholding (through adoption of the frivolous 1099-OID/redemption scheme) and thereby improperly obtain large tax refunds. Miller did this through the submission of false, fraudulent, and frivolous documents to the IRS.

48. In doing so, Miller knew or had reason to know that she made false and fraudulent statements with respect to the tax benefits of overstating income and withholding claims under her frivolous “redemption” theory and/or through the false filing of Forms 1099-OID and related false withholding claims.

49. As a result Miller engaged in conduct subject to penalty under I.R.C. § 6700.

50. Section 6701 imposes a penalty on any person who aids or assists in, procures, or advises with respect to the preparation of any portion of a return, affidavit, claim, or other document, who knows (or has reason to believe) that such portion will be used in connection with any material matter arising under the internal revenue laws, and who knows that such portion (if so used) would result in an understatement of the liability for tax of another person.

51. Miller prepared and aided or assisted in the preparation and filing of numerous federal income tax returns and other documents that resulted in the understatement of her customers’ tax liabilities, through her utilization of and reliance upon the frivolous Forms 1099-OID scheme.

52. As such, Miller has engaged in conduct subject to penalty under I.R.C. § 6701.

53. Miller has shown no remorse for her actions but instead has affirmatively asserted that her fraudulent tax returns are correct.

54. Injunctive relief is appropriate to prevent recurrence of Miller's penalty conduct.

### **Count III: Injunction Under 26 U.S.C. § 7402**

55. The United States incorporates by reference the allegations contained in paragraphs 1 through 54.

56. I.R.C. § 7402(a) authorizes a district court to issue injunctions as may be necessary or appropriate for the enforcement of the internal revenue laws, even if the United States has other remedies available for enforcing those laws.

57. Miller substantially interferes with the enforcement of the internal revenue laws by promoting her "redemption" or "commercial redemption" tax-fraud scheme and filing frivolous federal tax returns and other documents on behalf of her customers.

58. As a result of Miller's misconduct her customers failed to file proper tax returns and claimed erroneous refunds for her customers of approximately \$7.9 million. At least \$1,064,297 in erroneous refunds have been issued to her customers, and her customers are also liable for substantial penalties, including penalties for 20 percent of the excessive refund claim pursuant to I.R.C. § 6676, as a result of their fraudulent refund claims.

59. Miller's conduct results in irreparable harm to the United States and to the public. There is no adequate remedy at law for her misconduct.

60. Miller's conduct interferes with the proper administration of the Internal Revenue Code because it results in frivolous filings with the IRS that hinder the IRS's ability to determine the correct tax liabilities of Miller's customers.

61. Unless enjoined by this Court, Miller will continue to promote and administer her tax-fraud scheme.

62. Under I.R.C. § 7402(a), the United States is entitled to injunctive relief to prevent the recurrence of this misconduct.

WHEREFORE, Plaintiff, the United States of America, prays for the following relief:

A. That the Court find that Miller has continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. §§ 6694, 6695, 6700, and 6701 and that, under 26 U.S.C. §§ 7402, 7407, and 7408, injunctive relief is appropriate to bar Miller from acting as a tax return preparer and from engaging in conduct subject to penalty under 26 U.S.C. §§ 6700 and 6701;

B. That the Court find that Miller has engaged in conduct that substantially interferes with the enforcement and administration of the internal revenue laws, and that, pursuant to 26 U.S.C. §§ 7407 and 7402(a), injunctive relief against her is appropriate to prevent the recurrence of that misconduct;

C. That the Court, under 26 U.S.C. §§ 7402 and 7407, enter a permanent injunction permanently barring Miller from acting as federal tax return preparer and from preparing or filing federal tax returns or forms for others, from representing others before the IRS, and from advising anyone concerning federal tax matters;

D. That the Court, under 26 U.S.C. §§ 7402 and 7407, enter a permanent injunction prohibiting Miller and her representatives, agents, servants, employees, attorneys, independent contractors, anyone in active concert or participation with them, from directly or indirectly;

- (1) Preparing or filing, or assisting in, or directing the preparation or filing of any federal tax return or amended return or other related documents or forms for any other person or entity;
- (2) Engaging in activity subject to penalty under 26 U.S.C. §§ 6694 or 6695;

- (3) Engaging in any other activity subject to penalty under the Internal Revenue Code; and
- (4) Engaging in other conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws;

E. That this Court, under 26 U.S.C. §§ 7402 and 7408, enter a permanent injunction prohibiting Miller and her representatives, agents, servants, employees, and anyone in active concert or participation with her, from directly or indirectly by means of false, deceptive, or misleading commercial speech:

- (1) Organizing or selling tax shelters, plans or arrangements that advise or assist taxpayers to attempt to evade the assessment or collection of such taxpayers' correct federal tax;
- (2) Engaging in any other activity subject to penalty under 26 U.S.C. § 6700, including organizing or selling a plan or arrangement and making a statement regarding the excludability of income or securing of any other tax benefit by participating in the plan that she knows or has reason to know is false or fraudulent as to any material matter;
- (3) Engaging in any activity subject to penalty under 26 U.S.C. § 6701; and
- (4) Directly or indirectly organizing, promoting, marketing, or selling any plan or arrangement that advises or encourages taxpayers to attempt to violate internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities, including promoting, selling, or advocating the use of false Forms 1099 or other forms based on the false claims that:
  - i. Taxpayers have a secret account with the Treasury Department which they can use to pay their debts or which they can draw on for refunds through a process that is often called "redemption" or "commercial redemption";
  - ii. Taxpayers can name the Secretary of the Treasury as their fiduciary and/or can draw on the Treasury of the United States to pay their tax debt or other debt using Forms 1099-OID, bonded promissory notes, sight drafts or other documents; and
  - iii. Taxpayers can issue false Forms 1099-OID to a creditor and report the amount on the false Form 1099 as income taxes withheld on their behalf;

F. That, under 26 U.S.C. § 7402, this Court enter a permanent injunction prohibiting Miller from preparing her own federal income tax returns claiming false income tax withholding and refunds based on amounts shown in false Forms 1099 or other IRS forms;

G. That, under 26 U.S.C. § 7402, this Court enter a permanent injunction prohibiting Miller from filing, providing forms for, or otherwise aiding and abetting the filing of frivolous Forms 1040 or Forms 1099 or other IRS forms for herself or others, including the notarization or signing of certificates of service or similar documents in connection with the frivolous tax returns;

H. That, under 26 U.S.C. § 7402, this Court enter an injunction requiring Miller to contact by mail (and also by e-mail, if an address is known) all persons who have purchased from Miller any products, services or advice associated with the false or fraudulent tax scheme described in this complaint in the past three years and inform those persons of the Court's findings concerning the falsity of Miller's prior representations and attach a copy of the permanent injunction against Miller;

I. That, under 26 U.S.C. § 7402, this Court order Miller to provide to the United States a list of all persons who have purchased her products, services or advice in the past three years;

J. That this Court allow the government full post-judgment discovery to monitor Miller's compliance with the injunction; and

K. That this Court grant the United States such other and further relief as the Court deems just and appropriate.

October 26, 2009

Respectfully submitted,

EDWARD M. YARBROUGH  
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MICHAEL L. RODEN  
Assistant United States Attorney



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