

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

-vs.-

Case no. 2:13-cv-10742

CALVIN CARTER, LARON STROUD,
RAHEEN STROUD, individually and
doing business as E-FILE TAX PROS,
LLC and TAX KING,

Defendants.

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER RELIEF

Plaintiff, United States of America, alleges against Defendants, Calvin Carter, Laron Stroud, Raheen Stroud, individually and doing business as E-File Tax Pros, LLC and Tax King, as follows:

1. This is a civil action brought by the United States under sections 7402(a), 7407, and 7408 of the Internal Revenue Code (26 U.S.C.) ("I.R.C.") to enjoin Calvin Carter, Laron Stroud, Raheen Stroud, all individually and doing business as E-File Tax Pros, LLC and Tax King, and anyone in active concert or participation with them, from:

- (a) 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;
- (b) preparing or assisting in preparing federal tax returns that they know or reasonably should have known would result in an understatement of tax liability or the overstatement of federal tax refund(s) as subject to penalty under I.R.C. § 6694;
- (c) engaging in any other activity subject to penalty under I.R.C. §§ 6694, 6701, or any other penalty provision in the I.R.C.; and

- (d) engaging in any conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws.

Jurisdiction and Venue

2. Jurisdiction is conferred on this court pursuant to 28 U.S.C. §§ 1340, 1345 and I.R.C. § 7402(a).

3. 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, pursuant to the provisions of I.R.C. §§ 7402, 7407 and 7408.

4. Venue is proper in the Eastern District of Michigan pursuant to 28 U.S.C. § 1391 because the Defendants reside in the district, and a substantial part of the activities giving rise to this suit took place in the district.

Defendants' Activities

5. E-File Tax Pros, LLC is a Michigan Limited Liability Company, which filed a Certificate of Assumed Name to transact business as Tax King. Tax King does business at 18610 Grand River Avenue, Detroit, Michigan 48223. According to E-File Tax Pros' corporate filings, Mark Marougi was the Organizer and a Member of E-File Tax Pros in 2008. However, E-File Tax Pros is currently owned and operated by Raheen Stroud and Latricia Justice.

6. Raheen Stroud ("Raheen") is a commercial tax return preparer and co-owner of E-File Tax Pros, LLC, doing business as Tax King. Raheen has prepared tax returns for customers of Tax King since 2009. Raheen prepared approximately 58, 70, and 62 returns for customers in 2009, 2010, and 2011, respectively.

6. Laron Stroud ("Laron") is a commercial tax return preparer and a manager at Tax King. Laron is Raheen's brother, and has prepared tax returns for customers of Tax King since

2009. Laron prepared approximately 118, 122, 124 returns for customers in 2009, 2010, and 2011, respectively.

7. Calvin Carter is a commercial tax return preparer employed by Tax King. Carter has prepared tax returns for customers of Tax King since 2009. Carter prepared approximately 187, 267, and 468 returns for customers in 2009, 2010, and 2011, respectively.

8. The returns that the Defendants prepare frequently claim bogus business income and expenses and make false claims for the Earned Income Tax Credit (“EITC”) and the First Time Home Buyer Credit (“FTHBC”).

9. In 2009, 2010, and 2011, 360, 491, and 657 tax returns, respectively, were filed with the IRS with the Electronic Identification Number used by E-File Tax Pros, LLC. Over this period, 97% of the returns filed under E-File Tax Pros requested a refund, an extremely high percentage. This includes the returns prepared by Raheen, Laron, and Carter.

10. For the returns prepared in the years 2009, 2010, and 2011, 98% of Raheen-prepared returns requested a refund, 98% of Laron-prepared returns requested a refund, and 97% of Carter-prepared returns requested a refund, all extremely high percentages.

11. The IRS estimates the harm to the United States from the Defendants’ tax-return preparation in 2009, 2010, and 2011 (for tax years 2008, 2009, and 2010) could be as much as \$6 million based on completed examinations, the average tax deficiency per examined return, and the total number of returns that the Defendants prepared.

Earned Income Tax Credit Fraud

12. The Earned Income Tax Credit is a refundable tax credit available to certain low-income individuals. The amount of the credit is based on the taxpayer’s income, filing

status, and claimed number of dependents. The requirements for claiming the EITC are set forth in I.R.C. § 32.

13. Because the EITC is a refundable credit, claiming an EITC can reduce a taxpayer's federal tax liability below zero, entitling the taxpayer to a refund from the U.S. Treasury.

14. Due to the method used to calculate the EITC, an individual can claim a larger EITC by claiming multiple dependents and, for certain income ranges, individuals with higher annual incomes are entitled to a larger credit than those with lower annual incomes. The amount of the credit increases as income increases between \$1 and \$12,550, and decreases as income increases beyond \$16,400. Some tax preparers who manipulate reported income to maximize the EITC refer to this range of earned income corresponding to a maximum EITC as the "sweet spot." For example, for tax year 2010, the maximum EITC was \$5,666 and was available to eligible individuals with three dependent children who earned income between \$12,550 and \$16,400.

15. Unscrupulous tax return preparers like the Defendants exploit the rules by claiming on their customers' returns bogus dependents and/or by reporting phony Schedule C businesses and income. In order to bring the taxpayer's reported earned income within the "sweet spot" for the EITC, and depending on a taxpayer's actual income, the Defendants may inflate or fabricate Schedule C income to fraudulently increase a taxpayer's reported earned income, or claim bogus Schedule C deductions to fraudulently decrease a taxpayer's reported earned income.

16. Because of the potential for abuse in claiming the EITC, Congress has authorized the Secretary of the Treasury to impose "due diligence" requirements on federal tax return preparers claiming the EITC for their customers. These "due diligence" requirements obligate

the tax return preparer to make “reasonable inquiries” to ensure the customer is legitimately entitled to the EITC. The tax return preparer may not “ignore the implications of information furnished to, or known by, the tax return preparer, and must make reasonable inquiries if the information furnished to the tax return preparer appears to be incorrect, inconsistent, or incomplete.” *See* 26 C.F.R. § 1.6695-2 (2011). Tax return preparers must also document their compliance with these requirements and keep that documentation for three years. *Id.*

17. To document compliance with the due diligence requirements, tax return preparers must complete the “Paid Preparer’s Earned Income Credit Checklist” (Form 8867) and record and maintain other documentation verifying customer eligibility for the EITC.

18. In 2007, the IRS assessed 32 penalties against Raheen for violating I.R.C. § 6695(g) by failing to comply with the due diligence requirements.

19. As stated previously, because of the way the EITC is calculated, claiming more income, up to a certain point, allows customers to receive a larger refundable credit. Similarly, claiming losses to offset income and manipulate the total income to fall within the “sweet spot” allows customers to receive a larger refundable credit. The Defendants falsify information to achieve the maximum allowed EITC for their customers. The Defendants create Schedules C reporting bogus income and claiming no expenses, or reporting minimal income and sizeable bogus expenses, to claim the maximum EITC for their customers.

20. For example, Carter prepared the 2009 federal income tax return of customer Brittney Hunter of Detroit, Michigan. Hunter provided Carter with her Forms W-2 and 1099, and a Form 1098 tuition statement. Carter reported on Hunter’s return that she had \$2,244 in wages. Carter attached a Schedule C to Hunter’s tax return, falsely reporting gross receipts of \$11,891

and expenses for supplies of \$1,541, for a total of \$10,350 in profit from a purported nail stylist business. Hunter did not operate a nail stylist business and did not give any documentation to Carter concerning the income and expenses that he reported on the Schedule C. Carter, who knows Hunter's family, also falsely reported Hunter's cousin as a dependent on Hunter's tax return, falsely identifying the cousin as Hunter's niece. Carter then falsely claimed a \$3,043 earned income credit, and a refund of \$3,583, on Hunter's return, based on the false income reported on the Schedule C and the false dependent reported on the tax return. Hunter was not present at the time Carter prepared the return, and Carter did not review the return with Hunter before filing it.

21. Laron prepared the 2009 federal income tax return of Dana Mabins of Detroit, Michigan. Mabins receives social security and, as a result, is limited to earning \$65 per month. Mabins earns approximately \$420 each year from shampooing hair for friends and relatives. Laron reported no wages on Mabins' 2009 tax return, but attached a Schedule C to the return which falsely claimed that Mabins had \$11,613 in income as a hair dresser and \$1,533 in expenses, for a total profit of \$10,080. Mabins had no such income and expenses, and claims that since 2004, Laron has always reported on Mabins' tax returns that Mabins earns approximately \$11,000 in business income annually. Laron reported the \$10,080 in purported business income on Line 12 of Mabins' 2009 Form 1040. Laron also falsely reported Mabins' daughter as a dependent on her tax return; because Mabins' income is limited to her social security benefits and \$420 annual income for shampooing hair, she does not and cannot financially support her daughter. Laron then claimed an Earned Income Tax Credit of \$3,043 on Mabins' return, and requested an improper refund of \$2,974.

22. Similarly, the Schedule C attached to Mabins' 2010 federal income tax return, which Carter signed as the paid preparer, falsely claimed that Mabins had \$11,963 in business income and \$1,256 in business expenses for a profit of \$10,707, and falsely claimed the EITC in the amount of \$3,050 based on the same bogus dependent, resulting in a bogus claim for a refund in the amount of \$2,937.

23. Raheen prepared the 2009 and 2010 tax returns for customer Nicole Vaughn of Detroit, Michigan. In 2009, Vaughn received a Form 1099 for her work as a tutor, and Raheen reported this income on a Schedule C attached to the return. However, Raheen falsely reported on a second Schedule C that Vaughn had a child care business through which she earned \$11,352 and had expenses of \$2,828, including \$2,134 for "supplies," \$79 for "taxes and licenses," and \$615 for "learning center tools," for a total bogus business income of \$8,524. In reality, Vaughn owned no such business and did not inform Raheen that she owned such a business. As a result of reporting this bogus business income, Raheen claimed the EITC in the amount of \$3,043 on Vaughn's 2009 tax return, and an improper refund of \$3,646. Raheen did not review Vaughn's completed tax return with her and Vaughn did not ask Raheen any questions.

24. Similarly, on Vaughn's 2010 tax return, Raheen falsely reported that Vaughn had a child care business on the Schedule C attached to her return, and included bogus gross receipts of \$9,536 and bogus expenses of \$635 for "supplies," for a total bogus business income of \$8,901. As a result of reporting this bogus business income, Raheen claimed the EITC in the amount of \$3,050 on Vaughn's 2010 tax return, and an improper refund of \$4,330.

25. Raheen also prepared the 2009 and 2010 tax returns of customer Denise Diamond of

Detroit, Michigan. Raheen falsely reported on Diamond's 2009 tax return that she had business income of \$13,951 and business expenses of \$800, and on Diamond's 2010 return that she had business income of \$14,799 and business expenses of \$58, when Diamond did not have a business and did not tell Raheen that she had a business. Diamond did not work in 2009 and earned \$489 in wages in 2010. Diamond's income is limited to the approximately \$11,000 in child support she receives annually and the approximately \$20,000 in financial assistance she receives annually from the State of Michigan. As a result of Raheen's fraudulent tax return preparation, and following the IRS's examination, as of September 29, 2011, Diamond owed \$6,129.80 and \$6,813.92 in tax, interest, and penalties for tax years 2009 and 2010, respectively.

Improper First Time Home Buyer Credits

26. The Defendants also knowingly prepared numerous false claims for the First Time Home Buyer Credit.

27. Congress enacted the FTHBC in July 2008. The credit allowed first-time home buyers a credit against their federal income tax of the lesser of ten percent of the home's purchase price or \$7,500 in 2008 (\$8,000 for homes purchased in 2009). The credit, which is refundable, is codified at 26 U.S.C. § 36 and is claimed by completing an IRS Form 5405 and attaching it to the income tax return. Form 5405 sets forth the requirements for credit eligibility, and requires the preparer to list the purchased home's address and acquisition date. The FTHBC was available for homes purchased before 2012 and is now expired.

28. To be eligible for the credit, a person must not have owned a home in the previous three years and must have actually purchased a home after April 8, 2008 and during the tax year for which the credit is claimed. The taxpayer must also have reportable income (taxable or non-

taxable) listed on the return filed with the FTHBC claim.

29. The Defendants fraudulently claimed the FTHBC for customers who did not purchase homes within the tax year for which the credit was claimed.

30. The IRS has completed examinations of 50 tax returns that the Defendants prepared which claim the FTHBC. The tax deficiency from the false FTHBC claims on these 50 returns totaled \$355,012.

31. For example, Raheen prepared a 2008 tax return for customer Jumodd Coleman on which Raheen falsely claimed the FTHBC. Coleman does not own a home and did not buy a home in 2008, lives with and cares for his disabled uncle, and did not know and was not told that his tax return claimed the FTHBC. Coleman simply dropped paperwork off at Tax King and returned when his refund check arrived. When that check arrived at Tax King, Raheen took Coleman to a check-cashing business located nearby and, after Coleman cashed the check, Raheen demanded payment of \$4,000 from the refund for preparing the return.

32. Carter falsely claimed the FTHBC for customer Brittney Hunter on her 2008 tax return. Hunter did not purchase a home in 2008, did not reside at the address listed on the Form 5405 as the address of the home she purportedly purchased, and did not recognize that address. Carter did not ask Hunter any questions about a home purchase, and Hunter did not provide Carter with any documents showing that she purchased a home. When Hunter's refund check arrived at Tax King, Carter took Hunter to a check-cashing business located nearby, and told Hunter that she would have to pay him an amount that was between \$3,000 and \$4,000, which represented half of the refund.

33. Similarly, Carter prepared a 2008 tax return for customer Justin Dubois, of Detroit,

Michigan, on which Carter falsely claimed the FTHBC. Dubois dropped his Forms W-2 and 1099-G off with a secretary at Tax King and picked up his return after the secretary called him and told him it had been prepared. Dubois never talked to Carter, did not provide any documents concerning the purchase of a home, and did not inform anyone at Tax King that he bought a home in 2008. Dubois does not currently own a home and did not purchase a home in 2008.

34. Carter also prepared a 2008 tax return for customer Corey Brandom, of Detroit, Michigan, on which Carter falsely claimed the FTHBC in the amount of \$7,500. Brandom did not purchase a home in 2008, but told Carter that he was attempting to purchase a home. Carter provided Brandom with a form, titled "Offer to Purchase," dated November 10, 2008. The purpose of this form was to support the bogus FTHBC claim that Carter made on Brandom's 2008 tax return.

Harm Caused by Defendants

35. The Defendants' customers have been harmed because they paid the Defendants fees to prepare proper tax returns, but the Defendants prepared returns that substantially understated their correct tax liabilities. Many customers now face large income tax deficiencies and may be liable for sizeable penalties and interest.

36. The Defendants' conduct harms the United States because their customers are under-reporting and under-paying their correct tax liabilities.

37. The IRS has completed examinations of 89 federal tax returns that the Defendants prepared in 2009, 2010, and 2011, and these returns had a total of \$744,101 in lost revenue based on false claims and deductions. The IRS estimates that the Defendants' tax return preparation could have resulted in over \$6,000,000 in lost revenue to the United States.

38. In addition to the direct harm caused by preparing tax returns that understate customers' tax liabilities, the Defendants' activities undermine public confidence in the administration of the federal tax system and encourage noncompliance with the internal revenue laws.

39. The Defendants further harm the United States because the Internal Revenue Service must devote its limited resources to investigating the Defendants' tax return preparation, including ascertaining their customers' correct tax liabilities, recovering any refunds erroneously issued, and collecting any additional taxes and penalties.

Count I
Injunction under I.R.C. § 7407

40. The United States incorporates by reference the allegations in paragraphs 1 through 39.

41. Section 7407, I.R.C., authorizes a district court to enjoin a tax return preparer from engaging in conduct subject to penalty under I.R.C. § 6694 or engaging in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of the internal revenue laws, if the court finds that the preparer has engaged in such conduct and that injunctive relief is appropriate to prevent the recurrence of the conduct. Additionally, if the court finds that a preparer has continually or repeatedly engaged in such conduct, and the court further finds that a narrower injunction (i.e., prohibiting only that specific enumerated conduct) would not be sufficient to prevent that person's interference with the proper administration of the internal revenue laws, the court may enjoin the person from further acting as a federal tax preparer.

42. Carter, Laron, and Raheen have continually and repeatedly engaged in conduct subject to penalty under I.R.C. § 6694 by preparing federal income tax returns that understate

their customers' liabilities based on unrealistic, frivolous, and reckless positions.

43. The Treasury regulations promulgated under I.R.C. § 6695(g) prohibit a return preparer from claiming the EITC without first conducting proper due diligence and documenting his or her compliance with the due diligence requirements. *See* 26 C.F.R. § 1.6995-2 (2011). Raheen's failure to comply with the due diligence requirements for the EITC, evidenced by the IRS's assessment of penalties against him for his violations of I.R.C. § 6695(g), violates Treasury Regulations and his willingness to falsify information to obtain the EITC for his customers shows a reckless and/or intentional disregard of the IRS rules and regulations. Raheen has continually and repeatedly prepared federal income tax returns that claim the EITC for which he has not conducted or documented the required due diligence procedures.

44. Carter's, Laron's, and Raheen's continual and repeated violations of I.R.C. § 6694 fall within I.R.C. § 7407(b)(1)(A) and (D), and thus are subject to an injunction under I.R.C. § 7407.

45. Raheen's continual and repeated violations of I.R.C. § 6695(g) fall within I.R.C. § 7407(b)(1)(A) and (D), and thus are subject to an injunction under I.R.C. § 7407.

46. If they are not enjoined, Carter, Laron, and Raheen are likely to continue to prepare and file false and fraudulent tax returns.

47. Carter's, Laron's, and Raheen's continual and repeated conduct subjects them to an injunction under I.R.C. § 7407, including their continual and repeated bogus claims of business income, expenses, and deductions, of the Earned Income Tax Credit, and of eligibility for the First Time Home Buyer Credit, demonstrates that a narrow injunction prohibiting only specific conduct would be insufficient to prevent Carter's, Laron's, and Raheen's interference with the

proper administration of the internal revenue laws. Thus, they should be permanently barred from acting as tax return preparers.

Count II
Injunction Under I.R.C. § 7408

48. The United States incorporates by reference the allegations in paragraphs 1 through 47.

49. Section 7408 of the I.R.C. authorizes a district court to enjoin any person from engaging in conduct subject to penalty under I.R.C. § 6701 if injunctive relief is appropriate to prevent recurrence of such conduct.

50. Section 6701(a) of the I.R.C. penalizes any person who aids or assists in, procures, or advises with respect to the preparation or presentation of a federal tax return, refund claim, or other document knowing (or having reason to believe) that it will be used in connection with any material matter arising under the internal revenue laws and knowing that if it is so used it will result in an understatement of another person's tax liability.

51. Carter, Laron, and Raheen prepare federal tax returns for customers that they know will understate their correct tax liabilities, because Carter, Laron, and Raheen knowingly prepare returns claiming improper expenses, deductions, and credits. Carter's, Laron's, and Raheen's conduct is thus subject to a penalty under I.R.C. § 6701.

52. If the Court does not enjoin Carter, Laron, and Raheen, they are likely to continue to engage in conduct subject to penalty under I.R.C. § 6701. Carter's, Laron's, and Raheen's preparation of returns claiming improper expenses, deductions and credits is widespread over many customers and tax years. Injunctive relief is therefore appropriate under I.R.C. § 7408.

Count III
Injunction under I.R.C. § 7402(a)

53. The United States hereby incorporates by reference the allegations in paragraphs 1 through 52.

54. Section 7402 of the I.R.C. authorizes a district court to issue orders of injunction as may be necessary or appropriate for the enforcement of the internal revenue laws.

55. Carter, Laron, and Raheen, through the actions described above, have engaged in conduct that substantially interferes with the enforcement of the internal revenue laws.

56. Unless enjoined, Carter, Laron, and Raheen are likely to continue to engage in such improper conduct and interfere with the enforcement of the internal revenue laws. If Carter, Laron, and Raheen are not enjoined from engaging in fraudulent and deceptive conduct, the United States will suffer irreparable injury by wrongfully providing federal income tax refunds to individuals not entitled to receive them.

57. While the United States will suffer irreparable injury if Carter, Laron, and Raheen are not enjoined, Carter, Laron, and Raheen will not be harmed by being compelled to obey the law.

58. Enjoining Carter, Laron, and Raheen is in the public interest because an injunction, backed by the Court's contempt powers if needed, will stop Carter's, Laron's, and Raheen's illegal conduct and the harm it causes the United States.

59. The Court should impose injunctive relief under 26 U.S.C. § 7402(a).

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

A. That the Court find that Calvin Carter, Laron Stroud, and Raheen Stroud have continually and repeatedly engaged in conduct subject to penalty under I.R.C. § 6694, and have

continually and repeatedly engaged in other fraudulent or deceptive conduct that substantially interferes with the administration of the tax laws, and that a narrower injunction prohibiting only this specific misconduct would be insufficient;

B. That the Court, pursuant to I.R.C. § 7407, enter a permanent injunction prohibiting Calvin Carter, Laron Stroud, and Raheen Stroud from acting as federal tax return preparers;

C. That the Court find that Calvin Carter, Laron Stroud, and Raheen Stroud have engaged in conduct subject to a penalty under I.R.C. § 6701, and that injunctive relief under I.R.C. § 7408 is appropriate to prevent a recurrence of that conduct;

D. That the Court find that Calvin Carter, Laron Stroud, and Raheen Stroud have engaged in conduct that interferes with the enforcement of the internal revenue laws, and that injunctive relief is appropriate to prevent the recurrence of that conduct pursuant to the Court's inherent equity powers and I.R.C. § 7402(a);

E. That the Court, pursuant to I.R.C. §§ 7402(a), 7407, and 7408, enter a permanent injunction prohibiting Calvin Carter, Laron Stroud, and Raheen Stroud, and all those in active concert or participation with them, from:

- (1) acting as federal tax return preparers, or 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 have known would result in an understatement of tax liability or the overstatement of federal tax refund(s) as subject to penalty under I.R.C. § 6694;
- (3) engaging in any other activity subject to penalty under I.R.C. §§ 6694, 6701, or any other penalty provision in the I.R.C.; and
- (4) engaging in conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws;

F. That the Court, pursuant to I.R.C. §§ 7402(a), 7407, and 7408, enter an order requiring Calvin Carter, Laron Stroud, and Raheen Stroud to contact, within fifteen days of the Court's order, by United States mail and, if an e-mail address is known, by e-mail, all persons for whom they prepared federal tax returns or claims for a refund for tax years beginning in 2008 and continuing through this litigation to inform them of the permanent injunction entered against them, including sending a copy of the Order of Permanent Injunction but not enclosing any other documents or enclosures unless agreed to by counsel for the United States or approved by the Court, and provide to counsel for the United States within 30 days a signed and dated certification that they so informed these persons;

G. That the Court, pursuant to I.R.C. §§ 7402(a), 7407, and 7408, enter an order requiring Calvin Carter, Laron Stroud, and Raheen Stroud to produce to counsel for the United States, within fifteen days of the Court's 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 they prepared federal tax returns or claims for a refund for tax years tax years beginning in 2008 and continuing through this litigation;

H. That the Court, pursuant to I.R.C. §§ 7402(a), 7407, and 7408, enter an injunction requiring Calvin Carter, Laron Stroud, and Raheen Stroud to provide a copy of the Court's order to all of Carter's, Laron's, and Raheen's principals, officers, managers, employees, and independent contractors within fifteen days of the Court's order, and provide to counsel for the United States within 30 days a signed and dated acknowledgment of receipt of the Court's order for each person whom Carter, Laron, and Raheen provided a copy of the Court's order;

I. That the Court retain jurisdiction over Calvin Carter, Laron Stroud, and Raheen Stroud and over this action to enforce any permanent injunction entered against them;

J. That the United States be entitled to conduct discovery to monitor Calvin Carter's, Laron Stroud's, and Raheen Stroud's compliance with the terms of any permanent injunction entered against them; and

K. That the Court grant the United States such other and further relief, including costs, as is just and reasonable.

DATED: February 21, 2013

Respectfully submitted,

BARBARA L. MCQUADE
United States Attorney

PETER A. CAPLAN
Assistant U.S. Attorney
211 W. Fort Street, Ste. 2001
Detroit, MI 48226
Telephone: (313) 226-9784
P-30643
Email: peter.caplan@usdoj.gov

s/ Daniel A. Applegate
DANIEL A. APPLGATE (P70452)
Trial Attorney, Tax Division
U. S. Department of Justice
P.O. Box 7238, Ben Franklin Station
Washington, D.C. 20044
Telephone: (202) 353-8180
Fax: (202) 514-6770
daniel.a.applegate@usdoj.gov