

IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF ILLINOIS

THE UNITED STATES OF AMERICA)	
)	
Plaintiff,)	
)	
v.)	
)	Civil No. 1:14-cv-6570
LAURIE G. HELFER, a/k/a)	
LAURIE G. POWELL, d/b/a)	
LAURIE'S FREELANCE & TAX)	
PREPARATION SERVICES, and/or)	
THE TAX LADY LAURIE, INC.)	
)	
Defendants.)	

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER RELIEF

Plaintiff, United States of America, for its complaint against Defendant Laurie G. Helfer, a/k/a Laurie G. Powell, individually and doing business as Laurie's Freelance & Tax Preparation Services and/or The Tax Lady Laurie, Inc., states as follows:

Nature of Action

1. Laurie G. Helfer ("Helfer") is a Chicago, Illinois-area tax return preparer who prepares and files fraudulent income tax returns for her customers. Helfer fabricates expenses, deductions, credits and other adjustments on her customers' federal income tax returns to illegally generate a tax refund from the IRS. Specifically, Helfer concocts supposed "business expenses" that she enters on a Schedule C that she prepares and files with her customers' income tax returns. These fictitious Schedule C "business expenses" offset her customers' taxable income and generate a tax refund for her customers. Helfer implements this scheme by either: (1) amending her customers' previously filed tax returns (i.e., tax returns filed in prior tax years) to add a Schedule C containing fictitious expense information; or (2) preparing and filing income

tax returns during “tax-filing season” (typically between January and April 15) with a Schedule C containing concocted expenses. However, the majority of Helfer’s business involves amending previously filed tax returns (using a Form 1040X) so that she is able to profit year-round and not just during “tax-filing season.” Recently, in an effort to conceal her fraudulent activities and to obstruct the IRS’s ongoing investigation of her, Helfer has clandestinely prepared fraudulent income tax returns out of hotel rooms in and around the Chicago area. The United States brings this action to put an end to this brazen illegal conduct and to prevent future harm to the U.S. Treasury.

2. The United States brings this complaint pursuant to 26 U.S.C. (the Internal Revenue Code (“I.R.C.”)) §§ 7401, 7402(a), 7407 and 7408 to enjoin Helfer, and all those in active concert or participation with her, from directly or indirectly:

- a. Acting as a federal tax return preparer or requesting, assisting in, or directing the preparation or filing of federal tax returns or amended returns (or other related tax forms or documents) for any person or entity other than preparing her own personal tax return;
- b. Appearing as a representative on behalf of any person or entity before the IRS;
- c. Owning, managing, controlling, working for, profiting from, or volunteering for a tax-return-preparation business;
- d. Seeking permission or authorization (or helping or soliciting others to seek permission or authorization) to file tax returns with an IRS Preparer Tax Identification Number (“PTIN”) and/or IRS Electronic Filing Identification Number (“EFIN”), or any other IRS service or program by which one prepares or files tax returns;
- e. Using, maintaining, renewing, obtaining, transferring, selling, or assigning any PTIN(s) and EFIN(s);
- f. Engaging in conduct subject to penalty under I.R.C. § 6701, including preparing or assisting in the preparation of, or advising with respect to, a document related to a material matter under the internal revenue laws

that includes a position that Helfer d/b/a Tax Lady Laurie and/or Laurie's Freelance & Tax Preparation Services knows will, if used, result in an understatement of tax liability;

- g. Engaging in conduct subject to penalty under any provision of the Internal Revenue Code;
- h. Engaging in conduct designed or intended to, or having the effect of, obstructing or delaying an IRS investigation or audit; and
- i. Engaging in any other conduct that interferes with the proper administration and enforcement of the internal revenue laws.

Authorization

3. This action for injunctive relief is brought at the request of the Chief Counsel of the Internal Revenue Service ("IRS"), a delegate of the Secretary of the Treasury, and commenced at the direction of a delegate of the Attorney General of the United States, pursuant to 26 U.S.C. §§ 7401, 7402, 7407 and 7408.

Jurisdiction and Venue

4. Jurisdiction exists under 28 U.S.C. §§ 1340 and 1345, and 26 U.S.C. § 7402(a).

5. Venue is proper in this Court under 28 U.S.C. § 1391 because Helfer resides in this judicial district and a substantial portion of the events giving rise to this action took place in this judicial district. In addition, Helfer, either in her individual capacity or doing business as Tax Lady Laurie and/or Laurie's Freelance & Tax Preparation Services, currently is conducting business in this judicial district at one or more of the following addresses: 1450 East Touhy Ave, Des Plaines, Illinois 60018, and/or 10233 West Higgins Road, Rosemont, Illinois 60018.

The Defendant

6. Helfer is a paid tax return preparer who prepares and files federal income tax returns for customers in the Des Plaines, Rosemont, Hillside, Northlake and Chicago, Illinois

areas. Helfer has been preparing tax returns since at least 2008.

7. Helfer is a high school graduate. She attended college at Loyola University for at least two years, majoring in accounting, but did not graduate. Helfer claims to have “interned” at the Internal Revenue Service while attending Loyola. Helfer is not an attorney, Certified Public Accountant or enrolled agent, nor does she hold any other professional licenses or certifications.

8. Although she has no formal training, Helfer claims that she is “pretty much knowledgeable” in federal income tax law.

9. In approximately 2008, Helfer began preparing and filing federal income tax returns and amended returns for customers using an entity she called Laurie’s Freelance & Tax Preparation Services. While operating this tax preparation business, Helfer had approximately three employees: (1) Hersehalin Cobbs, an assistant who helped Helfer to prepare income tax returns; (2) a security guard; and (3) an employee to answer the phones. At all relevant times, Helfer managed, controlled, supervised and directed all aspects of Laurie’s Freelance & Tax Preparation Services, including directing and supervising the preparation and filing of all income tax returns.

10. After learning of the IRS’s investigation of her and to further her tax-fraud scheme and attempt to hide it from the IRS, Helfer dissolved Laurie’s Freelance & Tax Preparation Services and, on July 7, 2011, incorporated a new entity called The Tax Lady Laurie, Inc. Helfer then prepared and filed fraudulent federal income tax returns under this entity. The business was originally operated at 404 East North Avenue, Suite A, Northlake, Illinois 60164, but subsequently was run by Helfer out of her home at 605 N. Wolf Road, Hillside, Illinois 60162 and/or 1154 W. Morse Ave., 1E, Chicago, Illinois 60626. At all relevant times, Helfer managed,

controlled, supervised and directed all aspects of The Tax Lady Laurie, Inc., including directing and supervising the preparation and filing of all income tax returns.

11. After the IRS discovered that Helfer was preparing and filing fraudulent income tax returns through the entity The Tax Lady Laurie, Inc., Helfer dissolved that business too. However, she did not stop perpetrating her tax-fraud scheme and, instead, began preparing income tax returns from hotel rooms in an attempt to avoid detection by the IRS.

12. Currently, Helfer is preparing fraudulent income tax returns for customers using various hotel rooms in and around the Chicago area as an “office.” Most recently, in March and April 2014, Helfer was preparing income tax returns for customers in a room at the Radisson Hotel Chicago O'Hare, and also at the Holiday Inn and Suites Chicago O'Hare Rosemont Hotel.

13. Helfer frequently changes hotels (and rooms within hotels) in order to further her tax-fraud schemes and in an attempt to hide her fraudulent activities and obstruct the IRS's ongoing investigation of her. When contacted by a customer on her cell phone, Helfer will direct the customer to the hotel and room where she currently is perpetrating her fraudulent tax preparation activities.

14. Helfer also no longer identifies herself as the “paid preparer” on the income tax returns that she prepares. Indeed, she stopped signing the income tax returns that she prepares or otherwise identifying herself or her business by providing a Preparer Tax Identification Number (“PTIN”) or Employer Identification Number (“EIN”) as required by the Internal Revenue Code, or an Electronic Filing Identification Number (“EFIN”) as required by Revenue Procedure 2011-25 (requiring the use of an EFIN when filing eleven or more tax returns). Rather, in an effort to hide her fraudulent activities from the IRS, Helfer prepares income tax returns and then files

them as “self-prepared” using her customer’s name to give the appearance that her customer prepared the tax returns.

15. Helfer has generated business through fliers and business cards, but she primarily relies on word-of-mouth referrals and has filed hundreds of fraudulent federal income tax returns for customers in the Des Plaines, Rosemont, Hillside, Northlake and the Chicago, Illinois areas.

16. As detailed more fully below, since at least 2008, Helfer has prepared and filed hundreds of blatantly fraudulent income tax returns to understate her customers’ true tax liability, and/or to obtain significant refunds for her customers. These fraudulent tax returns include illegally fabricated deductions, bogus expenses and other offsets on her customers’ returns. While Helfer’s business primarily involves amending her customers’ previously filed tax returns (using a Form 1040X), she also occasionally files income tax returns during the “tax-filing season,” during which she perpetrates the same tax-fraud scheme by adding bogus expenses on a Schedule C attached to the current year’s return for her customers. These frivolous claims have resulted in understated tax liabilities on her customers’ tax returns and/or bogus income tax refunds, which have inflicted significant harm to the public fisc.

Helfer’s Fraudulent Tax Preparation Activities

17. The IRS has examined over 400 federal income tax returns prepared by Helfer for tax years 2008 through 2013. In examining those returns, the IRS learned that Helfer engaged in a pattern and practice of violating the federal tax laws. Of the returns examined for these years, nearly all of the tax returns contained deficiencies that required IRS adjustments. The IRS calculated the average tax deficiency per return to be approximately \$3,813 per tax return.

18. The IRS investigation revealed that Helfer repeatedly prepared and filed, including as recently as April 2014, erroneous federal income tax returns on behalf of her

customers claiming false deductions, bogus expenses and illegal deductions, even though Helfer was aware that: (a) her customers were being audited by the IRS; and (b) she was under investigation by the IRS. This false information includes, among other things, fabricating supposed gross receipts, creating bogus expenses and manufacturing false business deductions and losses.

19. The goal of Helfer's tax-fraud scheme is to obtain a tax refund for her customers that her customers would not otherwise be entitled to receive and, concomitantly, to profit from preparing and filing fraudulent income tax returns by charging fees for her services. To implement her tax-fraud scheme, Helfer prepares amended income tax returns for her customers using a Form 1040X claiming supposed "new" bogus expenses on a Schedule C attached to the Form 1040X. Helfer typically charges her customers \$100 to \$250 per tax return for her services.

20. Helfer encourages customers to use her services by telling them to "bring in the last tax return that you filed," and by promising customers that she will be able to "get them more money." If the customer was not due a tax refund on their last-filed tax return, Helfer promises to obtain a tax refund for the customer. If the customer received a tax refund from their last-filed tax return, Helfer promises to obtain an additional (i.e., larger) tax refund for the customer. Such a guarantee of a tax refund payment violates I.R.C. § 7407(b)(1)(C).

21. To carry out her tax-fraud scheme, Helfer amends her customers' last-filed tax return to include a litany of bogus expenses to offset the income that had previously been reported by the customer. For example, using the information contained on her customer's last-filed tax return, Helfer prepares a Form 1040X. Helfer copies the customer's income and other information from their last-filed return onto the 1040X and then completely fabricates "new"

supposed business-related expenses purportedly incurred by the customer's business. In reality, the customers own no business, and the business-related expenses are completely concocted by Helfer to offset income and generate a refund. The fraudulent expenses that Helfer typically concocts and places on a Schedule C attached to the Form 1040X are:

- a. advertising expenses
- b. expenses for insurance
- c. legal and professional expenses
- d. office expenses
- e. rent or lease of vehicle equipment machinery and equipment
- f. rent or lease of business property
- g. expenses for repairs and maintenance
- h. taxes and licenses
- i. bills for utilities
- j. cellular phone bills
- k. bills for internet service
- l. business phone bills

22. Helfer improperly deducts these non-existent, unsubstantiated or purely personal (i.e., non-business) expenses as Schedule C business expenses or unreimbursed employee business expenses on the Form 1040X amended return. Indeed, to the extent the expenses exist at all, they typically are purely personal expenses, such as expenses for the use of personal vehicles, personal utility bills or personal cell phone bills.

23. Helfer falsely claims that she "used to work for the IRS" and falsely tells customers that the amended tax returns that she prepares and files are legal under the Internal Revenue Code. Helfer charges her customers between \$100 - \$250 per amended return that she prepares and files. As noted above, while Helfer's business primarily involves amending her customers'

previously filed tax returns, she also occasionally files income tax returns during the “tax season” adding similar bogus expenses on a Schedule C attached to the current year’s return for her customer.

24. Stated simply, the crux of Helfer’s tax-fraud scheme is to obtain a tax refund for her customers without regard for the tax laws. To do this, Helfer illegally fabricates bogus expenses and manufactures false losses. Some specific examples of Helfer’s fraudulent tax preparation activities are as follows:

A.C.

25. Helfer prepared and filed the 2009 and 2010 amended income tax returns for A.C. of Lyons, Illinois.

26. When preparing A.C.’s amended income tax returns, Helfer falsely claimed that A.C. had a “gift basket” business.

27. Helfer then fabricated Schedule C expenses supposedly incurred by this fictitious “gift basket” business.

28. Helfer manufactured bogus Schedule C expenses of \$29,050 in 2009 and \$38,200 in 2010 for the fictitious “gift basket” business to offset A.C.’s income so that she would obtain a tax refund when Helfer filed her amended tax returns.

29. At no time did A.C. own a “gift basket” business and the expenses on her Schedule C were manufactured solely by Helfer.

30. The IRS disallowed the bogus business expenses in full. Helfer also prepared A.C.’s original 2011 federal income tax return claiming \$37,201 in expenses for the fictitious “gift basket” business. The IRS also disallowed these bogus business expenses in full.

31. Although she prepared A.C.'s tax returns for a fee, Helfer did not sign the tax returns as the "paid preparer" and instead filed them electronically as "self-prepared" using TaxBrain (an online, web-based tax preparation tool).

D.R. and M.R.

32. Helfer prepared and filed the 2010 and 2011 amended income tax returns for D.R. and M.R. of Melrose Park, Illinois.

33. When preparing D.R.'s and M.R.'s amended income tax returns, Helfer falsely claimed that D.R. and M.R. owned and operated an "admin" business. Helfer then fabricated Schedule C expenses supposedly incurred by this fictitious business.

34. Helfer manufactured bogus Schedule C expenses of \$42,500 in 2010 and \$12,692 in unreimbursed employee expenses in 2011 for the fictitious business to offset D.R.'s and M.R.'s income so that they would obtain a tax refund when Helfer filed the amended tax returns.

35. At no time did D.R. or M.R. own or operate their own business and the expenses on their Schedule C for 2010 and the unreimbursed employee expenses for 2011 were manufactured solely by Helfer. The IRS disallowed the bogus expenses in full.

36. Although she prepared D.R.'s and M.R.'s income tax returns for a fee, Helfer did not sign the tax returns as the "paid preparer" and instead filed them electronically as "self-prepared" using TaxBrain.

C.R.

37. Helfer prepared and filed the 2009, 2010, 2011 and 2012 amended income tax returns for C.R. of Cicero, Illinois. C.R. met Helfer in a room at the Holiday Inn Express in Rosemont, Illinois on or about September 22, 2013.

38. When preparing C.R.'s amended income tax returns, Helfer falsely claimed that C.R. had a "catering" business. Helfer then fabricated Schedule C expenses supposedly incurred by this fictitious "catering" business.

39. Helfer manufactured bogus Schedule C losses of \$22,000 in 2009, \$25,000 in 2010, \$22,000 in 2011 and \$22,000 in 2012 as supposedly incurred by the fictitious "catering" business to offset C.R.'s income in those years so that he would obtain a tax refund when Helfer filed the amended income tax returns. Helfer also prepared the original income tax return for C.R. for 2013 and claimed bogus loss of \$39,686.

40. At no time did C.R. own or operate a "catering" business and the losses on his Schedule C were manufactured solely by Helfer.

41. Although she prepared C.R.'s income tax returns for a fee, Helfer did not sign the income tax returns as the "paid preparer" and instead filed them electronically as "self-prepared" using TaxBrain.

T.G. and M.G.

42. Helfer prepared and filed the original 2011, 2012 and 2013 income tax returns for T.G. and M.G. of Waukegan, Illinois. M.G. met Helfer in a room at the Radisson Hotel Chicago O'Hare in Des Plaines, Illinois in 2013, and at other Chicago-area hotels in previous years.

43. When preparing T.G.'s and M.G.'s 2011, 2012 and 2013 income tax returns, Helfer falsely claimed that T.G. and M.G. had a "tutor" business. Helfer then fabricated Schedule C expenses supposedly incurred by this fictitious "tutor" business.

44. Helfer manufactured bogus Schedule C losses of \$38,505 in 2011, \$44,114 in 2012 and \$45,572 in 2013 as supposedly incurred by the fictitious "tutor" business to offset the T.G.'s

and M.G.'s income in those years so that they would obtain a tax refund when Helfer filed the 2011, 2012 and 2013 income tax returns.

45. At no time did T.G. or M.G. own or operate a "tutor" business and the losses on the Schedule C were manufactured solely by Helfer.

46. Although she prepared T.G.'s and M.G.'s income tax returns for a fee, Helfer did not sign the income tax returns as the "paid preparer" and instead filed them electronically as "self-prepared" using TaxBrain.

47. Helfer directs and coordinates all aspects of the preparation and filing of her customers' income tax returns and ultimately is responsible for the fraudulent schemes described in this complaint.

Continual and Repeated Nature of Helfer's Fraudulent Conduct

48. The scope of Helfer's misconduct is longstanding. The IRS conservatively estimates that since 2008, Helfer has filed over 900 income tax returns on behalf of her customers. Indeed, Helfer's fraudulent conduct has continued unabated despite the IRS's investigation of her, as well as hundreds of IRS audits of her customers.

49. Moreover, Helfer has not meaningfully curtailed her improper conduct, even with increased IRS scrutiny of her activities in the past few years. Helfer was aware of the IRS's investigation of her fraudulent activities as early as 2010. Yet, Helfer continued to falsely insist that her tax-fraud schemes were a legal way to generate tax refunds for her customers. Indeed, even after Helfer learned that she was under investigation by the IRS, she nevertheless continued to prepare fraudulent tax returns, but she instead did not sign them as the "paid preparer" and either electronically filed them or sent them to the IRS through the U.S. mail to be filed.

Harm to the United States

50. Helfer has been preparing tax returns since at least 2008. The fraudulent returns prepared and filed by Helfer have caused and continue to cause substantial harm to the Government by fraudulently reducing customers' reported tax liabilities, helping taxpayers to obtain fraudulent refunds and evade taxes, and by obstructing the IRS's efforts to administer the federal tax laws.

51. Helfer's fraudulent conduct has caused significant damage to the public fisc. The IRS calculated an average tax deficiency of \$3,813 per tax return for the over 400 tax returns that the IRS was able to examine for tax years 2008 through 2013. If the average deficiency can be applied across all of the federal tax returns Helfer prepared, the tax loss to the government could exceed \$3 million.

52. The United States also is harmed because the IRS must devote limited resources to detecting and examining inaccurate returns filed by Helfer, and to attempting to assess and collect unpaid taxes, and to investigating the Helfer's conduct.

53. Helfer's conduct described in this complaint establishes that: (1) Helfer's fraudulent returns have caused and continue to cause harm to the public fisc; (2) Helfer is responsible for the preparation and filing of her customers' tax returns; (3) Helfer prepares, procures, or advises with respect to the preparation of documents knowing (or having reason to believe) that they will be used in connection with material tax matters, and knowing that if they are so used they will result in understatements of customers' federal tax liabilities; (4) Helfer's fraudulent deductions, exemptions and credits continue despite the IRS's investigation of her improper conduct; (5) Helfer falsely insists that she is doing nothing wrong; and (6) Helfer is

likely to continue the fraudulent conduct described in this complaint or other similar conduction unless she is permanently enjoined from preparing tax returns.

54. Helfer has profited from preparing fraudulent tax returns by claiming fabricated deductions, exemptions and/or credits, and thereby reducing her customers' tax liabilities and/or increasing their refunds, essentially stealing from the U.S. Treasury.

55. Helfer's customers have been harmed because they paid Helfer fees to prepare tax returns, and they now face large tax deficiencies and may be liable for sizeable penalties and interest as a result.

56. In addition to the direct monetary harm caused by preparing tax returns that understate customers' liabilities, Helfer's illegal activities undermine public confidence in the administration of the federal tax system and encourage noncompliance with the internal revenue laws. Helfer's conduct results in the IRS having to devote scarce resources to identifying her customers, ascertaining their correct tax liabilities, recovering any refunds erroneously issued, and collecting any additional taxes and penalties.

COUNT I: Injunction Under I.R.C. § 7407 For Violation of I.R.C. §§ 6694 and 6695

57. The United States incorporates by reference the allegations contained in paragraphs 1 through 56.

58. Section 7407 of the Internal Revenue Code authorizes a district court to enjoin a tax return preparer from specified misconduct (which is described in I.R.C. §§ 6694 and 6695, and I.R.C. § 7407 itself) if the court finds that the preparer has engaged in such conduct and injunctive relief is appropriate to prevent the recurrence of such conduct. Additionally, if the court finds that a preparer has continually or repeatedly engaged in such conduct, and the court

finds that a narrower injunction (i.e., prohibiting only 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 acting as a federal tax return preparer.

59. I.R.C. § 6694(a) provides that a tax return preparer is subject to penalty if he prepares a return or claim for refund understating a customer's tax liability based on a position for which there was not a reasonable belief that the position would more likely than not be sustained on the merits, and the preparer knew or should have known of the position.

60. I.R.C. § 6694(b) penalizes a tax return preparer for a willful attempt in any manner to understate the liability for tax on the return or claim, and for a reckless or intentional disregard of internal revenue rules or regulations.

61. I.R.C. § 6695(b) penalizes a tax return preparer for failing to sign tax returns she prepared.

62. I.R.C. § 6695(c) penalizes a tax return preparer for failing to furnish his identifying number on tax returns pursuant to I.R.C. § 6109(a)(4).

63. I.R.C. § 6695(d) penalizes a tax return preparer for failing to retain and provide a copy of her customer list upon request of the IRS pursuant to I.R.C. § 6107(b).

64. I.R.C. § 7701(a)(36) defines a "tax return preparer" as a person who prepares for compensation or who employs one or more persons to prepare for compensation, any return or a substantial portion thereof.

65. Laurie Helfer is a tax return preparer.

66. Laurie Helfer willfully prepared tax returns for customers that she knew contained false deductions, losses, credits and expenses. Laurie Helfer knew that these false deductions, losses, credits and expenses would understate her customers' tax liabilities.

67. Laurie Helfer knew or should have known that the returns she prepared for customers contained claims for which they could not have reasonably believed that the position would more likely than not be sustained on the merits. Laurie Helfer fabricated these claims and their supporting documentation. There could be no possibility that these false deductions, losses, credits and expenses would be sustained on the merits because they were fabricated.

68. Preparing federal tax returns that willfully understate the taxpayer's liability and that contain unrealistic or unreasonable and frivolous positions subjects Laurie Helfer to penalties under I.R.C. § 6694.

69. Additionally, Laurie Helfer failed to sign tax returns that she prepared and failed to furnish an identifying number on tax returns that she prepared.

70. Failing to sign income tax returns and to furnish an identifying number subjects Laurie Helfer to penalties under I.R.C. § 6695 (b) and (c).

71. Laurie Helfer also guaranteed her customers the payment of a tax refund in violation of I.R.C. §7407(b)(1)(C).

72. Anything less than a permanent and complete bar on the preparation of tax returns is unlikely to stop Laurie Helfer from preparing fraudulent tax returns. Laurie Helfer's long record of deceit, fraud and no remorse shows there is a high likelihood that she will continue her schemes if they are merely barred from filing improper returns.

**COUNT II: Injunction Under I.R.C. § 7408 For Engaging in Conduct
Subject to Penalty Under I.R.C. § 6701**

73. The United States incorporates by reference the allegations contained in paragraphs 1 through 72.

74. I.R.C. § 7408(a) authorizes a district court to enjoin persons who have engaged in

conduct subject to penalty under I.R.C. § 6701.

75. Section 6701 imposes a penalty: (1) on a person who aids, assists, procures, or advises with respect to the preparation or presentation of any portion of a tax return, claim, or other document ("portion"); (2) when that person knows or has reason to know that such portion will be used in connection with a material matter arising under federal tax law; and (3) that person knows that such portion (if used) would result in an understatement of the liability for the tax of another person.

76. Laurie Helfer's conduct is subject to penalty under I.R.C. § 6701. Laurie Helfer prepares and files fraudulent tax returns on behalf of customers who obtain unwarranted refunds as a result.

77. As a tax return preparer, Laurie Helfer knew or had reason to know that the tax returns that she prepared would be used as to material matters under federal tax law. Additionally, as a tax return preparer, Laurie Helfer knew that the returns she prepared would result in understatements of customers' tax liability because Laurie Helfer knew that the deductions, losses, credits and expenses on the returns they prepared were overstated or fabricated.

78. Accordingly, Laurie Helfer's conduct in connection with her preparation and filing of false tax returns is subject to penalty under I.R.C. § 6701.

79. These schemes have caused and continue to cause substantial harm to the Government by fraudulently reducing customers' reported tax liabilities, obtaining fraudulent refunds, and by obstructing the IRS's efforts to administer the federal tax laws.

80. The magnitude of lost tax revenue caused by Laurie Helfer's fraudulent conduct is substantial. The IRS estimates that the harm to the government could exceed \$3 million.

81. The United States also is harmed because the IRS must continually devote limited resources to detecting and examining inaccurate returns filed by Laurie Helfer, and to attempting to assess and collect unpaid taxes.

82. An injunction against Laurie Helfer is necessary and appropriate to prevent the recurrence of her conduct, subjecting her to penalty under I.R.C. § 6701, and for engaging in any other conduct subject to penalty under the Internal Revenue Code.

COUNT III: Injunction Under I.R.C. § 7402 for Unlawful Interference with the Enforcement of the Internal Revenue Law

83. The United States incorporates by reference the allegations contained in paragraphs 1 through 82.

84. I.R.C. §7402(a) authorizes a court to issue orders of injunction 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.

85. Laurie Helfer's activities described above substantially interfere with the enforcement of the internal revenue laws because her preparation and filing of numerous fraudulent tax returns resulted in customers not paying their true federal tax liabilities and receiving tax refunds.

86. An injunction prohibiting Laurie Helfer from preparing or assisting in the preparation of tax returns is needed to stop her from preparing or filing fraudulent tax returns and to prohibit her from otherwise interfering with the proper administration and enforcement of the internal revenue laws now and in the future.

87. Given the continual, repeated, broad and brazen nature of Laurie Helfer's misconduct and her lack of remorse, unless enjoined by this Court, Laurie Helfer is likely to continue to engage in illegal conduct in the future.

88. If Laurie Helfer is not enjoined, the United States will suffer irreparable harm from the underpayment of taxes, the exhaustion of resources to enforce the internal revenue laws, and the losses caused by Laurie Helfer's conduct.

89. While the United States will suffer substantial, irreparable injury if Laurie Helfer is not enjoined, Laurie Helfer will not be harmed by being compelled to obey the law.

90. The public interest would be advanced by enjoining Laurie Helfer because an injunction will stop her illegal conduct and the harm that conduct is causing the United States Treasury and the public.

91. An injunction under I.R.C. § 7402 is necessary and appropriate, and the United States is entitled to injunctive relief under I.R.C. § 7402. The injunction, as detailed below, should bar Laurie Helfer, and anyone acting in concert with her, from preparing or filing tax returns for others, representing customers before the IRS, and from otherwise engaging in conduct that interferes with the proper administration of the internal revenue laws.

Relief Sought

WHEREFORE, plaintiff, the United States of America, respectfully prays the following:

A. That this Court find that Laurie Helfer engaged in conduct subject to penalty under 26 U.S.C. § 6701 and that injunctive relief under 26 U.S.C. § 7408 is appropriate to prevent a recurrence of that conduct.

B. That this Court find that Laurie Helfer continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. § 6694, and that injunctive relief under 26 U.S.C. § 7407 is appropriate to prevent recurrence of that conduct.

C. That this Court find that Laurie Helfer engaged in conduct substantially interfering with the administration and enforcement of the internal revenue laws and that injunctive relief under 26 U.S.C. § 7402(a) is appropriate to prevent a recurrence of that conduct.

D. That this Court, pursuant to 26 U.S.C. §§ 7402, 7407 and 7408, enter a permanent injunction prohibiting Laurie Helfer, individually and through any other name or entity, and her representatives, agents, servants and/or employees, and those persons in active concert or participation with them, from directly or indirectly:

- a. Acting as a federal tax return preparer or requesting, assisting in, or directing the preparation or filing of federal tax returns or amended returns (or other related tax forms or documents) for any person or entity other than preparing her own personal tax return;
- b. Appearing as a representative on behalf of any person or entity before the IRS;
- c. Owning, managing, controlling, working for, profiting from or volunteering for a tax-return-preparation business;
- d. Seeking permission or authorization (or helping or soliciting others to seek permission or authorization) to file tax returns with an IRS Preparer Tax Identification Number (“PTIN”) and/or IRS Electronic Filing Identification Number (“EFIN”), or any other IRS service or program by which one prepares or files tax returns;
- e. Engaging in conduct subject to penalty under I.R.C. § 6701, including preparing or assisting in the preparation of, or advising with respect to, a document related to a material matter under the internal revenue laws that includes a position that Laurie Helfer knows will, if used, result in an understatement of tax liability;
- f. Engaging in conduct subject to penalty under any provision of the Internal Revenue Code;

- g. Engaging in conduct designed or intended to, or having the effect of, obstructing or delaying an IRS investigation or audit; and
- h. Engaging in any other conduct that interferes with the proper administration and enforcement of the internal revenue laws.

E. That the Court, pursuant to I.R.C. § 7402, permanently bar Helfer from using, maintaining, renewing, obtaining, transferring, selling, or assigning any PTIN(s) and EFIN(s);

F. That the Court, pursuant to I.R.C. § 7402, order Helfer to surrender any existing PTIN(s) or EFIN(s) registered in her name or in any name used for any purpose by Helfer;

G. That the Court, pursuant to I.R.C. § 7402, enter an injunction requiring Laurie Helfer to produce to counsel for the United States a list identifying (by name, address, e-mail address, phone number, and Social Security or other tax identification number) all of the customers who, for any of the tax years 2008 to the present, have used the services of Laurie Helfer or her businesses as they are known under any of their names, including but not limited to Laurie's Freelance & Tax Preparation and/or Tax Lady Laurie, Inc.;

H. That the Court, pursuant to I.R.C. § 7402, enter an injunction requiring Laurie Helfer, at her own expense, to contact by mail all of her customers related to any of her tax preparation services and inform those individuals of the Court's findings concerning the falsity of the returns that she prepared and attach a copy of the permanent injunction, and to file with the Court, within 20 days of the date on which the permanent injunction is entered, a certification signed under penalty of perjury that she has done so, and that any enclosure or cover letter be approved by counsel for the United States;

I. That the Court allow the United States full post-judgment discovery to monitor compliance with the injunction;

J. That the Court retain jurisdiction over this action for purpose of implementing and enforcing the final judgment and any additional orders necessary and appropriate to the public interest; and

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

Dated this 26th day of August, 2014.

Respectfully submitted,

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