IN THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF INDIANA

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil No. 1:13-cv-1083
	)	
CYNTHIA E. HAWK, individually and d/b/a GAIN TAX SERVICES,	)	
	)	
Defendant.	)	

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF

Plaintiff, the United States of America, for its complaint against Cynthia E. Hawk, individually and doing business as Gain Tax Services, states as follows:

Jurisdiction and Venue

1. This suit is brought under 26 U.S.C. ("IRC") §§ 7402, 7407 and 7408 to enjoin Cynthia E. Hawk, individually and doing business as Gain Tax Services, and anyone in active concert or participation with her, from:

(a) acting as a federal tax return preparer 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 herself;

(b) preparing or assisting in preparing federal tax returns that she knows or reasonably should know would result in an understatement of tax liability or the overstatement of federal tax refund(s) as penalized by IRC § 6694;

(c) engaging in any activity subject to penalty under IRC § 6695, including IRC § 6695(g), which penalizes preparers who claim the Earned Income Tax Credit (EITC) for their customers without first complying with the due diligence requirements imposed by Treasury Regulations;

(d) engaging in any other activity subject to penalty under IRC §§ 6694, 6695, 6701, or any other penalty provision in the IRC; and

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

2. This action has been requested by the Chief Counsel of the 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. §§ 7402, 7407, and 7408.

3. Jurisdiction is conferred on this Court by 28 U.S.C. §§ 1340 and 1345 and 26 U.S.C. §§ 7402(a) and 7407 and 7408.

4. Venue is appropriate in this Court under 28 U.S.C. §§ 1391 and 1396 because Hawk resides in Indianapolis, Indiana, and a substantial part of the actions giving rise to this suit took place in this district.

Defendant's Activities

5. Cynthia Hawk is a tax return preparer who operates Gain Tax Services, a tax return preparation business, as a sole proprietorship located at 3828 Wildwood Drive, Indianapolis, Indiana. Hawk has operated Gain Tax Services since 2001, and did business in Atlanta, Georgia. Hawk currently prepares tax returns for customers in Indiana, and continues to prepare tax returns for her customers in Georgia. Neither Hawk nor Gain Tax Services has ever hired employees to aid with tax return preparation.

6. From 2009 to 2012, Hawk prepared at least 1,501 federal income tax returns; 1,477 of these returns claimed a refund, or over 98%, an extraordinarily high percentage. 1,032 of these returns, or over 68%, claimed the Earned Income Tax Credit.

7. The table below shows the number of federal income tax returns prepared by Hawk

between 2009 and 2012 and the number of those returns claiming a refund and/or the EITC:

Processing Year	Number of Returns	Number of Refund Returns	Percentage of Refund Returns	Number of EITC Returns	Percentage of EITC Returns
2009	328	316	96%	214	65%
2010	297	292	98%	193	64%
2011	465	460	98%	335	72%
2012	411	409	99%	290	70%

8. The IRS has completed examinations of a total of 62 tax returns that Hawk prepared for tax years 2008, 2009, 2010, and 2011. Of those 62 returns, 53 contained false claims, an error rate of over 85 percent. The tax loss to the Government from these 53 returns alone was $223,131.

9. Hawk claimed the EITC on 58 of the examined returns, and of those 58 returns, the IRS reduced or disallowed the amount of EITC claimed on 52 of the returns, or over 89 percent, resulting in adjustments totaling $221,207, or $3,813.81 per return on average.

10. The IRS estimates that the tax loss to the Government based on Hawk's preparation of federal income tax returns claiming the EITC from 2009 to 2012 may exceed 3.9 million dollars. This amount is based on the IRS's completed examinations of Hawk-prepared tax returns claiming the EITC, which have an average tax loss of $3,813.81 per return, and Hawk's preparation of 1,032 tax returns claiming the EITC from 2009 to 2012.

Earned Income Tax Credit Fraud

11. The EITC 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 IRC § 32.

12. 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.

13. Due to the method used to calculate the EITC, an individual can claim a larger EITC by claiming multiple dependants, 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. This range of earned income corresponding to a maximum EITC is sometimes referred to as the "sweet spot."

14. For example, for tax year 2010, the maximum EITC was $5,666, and was available to eligible individuals with three dependents who earned income between $12,550 and $16,400.

15. Unscrupulous tax return preparers like Hawk 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, such preparers 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 (2010). 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 either the "Paid Preparer's Earned Income Credit Checklist" (Form 8867) or record and maintain other documentation verifying customer eligibility for the EITC.

18. On December 6, 2010, the IRS reviewed 103 federal tax returns that Hawk prepared which claimed the EITC, as well as the corresponding client files. Hawk failed to satisfy the due diligence requirements on all 103 of those tax returns by failing to even request from customers, much less record and maintain, documentation to verify the customers' eligibility for the EITC (i.e. proof of dependents, Schedule C income and expenses, and head-of-household filing status). Hawk admitted that she only requests documentation supporting the EITC in suspicious circumstances, and that she does not request documentation supporting a customer's purported business income or expenses.

19. Examples of Hawk's failure to comply with the due diligence requirements included: files containing no documentation showing that the children claimed on the return were the children of the customers, that the children lived with the customers, or explaining why one parent was claiming the purported child as a dependent instead of the other parent; files containing no documentation showing business income or expenses claimed

on Schedules C; and suspicious Schedule C businesses listing no expenses, but conveniently claiming the amount of gross receipts necessary to maximize the customers' EITC. Additionally, 98 of the 103 tax returns claimed head-of-household filing status. Further, the majority of the customers reporting a Schedule C business claimed to be either a hair stylist, home health care provider, or child care provider.

20. As a result of its investigation, on or about August 8, 2011, the IRS assessed $10,300 in penalties against Hawk for her 103 separate violations of IRC § 6695(g). Hawk did not contest the penalties and paid them in full.

21. On March 21, 2012, the IRS conducted a follow-up meeting with Hawk and requested 20 customer files from the 2011 processing year to determine whether she was in compliance with the due diligence requirements with respect to preparing income tax returns claiming the EITC. The IRS's review of these 20 customer files revealed that Hawk was still failing to comply with the due diligence requirements.

22. The 20 customer files reviewed by the IRS in 2012 revealed various examples of Hawk's failure to adhere to the due diligence requirements and/or demonstrate Hawk's willingness to falsify dependents and income in order to maximize the EITC for customers. For example, several of the files claimed a purported dependent, such as a sister, niece, nephew, or child over the age of 19, with no documentation showing the relationship between the customer and the purported dependent, or otherwise showing that the purported dependent qualified to be claimed as a dependent on the customer's tax return. Of the 20 customer files, nine included tax returns with claims for the EITC based on purported qualifying children who were neither the son nor daughter of the taxpayer

(including nephew, niece, brother, and sister). Although these individuals could potentially qualify as dependants supporting an EITC claim, there was no documentation in the files to prove the listed relationship or to show that Hawk made a serious inquiry to verify that these alleged dependants were qualifying children for the purposes of the EITC. More importantly, without claiming those dependents, the customers could have had a lower EITC or not have qualified for the EITC at all.

23. Additionally, of the 20 customer files, 15 included tax returns with a Schedule C reporting income from a sole proprietorship. These files contained no evidence to show how Hawk ascertained or calculated the gross income figures on the Schedules C, or documentation showing the that business actually existed or supporting the claimed income or expenses.

24. Of these 15 tax returns reporting income on a Form Schedule C, 6 of the Forms Schedule C reported zero business expenses, even though a legitimate business typically incurs expenses in order to generate income. Had any expenses been reported on these Forms Schedule C, the amount of the EITC could have been reduced or eliminated.

25. In sum, Hawk is failing to adhere to the EITC due diligence requirements, fabricating the earned income verification worksheets to make it appear as though she was satisfying the due diligence requirements and to thwart future IRS due diligence investigations, and falsifying information on tax returns to achieve the maximum allowed EITC for her customers.

26. For example, Hawk prepared the 2010 federal income tax return of Deron Bailey, a painter in Conyers, Georgia. Hawk falsely claimed Bailey's fiancee, Chastity Payao, as a

dependent on Bailey's 2010 tax return. Hawk falsely told Bailey that because his fiancee lived with him and earned no income herself, Bailey could claim her as a dependent on his tax return. Hawk, by claiming Bailey's fiancee as a dependent, falsely increased the earned income credit claimed on Bailey's tax return.

27. Hawk also prepared the 2010 federal income tax return of Ashun Merritt of Lithonia, Georgia. Hawk falsely claimed Merritt's mother, brother and sister as dependents on Merrit's tax return. Merritt did not reside with any of these claimed dependents; in fact, his brother and sister (incorrectly identified on Merritt's tax return as his niece) lived with Merritt's mother. According to Merritt, Hawk was aware that Merritt's brother and sister resided with his mother, yet Hawk still claimed them (and his mother) as dependents. By claiming these bogus dependents, Hawk falsely claimed head-of-household filing status for Merritt in order to improperly increase his standard deduction from $5,700 (for single) to $8,400 (for head-of-household), and falsely claimed an earned income credit in the amount of $376.

28. Similarly, Hawk prepared the 2010 federal income tax return of Charlie Pruitt, a bouncer in Conyers, Georgia. Hawk falsely claimed Pruitt's niece as a dependent on his tax return. Pruitt's niece did not reside with him in 2010 and did not qualify to be claimed as a dependent on his tax return. Pruitt does not recall Hawk asking him any questions about the dependents claimed on his tax return (his son and his niece), such as where the dependents resided in 2010, why his son's mother was not claiming him on her tax return, and why his niece's parents were not claiming her as a dependent.

29. Congress imposed due diligence requirements on tax preparers to ensure they take

measures to verify a customer's eligibility for the EITC. This requires, at a minimum, verifying head of household status, obtaining documentation regarding dependency status, and verifying the existence of Schedule C businesses, none of which Hawk has done.

30. Not only does Hawk fail to adhere to the due diligence requirements, but she is falsifying information in order to maximize the EITC for her customers.

31. Hawk's conduct shows an intentional disregard for the due diligence requirements under IRC § 6695(g) and demonstrates her unwillingness to ever comply with the requirements.

Bogus Education Credits

32. Hawk also fabricates education expenses and falsely claims refundable education credits, particularly the American Opportunity Credit, on her customers' federal income tax returns. Qualified expenses for the American Opportunity Credit include tuition, required fees, and course materials related to the enrollment or attendance at an eligible post-secondary educational institution. *See* IRC § 25A(i). The educational institution must file a Form 1098-T, "Tuition Statement," with the IRS to report payments received, or amounts billed, for qualified tuition and related expenses for each student. Unlike many tax credits, a refundable tax credit entitles qualifying taxpayers to receive refunds even if they have no tax liability. Hawk brazenly claims bogus education credits on the tax returns of customers who did not attend college and had no qualifying education expenses in order to fraudulently reduce her customers' taxable income and generate a larger bogus refund.

33. For example, of the 465 tax returns that the IRS identified as being prepared by Hawk in

2011, 307 claimed a refundable education credit. Of these 307 returns, 227 returns, or 74%, did not have a corresponding Form 1098-T filed with the IRS by an educational institution reporting the claimed education expenses.

34. The table below shows the number of federal income tax returns prepared by Hawk between 2010 and 2012 that claim an education credit, the number of returns claiming an education credit which do not have a corresponding Form 1098-T filed with the IRS by an educational institution, and the total amount of the education credits claimed each year:

Processing Year	Number of Returns	Number of Returns Claiming Refundable Education Credit	Number of Returns Without a Form 1098-T	Total Amount of Education Credit Claimed
2010	297	155	121	$130,430
2011	465	307	227	$343,444
2012	411	194	118	$190,350

35. For example, Hawk prepared the 2010 federal income tax return of Randy Jackson of Lithonia, Georgia. Hawk falsely claimed on the Form 8863, "Education Credits (American Opportunity and Lifetime Learning Credits)," attached to the return that Jackson had $4,000 in qualified education expenses in 2010, and claimed a bogus American Opportunity Credit in the amount of $2,000 on Jackson's tax return. Jackson did not attend college in 2010, had no such qualifying expenses, and did not know why Hawk claimed the education credit on his tax return.

36. Hawk also prepared the 2010 federal income tax return of Anthony and Eulalia Roberts of Osceola, Indiana. Hawk claimed a bogus education credit in the amount of $900 on the Roberts' tax return. Hawk falsely claimed on the Form 8917, "Tuition and Feeds

Deduction," attached to the return that Anthony Roberts had $4,000 in qualified education expenses. Hawk also falsely claimed on the Form 8863, "Education Credits (American Opportunity and Lifetime Learning Credits)," attached to the return that Eulalia Roberts had $2,250 in qualifying education expenses as a student. In actuality, neither Anthony Roberts nor Eulalia Roberts had any qualifying education expenses in 2010, did not recall discussing education expenses with Hawk, and did not know why the education credit was claimed on their tax return.

37. Similarly, Hawk prepared the 2010 federal income tax return of Tamato and Sarona Manu of Indianapolis, Indiana. Hawk claimed a bogus American Opportunity Credit in the amount of $1,720 on the Manus' tax return. Hawk falsely claimed on the Form 8863, "Education Credits (American Opportunity and Lifetime Learning Credits)," attached to the return that Sarona Manu had $1,800 in qualifying education expenses, and that one of the Manus' children had $2,500 in qualifying education expenses. The Manus did not actually have any qualifying education expenses in 2010 and, when questioned by the IRS, Sarona Hawk confirmed that neither she nor any of her children attended college in 2010, and stated that only Hawk knew why the education credit was claimed on the Manus' tax return.

38. Additionally, of the 20 customer files and related tax returns that the IRS examined for EITC due diligence compliance in 2012, 15 of the customers' tax returns claimed a refundable education credit.[1] For 14 of these 15 customers, no corresponding Forms

[1] Another customer file contained a tax return claiming a refundable education credit; however, the customer's tax return as filed differed from the tax return in the file that Hawk maintained, as the filed return did not claim an education credit.

1098-T were filed with the IRS by an educational institution reporting that the customer actually had qualifying education expenses. Furthermore, 14 of the 15 files had no documentation, such as a copy of a Form 1098-T sent from an educational institution to the customer, tuition bills, receipts, or narratives of Hawk's questioning of customers concerning educational expenses, showing that the customers even attended college, much less incurred any qualifying education expenses. The one exception was a file containing only a photocopy of the customer's student ID but no documentation of the qualifying education expenses that the customer purportedly incurred.

Harm Caused by Hawk

39. Hawk's customers have been harmed because they paid her fees and relied on her to prepare proper tax returns. Instead, Hawk prepared returns that substantially understated their correct tax liabilities. As a result, many of them now face large income tax deficiencies and may be liable for sizeable penalties and interest.

40. Hawk's conduct harms the United States, because her customers are under-reporting their correct tax liabilities and in many cases receiving unwarranted refunds, thereby diminishing tax revenues.

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

42. Hawk further harms the United States because the IRS must devote its limited resources to investigating Hawk, identifying her customers, ascertaining her customers' correct tax

liabilities, recovering any refunds erroneously issued, and collecting any additional taxes and penalties.

Count I
Injunction under IRC § 7407

43. The United States incorporates by reference the allegations in paragraphs 1 through 42.

44. Section 7407 of the IRC authorizes a district court to enjoin a tax return preparer from engaging in conduct subject to penalty under IRC §§ 6694 or 6695, 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 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.

45. Hawk has continually and repeatedly engaged in conduct subject to penalty under IRC § 6694 by preparing federal income tax returns that understate her customers' liabilities based on unrealistic, frivolous, and reckless positions, including but not limited to claiming bogus education credits and fabricating claims for the Earned Income Tax Credit.

46. The Treasury Regulations promulgated under IRC § 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 (2010).

47. Hawk's failure to comply with the due diligence requirements for the EITC violates Treasury Regulations and her willingness to falsify information to obtain the EITC for her customers shows a reckless and/or intentional disregard of the IRS rules and regulations.

48. Hawk has continually and repeatedly prepared federal income tax returns that claim the EITC for which Hawk has not conducted, let alone, documented the required due diligence procedures.

49. Even after the IRS assessed $10,300 in penalties against Hawk in 2011 for conduct subject to penalty under IRC § 6695(g), Hawk continued to claim the EITC for customers for which she failed to conduct or document the required due diligence procedures.

50. If she is not enjoined, Hawk is likely to continue to prepare and file false and fraudulent tax returns.

51. Hawk's continual and repeated violations of IRC §§ 6694 and 6695 fall within IRC § 7407(b)(1)(A) and (D), and thus are subject to an injunction under IRC § 7407. Hawk's continual and repeated failure to comply with the due diligence requirements for the EITC and to her falsifying of expenses and deductions to obtain the EITC for her customers demonstrates that a narrow injunction prohibiting only specific conduct would be insufficient to prevent Hawk's interference with the proper administration of the internal revenue laws. Thus, she should be permanently barred from acting as a federal tax return preparer.

Count II
Injunction under IRC § 7408

52. The United States incorporates by reference the allegations in paragraphs 1 through 51.

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

54. Section 6701(a) of the IRC 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.

55. Hawk prepares federal tax returns for customers that she knows will understate the customers' correct tax liabilities, because Hawk knowingly prepares tax returns claiming bogus dependents and unsupported and improper deductions as a means of maximizing the EITC for her customers, improper filing status to fraudulently increase her customers' standard deduction, and bogus education credits when her customers did not incur any qualifying education expenses. Hawk's conduct is thus subject to a penalty under IRC § 6701.

56. If the Court does not enjoin Hawk, she is likely to continue to engage in conduct subject to penalty under IRC § 6701. Hawk's preparation of returns claiming improper expenses and deductions is widespread over many customers and tax years. Injunctive relief is therefore appropriate under IRC § 7408.

Count III
Injunction under IRC § 7402(a)

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

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

59. Hawk, through the actions described above, has engaged in conduct that substantially interferes with the enforcement of the internal revenue laws.

60. Unless enjoined, Hawk is likely to continue to engage in such improper conduct and interfere with the enforcement of the internal revenue laws. If Hawk is 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.

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

62. The Court should impose injunctive relief under IRC § 7402(a).

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

A. That the Court find that Cynthia Hawk has continually and repeatedly engaged in conduct subject to penalty under IRC §§ 6694 and 6695, and has 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 IRC § 7407, enter a permanent injunction prohibiting Cynthia Hawk from acting as a federal tax return preparer;

C. That the Court find that Cynthia Hawk has engaged in conduct subject to penalty under IRC § 6701, and that injunctive relief under IRC § 7408 is appropriate to prevent a recurrence of that conduct;

D. That the Court find that Cynthia Hawk has 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 IRC § 7402(a);

E. That the Court, pursuant to IRC §§ 7402(a), 7407, and 7408, enter a permanent injunction prohibiting Cynthia Hawk, and all those in active concert or participation with her, from:

(1) acting as a federal tax return preparer 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 herself;

(2) preparing or assisting in preparing federal tax returns that she knows or reasonably should have known would result in an understatement of tax liability or the overstatement of federal tax refund(s) as penalized by IRC § 6694;

(3) engaging in any activity subject to penalty under IRC § 6695, including IRC 6695(g), which penalizes preparers who claim the Earned Income Tax Credit for their customers without first complying with the due diligence requirements imposed by Treasury regulations;

(4) engaging in any other activity subject to penalty under IRC §§ 6694, 6695, 6701, or any other penalty provision in the IRC; and

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

F. That the Court, pursuant to IRC §§ 7402(a), 7407, and 7408, enter an order requiring Cynthia Hawk 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 she has prepared federal tax returns or claims for a refund for tax years 2008 through 2012 to inform them of the permanent injunction entered against her;

G. That the Court, pursuant to IRC §§ 7402(a), 7407, and 7408, enter an order requiring Cynthia Hawk 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 she prepared federal tax returns or claims for a refund for tax years 2008 through 2012;

H. That the Court, pursuant to IRC §§ 7402(a), 7407, and 7408, enter an injunction requiring Cynthia Hawk to provide a copy of the Court's order to all of Hawk'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 Hawk provided a copy of the Court's order;

I. That the Court retain jurisdiction over Cynthia Hawk and over this action to enforce any permanent injunction entered against her;

J. That the United States be entitled to conduct discovery to monitor Cynthia Hawk's compliance with the terms of any permanent injunction entered against her; and

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

DATED: July 8, 2013

Respectfully submitted,

JOSEPH H. HOGSETT
United States Attorney

s/ Daniel A. Applegate
DANIEL A. APPLEGATE
MI Bar#: P70452
NATALIE T. SEXSMITH
NJ Bar#: 037132006
Trial Attorneys, Tax Division
U. S. Department of Justice
P.O. Box 7238, Ben Franklin Station
Washington, D.C. 20044
Telephone: (202) 353-8180
(202) 307-2251
Fax: (202) 514-6770
Daniel.A.Applegate@usdoj.gov
Natalie.T.Sexsmith@usdoj.gov