

injunction; (3) whether issuance of the injunction would cause substantial harm to others; and (4) whether the public interest would be served by issuance of the injunction.

Findings of Fact

1. Defendant Anna Nji operates Gandhi Career Health Services, LLC, (Gandhi) which is a private career school that offers programs for students to become a certified nurse's assistant, a phlebotomy technician, or a pharmacy technician.
2. Gandhi has its principal office or place of business in Baltimore County, Pikesville, Maryland.
3. Gandhi has failed to file its federal employment tax returns (IRS Form 941) for seven quarters from the first quarter of 2015 through the third quarter of 2016.
4. Gandhi has "pyramided" or accrued unpaid employment tax liabilities since the second quarter of 2010.
5. Gandhi has failed to fully pay its federal employment tax liabilities or make federal tax deposits to the Internal Revenue Service for twelve quarters between the second quarter of 2010 and the third quarter of 2014.
6. The Internal Revenue Service mailed IRS Letter 903 to Anna Nji on April 10, 2015, informing her of possible civil and criminal penalties if Gandhi continued to fail to comply with the internal revenue laws. This letter also informed the defendants of the Government's ability to bring suit for

injunctive relief under 26 U.S.C. §7402(a) to require defendants to comply with the federal tax laws.

7. Despite issuance of the letter, Gandhi continued to incur new and additional employment tax liabilities even though it failed to pay over to the United States tax obligations owed for prior tax periods.
8. As Gandhi continued to pyramid its tax liabilities, its delinquent federal employment tax liabilities continued to increase.
9. Gandhi's delinquent payroll tax liabilities (including penalties and interest) owed to the United States are in excess of \$88,000.
10. Based upon its continued and repeated failure to pay over its federal employment taxes, and to make federal tax deposits, it is reasonably likely that Gandhi will continue to pyramid its tax liabilities in the future.
11. The Internal Revenue Service expended significant resources in its attempt to administratively collect Gandhi's tax liabilities.
12. Further administrative collection efforts by the Internal Revenue Service will not resolve Gandhi's outstanding tax liability or prevent it from failing or neglecting to pay over its federal income tax liabilities as required by law.

Conclusions of law

13. The Court has jurisdiction over the parties and the subject matter of the complaint in this action.

14. Gandhi and Nji have interfered with the administration of the internal revenue laws. Gandhi has violated 26 U.S.C. §§ 3102, 3111, 3301, 3402, 6011(a) & 6041 by failing to timely file its employment tax returns as required by law, and by failing to pay over to the Internal Revenue Service the full amounts of the federal employment taxes shown as due and owing on those tax returns.
15. Because Gandhi is likely to continue to fail to pay its tax liabilities and to violate the internal revenue laws, a permanent injunction is "necessary or appropriate for the enforcement of the internal revenue laws" and therefore appropriate under 26 U.S.C. §7402(a).
16. The United States is also entitled to injunctive relief under traditional equitable principles.
17. The United States will suffer irreparable harm if Gandhi fails to comply with the federal payroll and income tax laws and continues to pyramid its federal tax liabilities because it will be deprived of its lawful tax revenues.
18. The United States lacks an adequate remedy at law because Gandhi has evaded the United States' previous collection efforts and further collection efforts will not prevent it from continuing to accrue unpaid federal tax liabilities.
19. The injury to the United States outweighs any potential injury to Gandhi and Nji. If an injunction is imposed, Gandhi simply will have to conduct its business like every other tax-paying business in the country. Thus,

while failing to enjoin defendants will permanently harm the United States, enjoining defendants will cause them no injury because they will only be required to comply with the law, and will place them on a level playing field with other similarly situated businesses.

20. An injunction will also serve the public interest. The efficacy of the federal tax system relies upon employers to collect payroll taxes and to pay over those payroll taxes to the United States. Gandhi's failure to file payroll tax returns, failure to pay over payroll taxes, and pyramiding of payroll tax obligations all undermine this system. Gandhi's failure to pay its payroll taxes gives it an unfair advantage over its competitors who comply with the law. Enjoining Gandhi and Nji will protect the public's interest in the fair administration of the tax laws and in fair competition by halting their wrongful practices.
21. The United States is not required to give security for an injunction under Federal Rule of Civil Procedure 65(c).

Order and Permanent Injunction

22. The Court hereby ORDERS and issues this PERMANENT INJUNCTION as follows:
 - a. Gandhi and Nji must comply with Internal Revenue Code Sections 3102, 3111, 3301, 3402, 6011(a) and 6041 by withholding federal income, Social Security and Medicare taxes from the wages of the employees of Gandhi;

- b. Gandhi must pay over to the Internal Revenue Service all withheld federal employment taxes, including federal income, Federal Insurance Contributions Act (FICA), Medicare, and Federal Unemployment Tax Act (FUTA) taxes, as required by law;
- c. Gandhi and Nji must make timely (no later than the 15th day of the following month) deposits of federal payroll taxes, *e.g.*, withheld federal income tax, withheld FICA tax as well as defendant's share of FICA tax, as they become due in an appropriate federal depository bank in accordance with the federal deposit regulations;
- d. Gandhi is ordered to timely file with the Internal Revenue Service all federal employment (Form 941) and unemployment (Form 940) tax returns and to pay any balance due on those returns upon filing;
- e. Gandhi shall within 30 calendar days of the date of this permanent injunction, file with the Internal Revenue Service and the United States Social Security Administration, and issue to any employee, accurate IRS Form W-2s.
- f. Gandhi is enjoined from transferring, disbursing, or assigning any money, property, or assets until the required federal tax deposits have been fully made for the given payroll period;
- g. Gandhi shall not pay other creditors before paying its current federal employment and other tax liabilities;

- h. Gandhi must file all unfiled and past-due federal tax returns with the Internal Revenue Service within 60 days of the entry of this permanent injunction;
- i. Nji is required to notify the Internal Revenue Service within 10 business days if she begins operating any new business enterprise, and must identify the new business by name, address, and employer identification number;
- j. Gandhi and Nji are directed to post and keep posted in one or more conspicuous places on Gandhi's business premises where notices to employees are customarily posted, a copy of this Court's findings and permanent injunction.
- k. Defendants must mail the following information and/or documents to Ronald Clinton Jr, Revenue Officer, Internal Revenue Service, 31 Hopkins Plaza, Baltimore, MD 21201:
 - (A) Within 5 business days after each employment tax deposit due date, proof of all deposits made for the previous pay period's employment tax;
 - (B) Within 10 business days of the date of this permanent injunction is filed, the name, address, and federal employer identification number of any entity that any of the Defendants began using to operate or support a business that has employees after this lawsuit was filed; and

(C) Within 14 business days of the date this permanent injunction is filed, the identity (name, address, and employer identification number) of any entity in which they have an interest and that has unfiled delinquent employment (Form 941) tax return and/or unpaid, delinquent federal employment (Form 941) tax liability.

1. If a defendant violates any part of this permanent injunction, plaintiff United States of America shall send written notification of the violation to the defendant's address on file with the IRS. If the violation is not cured within 10 calendar days after the notification is sent, the defendant is deemed to be in default of the permanent injunction. Proper "cures" include making a late tax deposit, paying delinquent tax shown on a return, filing a delinquent tax return, or providing a delinquent notification. If a defendant violates this permanent injunction more than three times, plaintiff United States of America will no longer be obligated to send written notification of a violation. After the third notification, the defendant will be in default of this permanent injunction immediately upon an additional violation.

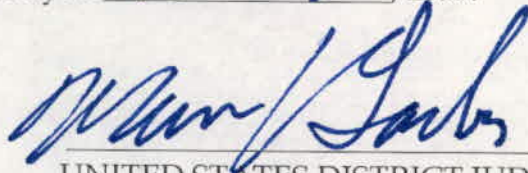
m. If a defendant violates any part of this permanent injunction:

(A) no funds may be disbursed-by check or otherwise-from that defendant until all federal taxes required to be deposited are

deposited, and the documents required by this permanent injunction are sent to the IRS;

(B) the court may find the defendant to be in civil and/or criminal contempt.

It is so ORDERED this 23rd day of February, 2017.


UNITED STATES DISTRICT JUDGE