

IN THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.)
)
TERESA CHISM, fka TERESA WALLACE,)
dba LADY T. TAXES,)
)
Defendant.)
_____)

Civil Case No. 3:15-cv-636-TSL-RHW

**ORDER GRANTING MOTION FOR DEFAULT JUDGMENT
AND PERMANENT INJUNCTION**

Now before the Court is the United States’ Motion for Default Judgment and Permanent Injunction. Upon consideration of the record and for the reasons discussed below, the Court finds that it is due to be GRANTED, and default judgment is hereby entered against Teresa Chism. Accordingly,

IT IS HEREBY ORDERED:

A. The Court finds that Teresa Chism has continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. §§ 6694 and 6695 and has continually and repeatedly engaged in other fraudulent and deceptive conduct that substantially interferes with the administration of the tax laws, that injunctive relief barring her from acting as a federal tax return preparer is appropriate under 26 U.S.C. § 7407 to prevent recurrence of that conduct, and that a narrower injunction enjoining only specified conduct would not be sufficient to prevent her interference with the proper administration of the internal revenue laws;

B. The Court finds that Teresa Chism has engaged in conduct that substantially interferes with the enforcement of the internal revenue laws, and that injunctive

relief barring her from acting as a federal tax return preparer is appropriate to prevent the recurrence of that conduct pursuant to the Court's inherent equity powers and 26 U.S.C. § 7402(a);

C. The Court finds that Teresa Chism was properly served with a summons and copy of the complaint in this matter, but failed to appear or otherwise defend this action in accordance with the Federal Rules of Civil Procedure;

D. The Court finds that the Clerk properly entered Teresa Chism's default on November 24, 2015;

E. The Court finds that Teresa Chism is neither a minor, nor an incompetent person, nor is she on active duty in the United States military;

F. The Clerk shall enter Default Judgment against Teresa Chism.

IT IS FURTHER ORDERED:

G. Teresa Chism, and all those in active concert or participation with her are prohibited 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, including any electronically-submitted tax returns or tax-related documents, for any person or entity other than herself;
- (2) preparing or assisting in preparing or filing federal tax returns, amended returns, or other related documents or forms that understate federal tax liability or overstate federal tax refunds based upon positions that she knows or reasonably should know are unreasonable;

(3) engaging in any other activity subject to penalty under 26 U.S.C. §§ 6694, 6695, or any other penalty provision in the Internal Revenue Code; and

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

H. Teresa Chism shall, within 30 days of entry hereof, contact by United States mail and, if an e-mail address is known, by e-mail all persons for whom she prepared a federal tax return since January 1, 2013, to inform them of the permanent injunction entered against her, 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 file with the Court a sworn certificate stating that she complied with this requirement;

I. Teresa Chism shall produce to counsel for the United States within 30 days a list that identifies by name, social security number, address, e-mail address, telephone number, and tax period(s) all persons for whom she prepared federal income tax returns or claims for refund since January 1, 2013;

J. That the IRS is authorized to immediately revoke any Preparer Tax Identification Number (PTIN) that is held by, assigned to, or used by Teresa Chism, pursuant to 26 U.S.C. § 6109;

K. That the IRS is authorized to immediately revoke any Electronic Filing Identification Number (EFIN) held by, assigned to, or used by Teresa Chism;

L. That the United States is entitled to conduct discovery to monitor Teresa Chism's compliance with the terms of any permanent injunction entered against her; and

M. That this Court retains jurisdiction over Teresa Chism and over this action to enforce the permanent injunction entered against her.

Entered this 22nd day of April, 2016

/s/Tom S. Lee
UNITED STATES DISTRICT JUDGE
SOUTHERN DISTRICT OF MISSISSIPPI

Proposed order respectfully submitted by:

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