IN THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	
v.	)	CIVIL NO. 1:24-cv-21724
	)	
DIEUSEUL JEAN-LOUIS d/b/a DJL MULTISERVICES,	)	
	)	
Defendant.	)	
	)	

COMPLAINT

The United States of America complains and alleges as follows:

1. The United States brings this complaint pursuant to Title 26 of the United States Code ("I.R.C.") §§ 7402, 7407, and 7408 to enjoin Dieuseul Jean-Louis ("Mr. Jean-Louis") from, among other things:

a. Preparing, assisting in the preparation of, or directing the preparation of federal tax returns, amended returns, or other tax-related documents and forms, including any electronically submitted tax returns or tax-related documents, for any entity or person other than himself;

b. Owning, managing, controlling, working for, profiting from, or volunteering for any business or entity engaged in tax-return preparation;

c. Using, maintaining, renewing, obtaining, transferring, selling, or assigning any Preparer Tax Identification Number ("PTIN") or Electronic Filing Identification Number ("EFIN");

d. Training, instructing, teaching, providing consultation, creating or providing guides, memoranda, directions, instructions, or manuals pertaining to the preparation of federal tax returns;

e. Engaging in conduct subject to penalty under any provision of the Internal Revenue Code;

f. Engaging in any type of conduct that interferes with the proper administration and enforcement of the internal revenue laws.

2. Pursuant to I.R.C. § 7402, the United States seeks an order requiring, among other things, that Mr. Jean-Louis disgorge to the United States the proceeds he and his business have derived from his abusive return preparation activities.

3. This action is authorized and requested by the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury of the United States, and is commenced at the direction of the Attorney General of the United States.

JURISDICTION AND VENUE

4. This Court has jurisdiction pursuant to I.R.C. § 7402(a) and 28 U.S.C. §§ 1340 and 1345.

5. Venue is proper in this Court, pursuant to I.R.C. §§ 7407(a), 7408(a), and 28 U.S.C. § 1391, because Mr. Jean-Louis resides and prepares tax returns in Miami-Dade County, within this judicial district. All or a substantial part of the events giving rise to this Complaint occurred within this judicial district.

DEFENDANT

6. Dieusuel Jean-Louis resides in Homestead, Florida. He has prepared tax returns since at least 2011.

7. Mr. Jean-Louis obtained a PTIN from the Internal Revenue Service ("IRS") that he previously used to identify himself on returns he prepared for customers. However, Mr. Jean-Louis goes to great lengths to hide his fraudulent behavior, including omitting his PTIN on returns that he prepares. He also fails to sign returns he prepares and uses other preparers' PTINs to prepare returns.

8. Mr. Jean Louis is 100% owner of DJL Multiservices ("DJL"), a sole proprietorship located at 1380 Krome Avenue in Homestead, Florida. DJL is Mr. Jean-Louis's tax return preparation business. Since 2012 Mr. Jean-Louis conducted his tax preparation services using DJL.

9. Other than Mr. Jean-Louis, DJL has one employee and uses three contractors.

10. Mr. Jean-Louis trains all employees and contractors.

11. In September 2012, Mr. Jean-Louis first applied for and obtained an EFIN from the IRS that he uses to electronically file tax returns he or DJL prepare. The EFIN ends in 8418. The EFIN was registered to DJL with Mr. Jean-Louis as the principal and primary contact. The EFIN was used until March 4, 2022, when Mr. Jean-Louis was assigned a new EFIN ending in 5689. EFIN 5689 was deactivated in June 2022. During 2023, Mr. Jean-Louis electronically filed returns using an EFIN ending in 2263 which is registered to a third party.

DEFENDANT'S FRAUDULENT PRACTICES

12. Mr. Jean-Louis, individually and through DJL, prepares and files hundreds of tax returns each filing season. Mr. Jean-Louis is a "tax return preparer" as defined by I.R.C. § 7701(a)(36).

13. From 2019 through 2023, Mr. Jean-Louis prepared and signed at least 2,245 returns, nearly all of which claimed refunds, as shown in this table:

Tax Year	No. of Returns	Refunds Claimed
2018	486	479 (98%)
2019	519	511 (98%)
2020	505	500 (99%)
2021	622	612 (98%)
2022	112	106 (93%)
Total	**2245**	**2208 (98%)**

14. From 2020 through 2023, Mr. Jean-Louis and DJL electronically filed returns using the following EFINs:

EFIN	Tax Year 2019	Tax Year 2020	Tax Year 2021	Tax Year 2022
8418	471	508	395	-
5689	-	-	166	-
2263	-	*	*	403
Total	**471**	**508**	**561**	**403**

*EFIN 2263 was used to file a minimal number of returns before 2023 when Mr. Jean-Louis began using that EFIN.

15. During 2023, Mr. Jean-Louis electronically filed returns using an EFIN ending in 2263 which is not assigned to DJL and is instead registered to a third party.

16. In addition to preparing returns, Mr. Jean-Louis also reviews about 80% of the returns prepared and filed under the above EFINs by other DJL return preparers. Mr. Jean-Louis trains DJL return preparers, but there is no actual training program.

17. None of the DJL preparers have certifications or credentials for return preparation.

18. Mr. Jean-Louis's claimed preparation fees range from $300 to $800, and averages between $200 and $350 per return.

19. Mr. Jean-Louis's and DJL's often give customers a copy of the tax return that is different from the one filed with the IRS. Often the refund claimed on the return filed with the IRS is higher than the refund claimed on the copy provided to the customer. Mr. Jean-Louis keeps the additional refund for himself without the customer knowing.

20. Mr. Jean-Louis and the DJL preparers mislead customers about what can be claimed on their tax returns, particularly with respect to deductions and credits, and by promising customers large refunds. Customers often have no knowledge that the preparers prepare and file false tax returns on their behalf.

21. An IRS review of returns prepared by Mr. Jean-Louis uncovered widespread false or fraudulent returns. For example, for tax years between 2012 and 2020, the IRS examined 765 returns prepared by Mr. Jean-Louis. About 95% of the examined returns had adjustments.

22. As part of the investigation, the IRS interviewed 34 of Mr. Jean-Louis's customers. Many customers stated that false items were placed on their returns without their knowledge or consent.

23. For purposes of this Complaint, the United States identifies Mr. Jean-Louis's customers by number. The United States will serve on Mr. Jean-Louis, but not file, a key matching the Customer Numbers to the names of the customers.

Employee Business Expenses

24. Mr. Jean-Louis and other DJL return preparers use the Employee Business Expenses deduction reported on IRS Form 2106, and Schedule 1 to the Form 1040 U.S. Individual Income Tax Return, to fraudulently reduce customers' taxable income.

25. Starting in tax year 2018, the Employee Business Expenses deduction is available only to individuals employed in four professions or categories. The Form 2106 specifically states, "for use only by Armed Forces reservists, qualified performing artists, fee-basis state or local government officials, and employees with impairment-related work expenses."

26. The number of returns prepared by Mr. Jean-Louis and DJL that claimed Form 2106 employee business expenses and were electronically submitted to the IRS using the firm's EFINs are summarized below:

Tax Year	No. of Returns Claiming F2106 Deductions	% of Returns Claiming F2106 Deductions	Avg. $ of F2106 Deductions	Total $ of F2106 Deductions
2018	203	40%	$9,702	$1,969,605
2019	208	39%	$7,979	$1,659,645
2020	247	43%	$8,464	$2,090,576
2021	399	70%	$8,240	$3,287,722
2022	25	6%	$11,162	$279,041
Total	**1,085**	**42%**	**$8,559**	**$9,286,589**

27. Mr. Jean-Louis asks about customers' personal expenses such as how many miles they drive to and from work and how much they spend on utilities and rent but not whether they are Armed Forces reservists, qualified performing artists, fee-basis state or local government officials, or employees with impairment-related work expenses. These expenses for commuting and personal living expenses are non-qualifying expenses that are never deductible.

28. During the IRS investigation, 15 of the 34 customers interviewed had returns claiming expenses on Form 2106. Those clients stated that the expenses were fabricated and were claimed on their returns without their knowledge. The customers confirmed that they were

not employed in one of the four eligible professions to claim employee business expenses. Examples of this scheme are included in the following table:

Customer(s)	Tax Year	Preparer on Return	Preparer identified by customer	Amount of fake deductions
Customer 1	2021	Nicolas Guitho	Dieuseul Jean-Louis	$5,602
Customer 2	2021	Nicolas Guitho	Dieuseul Jean-Louis	$9,721
Customer 3	2021	Nicolas Guitho	Dieuseul Jean-Louis	$8,429
Customers 4/5	2021	Nicolas Guitho	Dieuseul Jean-Louis	$13,283
Customer 6	2021	DJL Multi Services	Dieuseul Jean-Louis	$5,553
Customer 7	2022	Myriam Caprice	Dieuseul Jean-Louis	$15,669
Customer 7	2021	Myriam Caprice	Dieuseul Jean-Louis	$14,800
Customer 8	2021	Myriam Caprice	Dieuseul Jean-Louis	$14,015
Customer 9	2021	Myriam Caprice	Dieuseul Jean-Louis	$16,228
Customer 10	2021	Nicolas Guitho	Dieuseul Jean-Louis	$6,788
Customer 11	2021	Dieuseul Jean-Louis	Dieuseul Jean-Louis	$9,828
Customer 12	2021	DJL Multi Services	Dieuseul Jean-Louis	$7,732
Customer 13	2021	Dieuseul Jean-Louis	Dieuseul Jean-Louis	$17,100
Customer 14	2021	Myriam Caprice	Dieuseul Jean-Louis	$9,564
Customer 15	2021	DJL Multi Services	Dieuseul Jean-Louis	$12,289

29. All individual customers and at least one customer from each couple listed in the table above were interviewed by the IRS.

30. Customers identified Mr. Jean-Louis as their preparer even when another name is listed as the preparer on their returns. Therefore, Mr. Jean-Louis is personally preparing more returns than reflected above under his PTIN.

31. As an example of Mr. Jean-Louis' falsification of the Employee Business Expenses deduction, Mr. Jean-Louis, not Nicolas Guitho as listed on the return, prepared Customer 1's federal income tax returns for 2021. Customer 1's job did not fall into one of the four professions/categories to qualify for the Employee Business Expenses deduction and Customer 1 claimed to not have any business expenses. Mr. Jean-Louis did not ask any questions about his work or expenses but asked Customer 1 if he put gas in his car. Mr. Jean-Louis included these expenses without Customer 1's knowledge.

32. As another example, Mr. Jean-Louis has prepared Customer 4's returns since 2011, not Guitho Nicolas as listed on the 2021. Mr. Jean-Louis falsely claimed parking fees, tolls, lodging, meals, and other expenses in the amount of $13,283 on the Form 2106. Mr. Jean-Louis included these deductions without Customer 4's knowledge. At the interview with the IRS, Customer 4 brought his 2021 return, which was different than the one filed with the IRS. Customer 4's copy of the return reflected a smaller deduction on Form 2106 for Employee Business expenses than what was filed with the IRS. Further, Customer 4 understood the fee for Mr. Jean-Louis's preparation services to be $200. However, Customer 4's filed return shows a higher claimed refund of $5,316 while his copy reflects a claimed refund of $4,667, resulting in a higher refund Customer 4 did not receive. Thus, it appears Customer 4 was charged at least $1,200 for the return preparation.

33. Following an IRS interview of Mr. Jean-Louis in August 2022, Mr. Jean-Louis reduced his use of Form 2106 claiming employee business expense deductions on customer's

returns. As shown in the table below, Mr. Jean-Louis filed nearly 95% fewer returns with a Form 2106 in calendar year 2023 than in calendar year 2022:

Tax Year	Number of returns claiming F2106 deductions	Percent of returns claiming F2106 deductions	Average amount of deductions	Total amount of deductions
2018	203	40%	$9,702	$1,969,605
2019	208	39%	$7,979	$1,659,645
2020	247	43%	$8,464	$2,090,576
2021	399	70%	$8,240	$3,287,722
2022	25	6%	$11,162	$279,041

34. The following filing season Mr. Jean-Louis changed his scheme by moving the fabricated and/or personal expenses to another line item on the return, Schedule A.

Schedule A Itemized Deductions

35. Some taxpayers are entitled to claim itemized deductions from income for medical expenses, taxes, mortgage interest and points, and other expenses on Schedule A of Form 1040.

36. Mr. Jean-Louis fabricates Schedule A expenses to increase customers' deductions and reduce the tax they report. Mr. Jean-Louis often did not ask questions of his customers but when he did, it was about how many miles they drive to work and gas and utility expenses, which are not deductible. Mr. Jean-Louis did not inform his customers if or where these personal expenses were claimed on their returns.

37. Mr. Jean-Louis also claimed bogus mortgage interest, taxes, and charitable contribution deductions carried over from prior years, even though these expenses were never

discussed with the customers. Contribution carryover deductions were often deducted on the customer's tax return with no basis because the customer's prior tax return did not claim a contribution deduction. Examples of bogus itemized deduction schemes are included in the following table:

Customer	Tax Year	Preparer on Return	Preparer identified by customer	Deduction type(s)	Amount of fake deductions
Customer 1	2022	Nicolas Guitho	Dieuseul Jean-Louis	Other Taxes	$19,957
Customer 1	2021	Nicolas Guitho	Dieuseul Jean-Louis	Mortgage interest, state and local taxes, contribution carryover	$29,569
Customer 2	2022	Myriam Caprice	Dieuseul Jean-Louis	Other Taxes	$22,702
Customer 2	2021	Nicolas Guitho	Dieuseul Jean-Louis	Mortgage interest, state and local taxes, contribution carryover	$27,151
Customer 3	2022	Myriam Caprice	Dieuseul Jean-Louis	Other Taxes, contribution carryover	$30,368
Customer 3	2021	Nicolas Guitho	Dieuseul Jean-Louis	Contribution carryover	$21,123
Customers 4/5	2022	Myriam Caprice	Dieuseul Jean-Louis	Other Taxes, contribution carryover	$52,797
Customers 4/5	2021	Nicolas Guitho	Dieuseul Jean-Louis	Mortgage interest, state and local taxes, contribution carryover	$45,579
Customer 6	2022	Myriam Caprice	Dieuseul Jean-Louis	Other Taxes	$26,521
Customer 6	2021	DJL Multi Services	Dieuseul Jean-Louis	Mortgage interest, state and local taxes, contribution carryover	$95,765

Customer 7	2022	Myriam Caprice	Dieuseul Jean-Louis	Other Taxes, mortgage interest	$22,580
Customer 7	2021	Myriam Caprice	Dieuseul Jean-Louis	Contribution carryover	$57,111
Customer 15	2022	Nicolas Guitho	Dieuseul Jean-Louis	Other Taxes	$16,856
Customer 15	2021	Nicolas Guitho	Dieuseul Jean-Louis	Contribution carryover	$23,111

38. Following the IRS interview of Mr. Jean-Louis in August 2022, Mr. Jean-Louis filed about the same number of returns claiming Itemized Deductions but changed the kind of deductions he fabricated.

39. Instead of claiming bogus carryover contributions, mortgage interest, and real estate taxes on tax returns for 2022, Mr. Jean-Louis started reporting deductions as "Other Taxes," which are not subject to the $10,000 deductible taxes limitation. Mr. Jean-Louis also included amounts for uniforms, laundry and dry cleaning, meals, commuting, and other various, non-tax expenses as "Other Taxes."

40. As an example, Mr. Jean-Louis prepared Customer 1's 2021 and 2022 returns, even though Mr. Jean-Louis is not listed as the preparer on those returns. Mr. Jean-Louis falsely claimed that Customer 1 paid $13,245 in mortgage interest in 2021, despite knowing that Customer 1 rented an apartment. Mr. Jean-Louis also fabricated $11,111 in charitable contribution carryovers on Customer 1's 2021 return, while Mr. Jean-Louis did not ask Customer 1 about charitable donations. Mr. Jean-Louis falsely claimed $19,957 in "Other Taxes" on Schedule A on Customer 1's's 2022 return. Mr. Jean-Louis did not ask Customer 1 about personal expenses such as meals, uniforms, laundry, or commuting, which were claimed in "Other Taxes" on Customer 1's 2022 return.

41. Similarly, Mr. Jean-Louis prepared Customer 4's 2021 and 2022 returns, even though Mr. Jean-Louis is not listed as the preparer on those returns. Mr. Jean-Louis falsely claimed that Customer 4 paid $17,234 in mortgage interest, $7,234 in property taxes, and $21,000 in charitable contributions in tax year 2021. Mr. Jean Louis knows Customer 4 rents his home and did not ask about charitable donations. Mr. Jean-Louis also falsely claimed $31,372 in personal expenses such as meals as "Other Taxes" on Customer 4's 2022 return, despite not discussing such expenses. Mr. Jean-Louis claimed these false deductions without Customer 4's knowledge.

42. As another example, Mr. Jean-Louis prepared Customer 15's 2021 and 2022 returns, even though Mr. Jean-Louis is not listed as the preparer on those returns. Mr. Jean-Louis falsely claimed that Customer 15 paid $23,111 in charitable contributions in tax year 2021 and that in 2022 Customer 15 paid $16,856 in "Other Taxes" expenses, despite not discussing charitable donations or other expenses. Mr. Jean-Louis claimed the false deductions without Customer 15's knowledge.

43. The number of returns prepared by Mr. Jean-Louis and his business that claimed Schedule A Itemized Deductions and were electronically submitted to the IRS using the firms' EFINs are summarized below:

Tax Year	Number of returns claiming Sch A Deductions	Percent of Returns Claiming Sch A Deductions	Average amount of Sch A Deductions	Total amount of Sch A Deductions
2018	288	57%	$26,206	$7,547,218
2019	341	64%	$30,812	$10,507,116
2020	371	65%	$33,373	$12,381,240
2021	367	64%	$42,792	$15,704,590

2022	269	65%	$36,879	$9,920,429
Total	**1,636**	**63%**	**$34,267**	**$56,060,593**

44. Mr. Jean-Louis either falsified or overstated expenses claimed on Schedule A for the returns of the 34 customers interviewed. Mr. Jean-Louis claimed these deductions without the customer's knowledge. Only about 10% of taxpayers itemize deductions. Because an unusually high number of returns Mr. Jean-Louis prepares claim Schedule A itemized deductions, and all of the customers interviewed stated Mr. Jean-Louis falsified their claimed Schedule A itemized deductions, the harm from his conduct is likely extensive.

Fuel Tax Credit

45. The fuel tax credit is available to taxpayers who operate farm equipment or other off-highway business equipment or vehicles.

46. Off-highway business use is any use of fuel in a trade or business or in an income-producing activity where the equipment or vehicle is not registered and not required to be registered for use on public highways. Public highways include all federal, state, county, and city roads and streets.

47. IRS Publication 225 provides the following examples of qualifying off-highway fuel use: (1) in stationary machines such as generators, compressors, power saws, and similar equipment; (2) for cleaning purposes; and (3) in forklift trucks, bulldozers, and earthmovers. Therefore, most fuel purchases are not eligible for the fuel tax credit.

48. Because of its extremely limited availability and in light of widespread abuse, the IRS listed the fuel tax credit in its 2019 list of the "dirty dozen" scams. The IRS noted that it is a "tax benefit generally not available to most taxpayers."

49. Nonetheless, Mr. Jean-Louis frequently claimed the credit on behalf of customers who do not qualify. In addition, Mr. Jean-Louis's customers' occupation listed on their returns are not occupations that would qualify for off-highway use and eligible to claim the fuel tax credit. Examples of this scheme are included in the following table:

Customer	Tax Year	Preparer on Return	Preparer identified by customer	Amount of false credits
Customer 1	2021	Nicolas Guitho	Dieuseul Jean-Louis	$791
Customer 2	2021	Nicolas Guitho	Dieuseul Jean-Louis	$588
Customer 3	2021	Nicolas Guitho	Dieuseul Jean-Louis	$625
Customers 4/5	2021	Nicolas Guitho	Dieuseul Jean-Louis	$593
Customer 6	2021	DJL Multi Services	Dieuseul Jean-Louis	$577

50. Mr. Jean-Louis claimed bogus fuel tax credits on the returns of 12 of the 34 customers the IRS interviewed. Mr. Jean-Louis included the fuel tax credit on the returns without the customers' knowledge.

51. The Frivolous Return Program ("FRP") documented frivolous individual returns that claimed the fuel tax credit prepared by Mr. Jean-Louis, dating back to tax year 2012. FRP documented that the returns prepared by Mr. Jean-Louis claimed the fuel tax credit in an amount that was disproportionately excessive to income reported as to render the credit impossible to support, and/or the filer's occupation would not qualify for off-highway usage.

52. It is the practice of the FRP to send "pre-notification" letters to taxpayers who have filed frivolous returns. This letter advises the filer that the IRS considers their return to be frivolous and asks that they correct the filing in order to avoid a $5,000 penalty under I.R.C.

§ 6702. In response to those letters, Mr. Jean-Louis prepared corrections for many of the clients for whom he prepared frivolous returns claiming the fuel tax credit. Yet, Mr. Jean-Louis continues to prepare and transmit frivolous returns claiming the fuel tax credit.

53. The number of returns prepared by Mr. Jean-Louis and DJL that claimed fuel tax credit and were electronically submitted to the IRS using the firm's EFIN is summarized below:

Tax Year	No. of Returns Claiming Fuel Tax Credit	% of Returns Claiming Fuel Tax Credit	Avg. $ of Fuel Tax Credit	Total $ of Fuel Tax Credit
2018	387	76%	$485	$187,880
2019	423	79%	$484	$204,931
2020	464	81%	$464	$283,654
2021	482	84%	$482	$315,206
2022	7	2%	$599	$4,191
Total	**1,763**	**68%**	**$565**	**$995,862**

Earned Income Tax Credits ("EITCs")

54. The Earned Income Tax Credit ("EITC") is a refundable tax credit available to taxpayers who earn income below certain levels. The amount of the credit is based on the taxpayer's income, claimed number of dependents, and filing status. Because the EITC is a refundable credit, in certain circumstances it can entitle a taxpayer to a refund greater than the amount of tax paid or a payment from the U.S. Treasury even if no tax is reported.

55. Because of the EITC calculation method, for certain income ranges, individuals with higher earned income are entitled to a larger credit than those with lower earned income.

56. To illustrate, the EITC for individuals who filed as single, head of household, or qualifying widower and had one dependent child for 2020 increased as their income increased between $1 and $10,550. It then decreased as income increased beyond $19,350, with no credit

available once income exceeded $41,750. For individuals who filed as married filing jointly with one dependent child, the amount of the credit increased as income increased between $1 and $10,500. It then decreased as income increased beyond $25,250, with no credit available once income exceeded $46,400. For 2020, the maximum EITC was $6,660 and was available to eligible individuals who earned between $14,800 and $19,350 (or jointly filed married couples earning between $14,800 and $23,250) and had three dependent children.

57. Some tax preparers who manipulate reported income to maximize EITC refer to this ideal range of earned income corresponding to a maximum EITC, given a taxpayer's particular filing status and dependent circumstances, as the EITC "sweet spot."

58. Because of concerns regarding fraud in claiming the EITC, Congress requires that tax preparers comply with certain due diligence requirements prescribed by regulations issued by the Department of Treasury when the EITC is claimed on a return. Treasury Regulation § 1.6695-2(b) requires that preparers claiming the EITC: (i) complete and submit Form 8867; (ii) complete all necessary worksheets showing how the credit was computed; (iii) make reasonable inquiries regarding the information necessary to claim the credit and not ignore implications that the information provided is incorrect; and (iv) retain records of the information, documents, forms, and worksheets used to compute the credit. If tax preparers fail to exercise adequate due diligence when claiming the EITC, they may be subject to penalties.

59. Mr. Jean-Louis uses Schedule C to Form 1040 to falsely manipulate customers' earned income to fabricate or inflate the EITC Mr. Jean-Louis claims on customers' returns. Every return prepared by Mr. Jean-Louis that was reviewed that included a Schedule C, reflected either $0 gross receipts, to create a loss or reduce tax liability, or $0 expenses to increase income to qualify for EITC.

60. In 2015, Mr. Jean-Louis was assessed eleven I.R.C. § 6695(g) due diligence penalties totaling $5,500. In addition, in 2015 he was subject to two I.R.C. § 6694(b), preparer's willful or reckless conduct penalties, totaling $10,000. Despite these penalties, Mr. Jean-Louis continues to fraudulently claim EITC on his customers' returns.

61. By claiming fictitious losses to offset his customers' actual income and reporting fictitious income—typically household help income—to inflate his customers' income, Mr. Jean-Louis made it appear as though his customers were entitled to the EITC when they were not. These schemes allowed Mr. Jean-Louis to claim greater EITCs for customers who would otherwise receive a smaller credit.

62. The number of returns prepared by Mr. Jean-Louis and DJL that claimed EITCs and were electronically submitted to the IRS using the firm's EFIN is summarized below:

Tax Year	No. of Returns Claiming EITCs	% of Returns Claiming EITCs
2018	237 (48%)	48%
2019	215 (41%)	41%
2020	236 (46%)	46%
2021	271 (43%)	43%
2022	38 (33%)	33%
Total	**810**	**44%**

"Ghost" Preparation

63. I.R.C. § 6109 requires preparers to identify themselves on the returns they prepare for customers by including their PTIN on the return. The IRS uses the term "ghost preparers" to refer to return preparers who do not identify themselves.

64. Under I.R.C. §§ 6695(b) and 6695(c), the IRS can assess penalties against return preparers who do not comply with the requirements of I.R.C. § 6109. Additionally, a court can enjoin a return preparer who continually engages in conduct subject to penalty under I.R.C. § 6695 from preparing returns for others. *See* I.R.C. § 7407.

65. Mr. Jean-Louis does not include his PTIN on returns that he prepares, nor does he sign the returns he prepares. He also uses other preparers' PTINs to prepare the returns. As described above, Mr. Jean-Louis prepared numerous 2021 and 2022 returns but did not sign his name or use his PTIN. All 34 customers the IRS interviewed identified Mr. Jean-Louis as the person that prepared their 2022 tax returns even though his PTIN and name were not listed as the return preparer.

66. Along with violating the internal revenue laws, this conduct makes it extremely difficult for the IRS to detect the illicit preparation activities of Mr. Jean-Louis.

Failure to Provide Full Copies of Tax Returns

67. I.R.C. § 6107(a) requires return preparers to "furnish a completed copy of [a tax return or claim for refund] to the taxpayer not later than the time such return or claim is presented for such taxpayer's signature." Failure to comply with this requirement is conduct subject to penalties under I.R.C. § 6695(a) and grounds for injunction under I.R.C. § 7407.

68. Mr. Jean-Louis provides copies of returns he prepares to his customers that are different from the returns filed with the IRS. The copies of the returns provided to Customers 4/5 and Customer 15, for example, did not accurately reflect what deductions were claimed and how much the refund was.

69. Customers 4's copy of the 2021 return reflected a smaller deduction on Form 2106 for employee business expenses than what was filed with the IRS. Customer 4's copy also

reflected a claimed refund of $4,667 while the copy Mr. Jean-Louis filed with the IRS claimed a refund of $5,316. Further, Customer 4 received a 2022 tax refund of approximately $2,600 whereas the 2022 tax return Mr. Jean-Louis filed with the IRS claimed a tax refund of $3,826 so it appears that Customer 4 effectively was charged at least $1,200 for Mr. Jean-Louis' return preparation.

70. Customer 15's copy of her 2021 return reflected a claimed refund of $4,284 while the copy Mr. Jean-Louis filed with the IRS claimed a refund of $4,794. Mr. Jean-Louis furnished a copy different from the one filed with the IRS without Customer 15's knowledge, and effectively charged Customer 15 $500 more for preparing his return.

71. By providing his customers with incomplete or false copies of returns he prepares, Mr. Jean-Louis is concealing his fraudulent activities from his customers. As explained above, Mr. Jean-Louis's schemes use various schedules to customers' returns to claim false deductions and credits. Failing to provide a full and accurate copy of customers' tax returns prevents customers from discovering Mr. Jean-Louis's schemes on their returns.

Other Fraudulent Schemes

72. In addition to the fraudulent schemes highlighted above, Mr. Jean-Louis fraudulently claims incorrect filing statuses and the American Opportunity Tax Credit ("AOTC"). AOTC is a credit for qualified expenses paid for an eligible student for their first four years of higher education. The AOTC is subject to heightened due diligence requirements, meaning that preparers need to take extra steps to ensure a taxpayer's eligibility to claim the credit. *See* I.R.C. § 6695(g).

73. For example, Mr. Jean Louis prepared Customer 15's 2022 tax return. Customer 15 told Mr. Jean-Louis that she has a 20-year-old daughter attending college, but that

Customer 15 does not contribute money towards her schooling/tuition because the daughter pays for school herself through scholarships. Despite Mr. Jean-Louis knowing this, he ignored the heightened requirements and falsely claimed $1,000 AOTC credits on Customer 15's 2022 return.

HARM TO THE UNITED STATES

74. Mr. Jean-Louis's pattern of preparing returns that understate customers' tax liabilities and/or overstate their refunds or credits, through the schemes described above, have resulted in the loss of federal tax revenue.

75. For tax years between 2012 and 2020, where the IRS examined 765 returns prepared by Mr. Jean-Louis, 95% had adjustments. The total tax deficiency from these 765 audits is $2,023,700.

76. The total estimated tax harm calculated for tax year 2021 and 2022 is $1,618,672 and $758,698, respectively.

77. In many instances, Mr. Jean-Louis's fraudulent overstatements of his customer's refunds and credits caused the United States to issue refunds that the customers were not entitled to receive.

78. In addition, the United States has to bear the substantial cost of examining the returns Mr. Jean-Louis prepares and collecting the understated liabilities and overstated refunds from his customers.

79. Mr. Jean-Louis's illegal conduct harms honest tax return preparers because, by preparing tax returns that unlawfully inflate customers' refunds, Mr. Jean-Louis gains a competitive advantage over tax return preparers who prepare returns in accordance with the law.

Customers who are satisfied with the tax refunds they receive but are often unaware of Mr. Jean-Louis' illegal return preparation practices, return to him for subsequent tax seasons.

80. Mr. Jean-Louis's actions undermine confidence in the federal income tax system. His customers trust—and pay—him to prepare honest tax returns. Mr. Jean-Louis betrays that trust and harms his customers, who could potentially be required to pay tax deficiencies, interest, and penalties resulting from his conduct.

81. In addition to the direct harm caused by preparing tax returns that fraudulently understate customers' tax liabilities or overstate refunds, Mr. Jean-Louis's activities encourage customers' noncompliance with internal revenue laws.

82. Because of Mr. Jean-Louis's fraudulent schemes, some customers' returns inaccurately claim the EITC or claim an inaccurate credit amount. These falsified claims undermine public confidence in a statutory credit meant to encourage low-income workers with young children to maintain employment.

COUNT I: INJUNCTION UNDER I.R.C. § 7407 FOR CONDUCT SUBJECT TO PENALTY UNDER I.R.C. §§ 6694 AND 6695

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

84. I.R.C. § 7407 authorizes a district court to enjoin a person who is a tax return preparer from engaging in certain conduct or from further acting as a tax return preparer. The prohibited conduct justifying an injunction includes, inter alia, the following:

a. Engaging in conduct subject to penalty under I.R.C. § 6694(a), which penalizes a tax return preparer who prepares a return that contains an understatement of tax liability or an overstatement of a refund or credit due to an unreasonable position that the preparer knew or should have known was unreasonable;

b. Engaging in conduct subject to penalty under I.R.C. § 6694(b), which penalizes a tax return preparer who prepares a return that contains an understatement of tax liability or an overstatement of a refund or credit due to willful or reckless conduct;

c. Engaging in conduct subject to penalty under I.R.C. § 6695, which penalizes a tax return preparer who does not furnish customers with correct copies of their returns, sign or furnish their PTIN on returns, or exercise due diligence in determining eligibility for Earned Income Tax Credits and for American Opportunity Tax Credits; and

d. Engaging in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of the internal revenue laws.

85. For a court to issue an injunction, the court must find that the tax return preparer engaged in the prohibited conduct; and injunctive relief is appropriate to prevent the reoccurrence of such conduct.

86. If a tax return preparer's conduct is continual or repeated and the court finds that a narrower injunction would not be sufficient to prevent the preparer's interference with the proper administration of the internal revenue laws, the court may permanently enjoin the person from acting as a tax return preparer. *See* I.R.C. § 7407(b).

87. Mr. Jean-Louis continually and repeatedly engages in conduct subject to penalty under I.R.C. § 6694 by preparing returns that understate customers' tax liabilities and overstate their refunds and credits. As described above, Mr. Jean-Louis prepares returns for customers

that claim deductions for expenses that were not incurred by the customers and credits to which the customers were not entitled. Mr. Jean-Louis does so with the knowledge that the positions he takes on returns are unreasonable and lack substantial authority. Mr. Jean-Louis thus engages in conduct subject to penalty under I.R.C. § 6694(a).

88. Additionally, Mr. Jean-Louis engages in conduct subject to penalty under I.R.C. § 6694(b) by willfully understating customers' liabilities, overstating their refunds and credits, and acting with a reckless and intentional disregard of rules and regulations.

89. Mr. Jean-Louis also engages in conduct subject to penalty under I.R.C. § 6695, including, but not limited to, subparts (a), (b), (c), and (g).

90. Mr. Jean-Louis engages in conduct subject to penalty under I.R.C. § 6695(a) by providing his customers with a different copy of their tax return than what is filed with the IRS.

91. Mr. Jean-Louis engages in conduct subject to penalty under I.R.C. § 6695(b) and (c) by failing to sign returns and failing to include his PTIN on returns he prepared. On several occasions Mr. Jean-Louis prepared returns but had a different return preparer sign the return.

92. Mr. Jean-Louis engages in conduct subject to penalty under I.R.C. § 6695(g) by repeatedly failing to exercise due diligence in determining the eligibility of his customers to file as head of household or claim certain tax credits including, but not limited to, the EITC and AOTC. Mr. Jean-Louis claimed the AOTC credit on at least one return for which the customer did not provide the required documentation. Mr. Jean-Louis also files returns that inaccurately claimed head of household filing status for customers who were ineligible. Had Mr. Jean-Louis adequately performed head of household due diligence, customers' filing status would have been accurate.

93. Mr. Jean-Louis's conduct substantially interferes with the administration of the internal revenue laws. Injunctive relief is necessary to prevent this misconduct because, absent an injunction, Mr. Jean-Louis is likely to continue preparing false federal income tax returns.

94. Absent a permanent injunction, Mr. Jean-Louis will continue to come up with new and varied schemes to obscure his fraudulent conduct.

95. A narrower injunction would be insufficient to prevent Mr. Jean-Louis's interference with the administration of the internal revenue laws. Mr. Jean-Louis prepares returns understating customers' liabilities and overstating refunds and credits through multiple schemes that report false information on his customers' tax returns. In addition, the IRS may not yet have identified all of the schemes used by Mr. Jean-Louis to understate liabilities and overstate refunds and credits. Failure to permanently enjoin Mr. Jean-Louis will require the IRS to spend additional resources to uncover all the future schemes. The harm resulting from these schemes includes both the expenditure of these resources and the revenue loss caused by the improper deductions and credits Mr. Jean-Louis claims on returns they prepare. Accordingly, only a permanent injunction is sufficient to prevent future harm. Mr. Jean-Louis should be permanently enjoined from acting as a tax return preparer.

COUNT II: INJUNCTION UNDER I.R.C. § 7408 FOR CONDUCT SUBJECT TO PENALTY UNDER I.R.C. § 6701

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

97. I.R.C. § 7408 authorizes a district court to enjoin any person from engaging in conduct subject to penalty under I.R.C. § 6701, which penalizes a person who aids or assists in

the preparation of tax returns that the person knows will result in an understatement of tax liability.

98. Mr. Jean-Louis engages in conduct subject to penalty under I.R.C. § 6701 by preparing income tax returns that claim credits and deductions that he knows to be improper, false, and/or inflated.

99. An injunction is appropriate because Mr. Jean-Louis's behavior has continued for multiple years, including during an IRS investigation into Mr. Jean-Louis's activities. Even after Mr. Jean-Louis became aware of an IRS investigation and the IRS confronted Mr. Jean-Louis with evidence of his conduct during interviews, Mr. Jean-Louis continued preparing tax returns he knew would result in a false understatement of customers' tax liabilities. If the Court does not enjoin Mr. Jean-Louis, he is likely to continue this behavior.

100. Mr. Jean-Louis's repeated actions fall within I.R.C. § 7408, and injunctive relief is appropriate to prevent reoccurrence of this conduct.

COUNT III: INJUNCTION UNDER I.R.C. § 7402 FOR UNLAWFUL INTERFERENCE WITH THE ENFORCEMENT OF INTERNAL REVENUE LAWS

101. The United States incorporates by reference all the allegation contained in paragraphs 1 through 82.

102. 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.

103. Mr. Jean-Louis repeatedly and continually engages in conduct that interferes substantially with the administration and enforcement of the internal revenue laws.

104. Unless enjoined, Mr. Jean-Louis is likely to continue to engage in such conduct and therefore interfere with the administration and enforcement of the internal revenue laws.

Despite knowledge of an IRS investigation and interviews with the IRS in which the IRS confronted Mr. Jean-Louis with evidence of this conduct, Mr. Jean-Louis has continued his interfering behavior.

105. If Mr. Jean-Louis continues to act as a tax return preparer, his conduct will irreparably harm the United States, and the United States has no adequate remedy at law.

106. Mr. Jean-Louis's conduct has caused and will continue to cause tax losses to the United States Treasury, much of which may be undiscovered and unrecoverable. Moreover, unless Mr. Jean-Louis is enjoined from preparing returns, the IRS will have to devote substantial and unrecoverable time and resources auditing his customers individually to detect understated liabilities and overstated refund and credit claims.

107. The detection and audit of erroneous tax credits and deductions claimed on returns prepared by Mr. Jean-Louis would be a significant burden on IRS resources.

COUNT IV: DISGORGEMENT UNDER I.R.C. § 7402(a)

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

109. I.R.C. 7402(a) authorizes a court to issue such orders as may be necessary or appropriate for the enforcement of the internal revenue laws.

110. Mr. Jean-Louis's conduct substantially interferes with the enforcement of the internal revenue laws. Specifically, Mr. Jean-Louis caused and continues to cause the United States to issue tax refunds to individuals not entitled to receive them. Without Mr. Jean-Louis's conduct, the United States would not have issued these bogus refunds.

111. Mr. Jean-Louis unjustly profits from his misconduct at the expense of the United States. He frequently subtracts his fees from customers' improper refunds.

112. Mr. Jean-Louis is not entitled to these ill-gotten gains. Using its broad authority under I.R.C. § 7402(a), the Court should enter an order requiring Mr. Jean-Louis to disgorge to the United States the unlawful profits (in the form of fees subtracted from customers' tax refunds) he and DJL Multiservices obtained for the preparation of federal tax returns that make grossly incompetent, negligent, reckless, and/or fraudulent claims.

RELIEF REQUESTED

Plaintiff, the United States of America, respectfully requests that the Court:

A. Find that Mr. Jean-Louis has repeatedly and continually engaged in conduct subject to penalty under I.R.C. §§ 6694 and 6695 and that injunctive relief is appropriate under I.R.C. § 7407 to prevent recurrence of that conduct;

B. Find that Mr. Jan-Louis has repeatedly and continually engaged in conduct subject to penalty under I.R.C. § 6701 and that injunction relief is appropriate under I.R.C. § 7408 to prevent recurrence of that conduct;

C. Find that Mr. Jean-Louis repeatedly and continually engaged in conduct that substantially interferes with the proper enforcement and administration of the internal revenue laws and that injunctive relief is appropriate under I.R.C. § 7402(a) and this Court's equitable powers to prevent recurrence of that conduct;

D. Permanently enjoin Mr. Jean-Louis and any other person working in concert or participation with them from directly or indirectly:

i. Preparing, assisting in the preparation of, or directing the preparation of federal tax returns, amended returns, or other tax-related documents and forms, including any electronically submitted tax returns or tax-related documents, for any entity or person other than himself;

ii. Filing, assisting in the filing of, or directing the filing of federal tax returns, amended returns, or other tax-related documents or forms, including any electronically submitted tax returns or tax-related documents, for any entity or person other than himself;

iii. Using, maintaining, renewing, obtaining, transferring, selling, or assigning any PTIN or EFIN, including those assigned to others and misused by Mr. Jean-Louis;

iv. Training, instructing, teaching, providing consultation, creating or providing guides, memoranda, directions, instructions, or manuals pertaining to the preparation of federal tax returns;

v. Owning, managing, assisting, working for, profiting from, or volunteering for any individual, business, or entity that prepares or assists in the preparation of tax returns, amended returns, or other tax-related documents or forms, including any electronically submitted tax returns or tax-related documents;

vi. Transferring, selling, or assigning customer lists and/or other customer information;

vii. Engaging in activity subject to penalty under any provision of the Internal Revenue Code; and

viii. Engaging in conduct that substantially interferes with the proper administration and enforcement of tax laws;

E. Enter an order requiring the Mr. Jean-Louis at his own expense:

i. Send by certified mail, return receipt requested, to each person for whom Mr. Jean-Louis or DJL prepared federal tax returns or any other federal tax forms after January 1, 2021, within 30 days of entry of the final injunction in this action: (a) a copy of the final injunction entered against Mr. Jean-Louis in this action; (b) a copy of the Complaint setting forth the allegations as to how Mr. Jean-Louis fraudulently prepared federal tax returns; and (c) a letter prepared by the United States explaining the injunction in English and Haitian Creole;

ii. Turn over to the United States copies of all returns and claims for refund that Mr. Jean-Louis or DJL prepared after January 1, 2021, within 30 days of entry of the final injunction in this action;

iii. Provide the United States a list of the names, Social Security numbers, addresses, phone numbers, and email addresses of each person for whom Mr. Jean-Louis or DJL prepared tax returns, other tax forms, or claims for refund after January 1, 2021, within 30 days of entry of the final injunction in this action, regardless of the PTIN or EFIN used;

iv. Prominently post, within 10 days of entry of the final injunction in this action, in Mr. Jean-Louis's place of business where they prepared tax returns and any other locations: a statement, to be approved by the United States, in English and Haitian Creole that they have been enjoined from the preparation of tax returns;

v. Prominently post for two years on all social media accounts and websites Mr. Jean-Louis used to advertise tax preparation services: a statement, to be approved by the United States, in English and Haitian Creole that they have been enjoined from the preparation of tax returns, a copy of the injunction, and a hyperlink to any press release regarding the injunction that the Department of Justice may issue;

vi. Deliver a copy of the injunction to any employees, contractors, any other individuals preparing tax returns on behalf of Mr. Jean-Louis, and all vendors of Mr. Jean-Louis, including tax preparation software companies, within 30 days of entry of the final injunction in this action;

vii. File a sworn statement with the Court evidencing Mr. Jean-Louis's compliance with the foregoing directives within 45 days of entry of the final injunction in this action; and

viii. Keep records of Mr. Jean-Louis's compliance with the foregoing directives, which may be produced to the Court, if requested, or the United States pursuant to paragraph H, below;

F. Enter an order, without further proceedings, for the immediate revocation of any and all PTINS held by, assigned to, or used by Mr. Jean-Louis pursuant to I.R.C. § 6109, as well as any and all EFINs held by, assigned to, or used by Mr. Jean-Louis or businesses through which he filed or files tax returns, including DJL Multiservices;

G. Require, pursuant to I.R.C. § 7402(a), Mr. Jean-Louis to disgorge to the United States the unlawful profits (the amount of which is to be determined by the Court) that Mr. Jean-Louis obtained through fees for the preparation of federal tax returns that make grossly incompetent, negligent, reckless, and/or fraudulent claims;

H. Allow, by order, the United States to monitor Mr. Jean-Louis's compliance with the injunction and engage in post-judgment discovery in accordance with the Federal Rules of Civil Procedure;

I. Enter an order, pursuant to I.R.C. §§ 7402(a) and 7407, requiring Mr. Jean-Louis, individually and doing business as DJL Multiservices, to immediately and permanently close all tax preparation businesses that he currently owns directly or through any entity, and shall not thereafter open or reopen any tax preparation businesses;

J. Enter an order, pursuant to I.R.C. § 7402(a), prohibiting Mr. Jean-Louis from assigning, transferring, or selling a list of tax preparation software customers or any other customer information pertaining to any business through which Mr. Jean-Louis or those acting at his direction have prepared a tax return;

K. Retain jurisdiction over Mr. Jean-Louis and this action to enforce any permanent injunction entered; and

L. Award the United States its costs incurred with this action, along with such other relief as justice requires.

Dated: May 3, 2024

Respectfully Submitted,

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Deputy Assistant Attorney General

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