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20 UNITED STATES DISTRICT COURT  
21 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
22 WESTERN DIVISION

23 UNITED STATES OF AMERICA,

) Case No. 2:09-cv-07817

24 Plaintiff,

) ORDER OF PERMANENT  
) INJUNCTION AGAINST  
) JACQUELINE CORNEJO

25 v.

26 JACQUELINE CORNEJO, d.b.a.  
27 J.C., d.b.a. J.C. INCOME TAX  
28 SERVICES,

Defendant.

Plaintiff United States of America and defendant Jacqueline Cornejo ("defendant"), stipulate as follows:

Defendant waives the entry of findings of fact and conclusions of law under Rules 52 and 65 of the Federal Rules of Civil Procedure.

1 Defendant understands that this Stipulated Judgment of Permanent  
2 Injunction constitutes the final judgment in this matter, and waives any and all  
3 right to file an appeal from this judgment.

4 Defendant consents to the entry of this Stipulated Judgment of Permanent  
5 Injunction without further notice and agrees to be bound by its terms. Defendant  
6 further understands and agrees that the Court will retain jurisdiction over this  
7 matter for the purpose of implementing and enforcing this injunction, and  
8 understands that if she violates this injunction, she may be found to be in contempt  
9 of court and may be sanctioned or imprisoned. The parties agree that entry of this  
10 permanent injunction neither precludes the Internal Revenue Service from  
11 assessing penalties against defendant for asserted violations of the Internal  
12 Revenue Code ("IRC"), nor precludes defendant from contesting any such  
13 penalties.

14 **ORDER**

15 **IT IS HEREBY ORDERED** pursuant to 26 U.S.C. §§ 7402, 7407, and  
16 7408 that defendant Jacqueline Cornejo and her representatives, agents, servants,  
17 employees, attorneys, independent contractors, anyone in active concert or  
18 participation with him, are **PERMANENTLY ENJOINED** from directly or  
19 indirectly;

- 20 (1) Preparing or filing, or assisting in, or directing the preparation  
21 or filing of any federal income tax return, amended return, IRS  
22 Form 1099, 1099-OID, 1096, Schedule B, or any other tax-  
23 related documents or forms for any other person or entity;
- 24 (2) Engaging in any other activity subject to penalty under the  
25 Internal Revenue Code;
- 26  
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1 (3) Engaging in other conduct that substantially interferes with the  
2 proper administration and enforcement of the internal revenue  
3 laws;

4 (4) Organizing or selling tax shelters, plans or arrangements that  
5 advise or assist taxpayers to attempt to evade the assessment or  
6 collection of such taxpayers' correct federal tax;

7 (5) Engaging in any other activity subject to penalty under 26  
8 U.S.C. § 6700, including organizing or selling a plan or  
9 arrangement and making a statement regarding the excludability  
10 of income or securing of any other tax benefit by participating  
11 in the plan that defendant knows or has reason to know is false  
12 or fraudulent as to any material matter;

13 (6) Engaging in any other activity subject to penalty under 26  
14 U.S.C. § 6701;

15 (7) Directly or indirectly organizing, promoting, marketing, or  
16 selling any plan or arrangement that advises or encourages  
17 taxpayers to attempt to violate internal revenue laws or  
18 unlawfully evade the assessment or collection of their federal  
19 tax liabilities, including promoting, selling, or advocating the  
20 use of the "commercial redemption" theory and false Forms  
21 1099-OID based on the false claims that:

22 i. Taxpayers can draw on the Treasury of the United States  
23 to pay their tax debt or other debt using IRS Forms 1099,  
24 1099-OID, Schedule B, tax returns, or other false IRS  
25 documents;

1           ii. Taxpayers can issue false Forms 1099-OID on behalf of a  
2           creditor and report the amount on the false Form 1099 as  
3           federal income taxes withheld on their behalf; and

4           iii. Taxpayers have an account with the Treasury Department  
5           from which they can draw funds through a process that is  
6           often called “redemption” or “commercial redemption”;

7           (8) Preparing her own federal income tax returns or amended  
8           returns claiming false income tax withholding and refunds,  
9           whether or not they are based on amounts shown in false Forms  
10          1099-OID issued to creditors, false Forms Schedule B, or other  
11          IRS forms or documents;

12          (9) Otherwise aiding and abetting the filing of frivolous Forms  
13          1040, 1040X, 1099, 1099-OID, and Schedules B for herself or  
14          others; and,

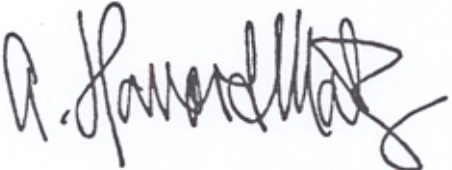
15          (10) Representing anyone before the IRS.

16           **IT IS FURTHER ORDERED** that within 10 days defendant contact by  
17          mail (and also by e-mail, if an address is known) all persons who have purchased  
18          any products, services or advice associated with the false or fraudulent tax scheme  
19          described in this order, enclosing a copy of the injunction against defendant, and  
20          file a certificate with the Court within 14 days stating under penalty of perjury that  
21          she has done so.

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**IT IS FURTHER ORDERED** that defendant provide to counsel for the United States within 10 days a list of all persons for whom she has prepared federal income tax returns, amended returns, or other tax-related documents, and all persons who have purchased any products, services or advice from defendant, since January 1, 2006.

SO ORDERED this 20th day of November, 2009.



A. HOWARD MATZ  
UNITED STATES DISTRICT JUDGE

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