

IN THE UNITED STATES COURT FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA)	
)	
Plaintiff,)	
)	
v.)	
)	
MICHAEL A. STRAUSS, JOSEPH C.)	Civil No. 11-cv-880-RLW
BARREIRO and PATRICK B. STRAUSS)	
)	ORDER OF PERMANENT
Defendants.)	INJUNCTION AGAINST
)	JOSEPH C. BARREIRO

ORDER

The United States has filed a complaint for permanent injunction under Internal Revenue Code (I.R.C.) §§ 7402 and 7408(a) against Joseph C. Barreiro (“Barreiro”) and others. Barreiro, without admitting the allegations contained in the complaint, but in order to settle this matter without further litigation, has consented to the entry, without further notice, of this Order of Permanent Injunction.

Barreiro enters into this Order of Permanent Injunction voluntarily and waives the entry of findings of fact and conclusions of law. Barreiro also waives any right he may have to appeal from this Order of Permanent Injunction. Barreiro further understands and agrees that the Court will retain jurisdiction over this matter for the purpose of implementing and enforcing this Order, and Barreiro understands that if he violates this Order, he may be subject to civil and criminal sanctions for contempt of court. The entry of this Order will result in a final judgment against Barreiro.

1. IT IS HEREBY ORDERED that, pursuant to I.R.C. §§ 7402(a) and 7408, Barreiro and his representatives, agents, servants, employees, attorneys, and anyone in active concert or participation with him, are permanently enjoined and restrained from, directly or indirectly, by use of any means or instrumentalities:

(A) Organizing, promoting, marketing, selling, or implementing:

(1) The cemetery schemes that were marketed through companies called Burial Specialists LLC and Memorial Specialists LLC, and which are the subject of the complaint herein. The government contends that those transactions involve purported cemeteries in Spotsylvania County, Virginia, and Lloyd, New York, and fictitious “licenses” for funeral services to be performed at those properties; that a portion of the licenses’ supposed value was deducted annually, generating millions of dollars of phony tax losses; and that those losses were then passed on to customers of Burial Specialists and Memorial Specialists;

(2) The cemetery schemes that were marketed through companies called Dignified Charitable Burials LLC and Dignified Charitable Burials Limited Partnerships No. 1 through No.4, and which are the subject of the complaint herein. The government contends that those transactions involve a purported cemetery in Lloyd, New York, and fictitious “burial site certificates” related to that property; that a portion of the burial site certificates’ supposed value was deducted annually, generating millions of dollars of phony tax losses; and that those losses were then passed on to customers of Dignified Charitable Burials LLC. The government further contends that millions of dollars of fictitious charitable deductions supposedly related to the burial site certificates were improperly provided to customers of the Dignified Charitable Burials

Limited Partnerships.

(B) Organizing, promoting, marketing, selling, or implementing any program, plan or arrangement similar to the cemetery schemes described above, and which are the subject of the United States' complaint in this matter;

(C) Engaging in conduct subject to penalty under I.R.C. § 6700(a)(2)(A), including making or furnishing—in connection with the organization, promotion, marketing, sale, or implementation of a shelter, plan, or arrangement—any statement about the securing of any tax benefit that Barreiro knows or has reason to know is false or fraudulent as to any material matter;

(D) Engaging in conduct subject to penalty under I.R.C. § 6700(a)(2)(B), including making or furnishing—in connection with the organization or sale of any plan or arrangement—statements as to the value of property or services when the value stated exceeds 200% of the true value and is directly related to the amount of a tax deduction or credit;

(E) Organizing, promoting, marketing, selling, or implementing (or helping others to organize, promote, market, sell, or implement) any other tax shelter, plan, or arrangement, that violates the internal revenue laws or improperly incites taxpayer-customers to evade the assessment or collection of their federal tax liabilities or claim improper tax refunds;

(F) Organizing, promoting, marketing, or selling business or tax services that facilitate or promote noncompliance with federal tax laws;

(G) Engaging in conduct subject to penalty under any provision of the Internal Revenue Code, or that interferes with the administration and enforcement of the internal revenue laws.

2. IT IS HEREBY ORDERED that, pursuant to I.R.C. §§ 7402(a) and 7408, Barreiro

shall provide a copy of this permanent injunction to all past and present taxpayer-customers of the cemetery schemes within 15 days of entry of the injunction, and provide to counsel for the United States within 30 days a signed and dated acknowledgment of receipt of this Order for each person to whom Barreiro provided a copy of this Order in compliance with this paragraph.

3. IT IS HEREBY ORDERED that, pursuant to I.R.C. §§ 7402(a) and 7408, Barreiro shall provide a copy of this permanent injunction to all past and present principals, officers, managers, representatives, agents, servants, employees, and attorneys of the entities used in furtherance of the cemetery schemes within 15 days of entry of the injunction, and provide to counsel for the United States within 30 days a signed and dated acknowledgment of receipt of this Order for each person to whom Barreiro provided a copy of this Order in compliance with this paragraph.

4. IT IS HEREBY ORDERED that the United States may engage in full post-judgment discovery to monitor compliance with the injunction;

5. IT IS HEREBY ORDERED that this Court retains jurisdiction over this action for purposes of implementing and enforcing the final judgment and any additional orders necessary and appropriate to the public interest.

PURSUANT TO STIPULATION, IT IS SO ORDERED THIS 3rd day of June 2011.



ROBERT L. WILKINS
United States District Judge