

IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF MARYLAND

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.)
)
 BARBARA LYNN McCARTHY,)
 d/b/a Barbara's Tax Service,)
)
 Defendant.)
 _____)

Case No. 8:13-cv-03404-RWT

ORDER AND JUDGMENT OF PERMANENT INJUNCTION

Plaintiff, the United States of America, filed a complaint for permanent injunction against the defendant, Barbara Lynn McCarthy ("McCarthy"), doing business as Barbara's Tax Service, on November 14, 2013 (Doc #1). After her default was entered on February 25, 2014 (Doc. #5), and after McCarthy was advised by the Court in writing on the same day that a judgment could be entered against her if she failed to dispute the default within 30 days (Doc. #6), McCarthy responded to the correspondence from the Court on March 25, 2014, by stating that "I BARBARA LYNN MCCARTHY WILL NOT DISPUTE THIS CASE" (Doc. #8).

McCarthy, without admitting any of the allegations in the complaint except as to jurisdiction, waives the entry of findings of fact and conclusions of law under Federal Rule of Civil Procedure 52, and consents to the entry of this permanent injunction under Federal Rule of Civil Procedure 65 and 26 U.S.C. §§ 7402, 7407, and 7408. McCarthy further waives any right that she may have to appeal from this permanent injunction. The United States and McCarthy agree that the entry of this permanent injunction neither precludes the Internal Revenue Service from assessing penalties against McCarthy for asserted violations of the Internal Revenue Code nor precludes McCarthy from contesting any such penalties.

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The United States and McCarthy further agree that the entry of this permanent injunction constitutes the final judgment in this case.

NOW, THEREFORE, it is accordingly ORDERED, ADJUDGED, and DECREED that:

1. The Court has jurisdiction over this action under 28 U.S.C. §§ 1340 and 1345, and under 26 U.S.C. §§ 7402, 7407, and 7408.

2. The Court finds that McCarthy has neither admitted nor denied the United States' allegations that she has engaged in conduct subject to penalty under 26 U.S.C. §§ 6694, 6695, and 6701.

3. McCarthy and her agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order and Judgment of Permanent Injunction are permanently enjoined under 26 U.S.C. §§ 7402 and 7408 from:

- (a) Engaging in any conduct that interferes with the proper administration and enforcement of the internal revenue laws; and
- (b) Engaging in activity subject to penalty under 26 U.S.C. § 6701, including preparing or assisting in the preparation of a federal tax return, amended return, refund claim, or any other document relating to a matter material under the internal revenue laws that includes a position that McCarthy knows will, if used, result in the understatement of another person's federal tax liability;
- (c) Engaging in any other conduct subject to penalty under the Internal Revenue Code; and
- (d) Misrepresenting any of the terms of this Order and Judgment of Permanent Injunction.

4. McCarthy is permanently enjoined under 26 U.S.C. §§ 7402 and 7407 from:
- (a) 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 for any person other than herself;
 - (b) Advising, assisting, counseling, or instructing anyone about the preparation of a federal income tax return or other related documents or forms;
 - (c) Representing, or appearing on behalf of, any person before the Internal Revenue Service;
 - (d) Engaging in any conduct subject to penalty under 26 U.S.C. §§ 6694, including, but not limited to, preparing tax returns that falsely claim Schedule C business losses from non-existent Schedule C businesses; fictitious charitable contributions; and false head-of-household status; and
 - (e) Engaging in any conduct subject to penalty under 26 U.S.C. § 6695, including, but not limited to, negotiating federal income tax refund checks in violation of 26 U.S.C. § 6695(f) by arranging for a portion of her customers' tax refunds to be electronically deposited into her own bank account or an account of one of her family members in order to pay her tax return preparation fee.

5. McCarthy consents, without further proceedings, to the immediate revocation of any Preparer Tax Identification Number(s) (PTINs) held by, or assigned to her pursuant to 26 U.S.C. § 6109.

6. McCarthy consents, without further proceedings, to the immediate revocation of any Electronic Filing Identification Number(s) held by, or assigned to, her pursuant to 26 C.F.R. §1.6011-7.

7. McCarthy shall contact, within 30 days after the entry of this Order and Judgment of Permanent Injunction, by United States mail and, if an email address is known, by email, all persons, to the extent that the identities and locations of such persons is within the possession, custody or control of McCarthy, for whom she prepared, or assisted in preparing, federal tax returns to inform them of the permanent injunction entered against her.

8. McCarthy shall provide to counsel for the United States, within 30 days after the entry of this Order and Judgment of Permanent Injunction, a complete list of the persons, to the extent such a list is within the possession, custody, or control of McCarthy, for whom McCarthy has prepared or assisted in preparing any federal income tax return, amended return, or refund claim at any time from January 1, 2008 through the present, such list to include for each person the name, address, phone number, email address, social security number, employer identification number, or individual tax identification number, and the tax period(s) to which or for which each such return, amended return, or refund claim relates.

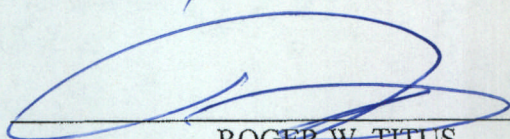
9. McCarthy shall file with the Clerk of the Court, within 60 days after the entry of the Order and Judgment of Permanent Injunction, a sworn certificate of compliance, signed under penalty of perjury, stating that she has complied with the foregoing directive.

10. The United States may engage in post-judgment discovery to ensure compliance with this Order and Judgment of Permanent Injunction.

11. This Court shall retain jurisdiction over this civil action to enforce her compliance with the terms of this Order and Judgment of Permanent Injunction.

12. The United States may provide actual notice of the permanent injunction entered in this action by mailing a true and correct copy thereof to the defendant, Barbara Lynn McCarthy, doing business as Barbara's Tax Service, by registered or certified mail, return receipt requested, and by filing a certificate of service that certifies the United States' compliance with this provision.

It is SO ORDERED this 30th day of July, 2014.

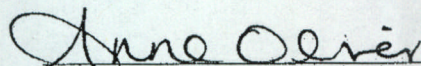


ROGER W. TITUS
UNITED STATES DISTRICT JUDGE

Prepared and submitted by:

TAMARA W. ASHFORD
Acting Assistant Attorney General

Date: 7.29.14

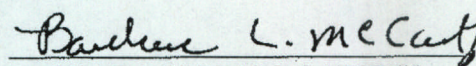


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Seen and agreed to:

Date: 7/29/14



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Plaintiff *pro se*