

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.)
)
 ANGELIQUE LEE TINDER, aka)
 ANGEL EVANS, aka ANGEL FRANKS,)
 aka ANGEL L. EVANS, aka ANGELIQUE)
 FRANS, aka ANGELIQUE L. EVANS,)
 aka ANGEL HOWEN, aka ANGELIQUE)
 EVANS, aka ANGEL L. TINDER,)
 aka ANGEL L. HOWEN,)
 individually and dba YOUR TAX)
 MASTER and ANGELIQUES YOUR)
 TAX MASTER,)
)
 Defendant.)

Civil No. **05C50038**

RECEIVED

MAR 09 2005

MICHAEL W. DOBSON
CLERK, U. S. DISTRICT COURT

COMPLAINT FOR PERMANENT INJUNCTION

Plaintiff, the United States of America, for its complaint against the above-named defendant, states as follows:

Nature of Action

1. The United States brings this civil action under 28 U.S.C. §§ 1340 and 1345, and Internal Revenue Code (26 U.S.C.) §§ 7402, 7407, and 7408, to permanently enjoin defendant from:

- a. Engaging in conduct subject to penalty under 26 U.S.C. § 6694, including preparing tax returns or claims for refund that include unrealistic or frivolous positions;
- b. Engaging in any conduct that interferes with the proper administration and enforcement of the internal revenue laws;
- c. Preparing or assisting in the preparation of any federal tax return, amended

return, or claim for refund, for any person or entity other than herself (or her spouse, if filing a joint return);

- d. Providing any tax advice or services to any person or entity, including providing electronic filing or tax consulting services to customers or representing customers before the IRS;
- e. Engaging in conduct subject to penalty under 26 U.S.C. § 6701, including preparing or assisting in the preparation of a document related to a matter material to the internal revenue laws that includes a position that she knows will (if so used) result in an understatement of another person's tax liability; and
- f. Instructing, advising, or assisting taxpayers to understate their federal income tax liabilities.

Jurisdiction

2. This action has been requested by the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury, and commenced at the direction of the Attorney General of the United States, pursuant to the provisions of 26 U.S.C. §§ 7402, 7407, and 7408.

3. This Court has jurisdiction pursuant to 28 U.S.C. §§ 1340 and 1345, and 26 U.S.C. §§ 7402(a), 7407, and 7408.

Defendant

4. Since at least 2002, Angelique Lee Tinder prepared federal income returns for customers, using the business name Your Tax Master, at 850 Haskell Avenue, Rockford, Illinois 61103. On information and belief, Tinder recently sold Your Tax Master and continues the fraudulent tax-refund schemes described below through Angeliques Your Tax Master at 18135 Brooknoll, Houston, Texas 77084. Because a substantial part of the events giving rise to this complaint occurred in this district, venue is proper in this Court under 28 U.S.C. § 1391.

Tinder's Tax-Preparation Business

5. Tinder, doing business as Your Tax Master and Angliques Your Tax Master, has been preparing federal individual income tax returns (Forms 1040 and 1040X) for customers for compensation since at least 2002, using commercially available tax return preparation software.

6. Tinder has obtained an e-file number from the IRS and is authorized to file electronic income tax returns.

7. Tinder has an associate's degree in accounting from Rockford Business College.

8. Before doing business as Your Tax Master and Angeliques Your Tax Master, Tinder worked from December, 1998 to February, 2002 as a manager for Jackson Hewitt, a national income tax preparation company, at its office in Rockford, Illinois.

9. While employed at Jackson Hewitt, Tinder's duties included preparing tax returns for Jackson Hewitt clients, supervising over 30 employees during tax filing season, and ensuring that other Jackson Hewitt employees received training on return preparation software.

10. Tinder worked in an accounting position with Five Points Realty in Rockford, Illinois from February, 2002 until May, 2003.

11. According to IRS records, Tinder prepared a total of 1728 amended federal income tax returns for Your Tax Master customers for the 2000-2002 tax years; 545 for the 2000 tax year, 601 for the 2001 tax year, and 582 for the 2002 tax year.

Tinder's Preparation of False and Fraudulent Returns

12. Tinder guarantees her customers large federal income tax refunds if they agree to have her prepare their federal income tax returns or to prepare and file amended tax returns for previous years.

13. Tinder's customers are primarily Bosnian immigrants located in Rockford and Loves Park, Illinois; Minneapolis suburbs including Brooklyn Center, Brooklyn Park, Richfield, and Saint Louis Park, Minnesota; Des Moines, Waterloo, and Dubuque, Iowa; and Fort Wayne, Indiana. Tinder charges between \$35 and \$40 for each amended return she prepares.

14. Tinder prepares returns claiming the promised refunds by fraudulently offsetting her customers' taxable income with fictitious or inflated deductions. Examples of fraudulent deductions on returns she has prepared for customers include:

- fictitious or inflated charitable contributions;
- fictitious or inflated non-reimbursed employee business expenses;
- fictitious or inflated education credits;
- fictitious or inflated medical expenses;
- fictitious or inflated "miscellaneous" deductions
- fictitious dependency exemptions.

15. Tinder knew or should have known that the returns she prepared for her customers understated her customers' correct tax liability and contained false or fraudulent information.

Tinder's Bosnian Dependent Tax Refund Scheme

16. Tinder falsely advises her Bosnian immigrant customers that they may be able to receive an additional tax refund for money sent to relatives overseas. As part of this scheme, Tinder advises these customers to fill out IRS Form W-7, Application for IRS Individual Taxpayer Identification Number (ITIN), for persons residing outside the United States to whom the customers send money.

17. Tinder falsely advises her Bosnian customers that once the IRS issues an ITIN to a

person residing outside the United States to whom the customer sends money, the customer may be able to claim that individual as a dependent on the customer's federal income tax return. Tinder fails to advise her customers that, under federal law, in order to be claimed as a dependent, a person must be a United States citizen, resident alien, or a resident of Canada or Mexico.

Harm Caused by Tinder's Conduct

18. Tinder has understated the tax liabilities of the customers for whom she prepared amended returns in total amounts estimated to exceed \$728,000; \$993,000; and \$889,000 for the 2000, 2001, and 2002 tax years.

19. Because it appears that most or all Tinder-prepared amended returns contain false claims for refund, the IRS has frozen Tinder's customers' refund claims for the 2000, 2001, and 2002 tax years in the amounts of \$699,000; \$954,000; and \$865,000 respectively.

20. By preparing returns that claimed false and fraudulent refunds or that wrongfully understated her customers' tax liabilities, Tinder has caused irreparable injury to the United States, to her customers, and to the public.

21. Tinder's conduct has harmed the United States by causing substantial IRS resources to be expended in identifying and examining returns and amended returns that she prepared, thereby reducing the level of service the IRS can give honest taxpayers.

22. Tinder's conduct has also harmed the United States by encouraging in her customers, who are United States taxpayers, a reckless disregard for the internal revenue laws.

23. Tinder's conduct has harmed her customers, whom she has exposed to penalties, to statutory interest charges on the amount of the tax understatement, and to possible criminal

charges.

24. Tinder's conduct has harmed the public by eroding public confidence in the fairness of the federal tax system.

Count I: Injunction under 26 U.S.C. § 7407

25. The United States incorporates by reference the allegations contained in paragraphs 1 through 24 above.

26. 26 U.S.C. § 7407 authorizes a district court to enjoin an income tax return preparer from:

- a. Engaging in conduct subject to penalty under 26 U.S.C. § 6694 (which penalizes a return preparer who knowingly prepares or submits a return that contains an unrealistic or frivolous position);
- b. guaranteeing the payment of any tax refund; or
- c. Engaging in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of the internal revenue laws;

if the Court finds that injunctive relief is appropriate to prevent recurrence of such misconduct.

Additionally, if the Court finds that the preparer has continually or repeatedly engaged in such misconduct and that a narrower injunction (*i.e.*, prohibiting only that specific misconduct) would not be sufficient to prevent that person's interference with the proper administration of federal tax laws, the Court may enjoin the person from further acting as a federal income tax return preparer.

27. Tinder has engaged in conduct subject to penalty under 26 U.S.C. § 6694 by preparing returns (Forms 1040) and claims for refund (Forms 1040X) based on frivolous and fraudulent deductions and by asserting positions on income tax returns which she knew were

false or frivolous.

28. Tinder has guaranteed the payment of tax refunds to customers and has engaged in fraudulent and deceptive conduct that substantially interferes with the proper administration of the internal revenue laws.

29. Tinder's actions fall within 26 U.S.C. §§ 7407(b)(1)(A), (C), and (D), and are thus subject to injunction under § 7407.

30. Because of Tinder's continual and repeated conduct subject to injunction under 26 U.S.C. § 7407, combined with her other misconduct described in this complaint, she should be permanently enjoined from acting as an income tax return preparer.

Count II: Injunction under 26 U.S.C. § 7408

31. The United States incorporates by reference the allegations contained in paragraphs 1 through 30 above.

32. Section 7408 authorizes this Court to enjoin persons who have engaged in conduct subject to penalty under 26 U.S.C. § 6701 from engaging in further such conduct if the Court finds that injunctive relief is appropriate to prevent recurrence of the conduct. Section 6701 imposes a penalty on any person who aids in the preparation of any portion of a return or other document, having reason to know that the portion will be used to assert a position under the internal revenue laws, and knowing the portion, if used, will result in an understatement of another person's tax liability.

33. Tinder has prepared federal income tax returns that she knows will result in the understatement of another person's federal income tax liabilities.

34. Tinder advises her customers to fill out IRS Form W-7, Application for IRS

Individual Taxpayer Identification Number (ITIN), for persons residing outside the United States to whom the customers are sending money.

35. Tinder knew, or had reason to believe, that the Forms W-7 filled out by her customers would be used to obtain ITINs for persons who are not eligible to receive ITINs.

36. Tinder knew, or had reason to believe, that the wrongfully obtained ITINs would, if used by her customers to claim dependency exemptions for persons who were not eligible to be claimed as dependents, result in understating her customers' tax liabilities.

37. Unless enjoined by this Court, Tinder is likely to continue to engage in conduct proscribed by Section 6701. Injunctive relief is therefore appropriate under 26 U.S.C. § 7408.

Count III: Injunction Under 26 U.S.C. § 7402

38. The United States incorporates by reference the allegations in paragraphs 1 through 37 above.

39. Tinder, through the conduct described above, has engaged in conduct that interferes substantially with the administration and enforcement of the internal revenue laws. Unless enjoined by this Court she is likely to continue to engage in such conduct. Her conduct causes irreparable injury to the United States for which the United States has no adequate remedy at law. The United States is entitled to injunctive relief under 26 U.S.C. § 7402(a) to prevent such conduct.

Appropriateness of Injunctive Relief

40. Unless enjoined by the Court, Tinder is likely to continue to engage in the conduct described in paragraphs 1 through 39 above.

41. Tinder's conduct, as described in paragraphs 1 through 39 above, causes

irreparable harm to the United States for which the United States has no adequate remedy at law. Specifically, Tinder's conduct is causing and will continue to cause substantial revenue losses to the United States Treasury, some of which may never be recovered, thus resulting in a permanent loss. Moreover, unless Tinder is enjoined, the IRS will have to devote its limited resources to detecting and auditing future fraudulent Tinder-prepared returns, thereby reducing the level of service that the IRS can give honest taxpayers.

42. If Tinder is not enjoined, she likely will continue to engage in conduct subject to penalty under 26 U.S.C. §§ 6694 and 6701 and other misconduct of the type described in this complaint.

43. If Tinder is not enjoined, she likely will continue to engage in conduct that interferes substantially with the administration and enforcement of the internal revenue laws.

WHEREFORE, the United States prays for the following relief:

A. That the Court find that Tinder, individually and d/b/a Your Tax Master and Angeliques Your Tax Master, has engaged in conduct subject to penalty under 26 U.S.C. §§ 6694, and other conduct subject to injunction under 26 U.S.C. § 7407 and that injunctive relief prohibiting that conduct is appropriate under 26 U.S.C. § 7407;

B. That the Court find that Tinder, individually and d/b/a Your Tax Master and Angeliques Your Tax Master, has engaged in conduct subject to penalty under 26 U.S.C. § 6701 and that injunctive relief prohibiting that conduct is appropriate under 26 U.S.C. § 7408;

C. That the Court find that Tinder, individually and d/b/a Your Tax Master and Angeliques Your Tax Master, has engaged in conduct that interferes with the enforcement of the internal revenue laws, and that injunctive relief prohibiting that conduct is appropriate under 26

U.S.C. § 7402(a);

D. That the Court, pursuant to 26 U.S.C. §§ 7402(a) and 7408, find that it is appropriate to enter a permanent injunction prohibiting Tinder, individually and d/b/a Your Tax Master and Angeliques Your Tax Master, from acting as an income tax return preparer;

E. That the Court, pursuant to 26 U.S.C. § 7407, find that Tinder has continually and repeatedly engaged in engaged in conduct subject to penalty under 26 U.S.C. § 6694 and has also continually and repeatedly guaranteed the payment of tax refunds and engaged in other fraudulent and deceptive conduct which substantially interferes with the proper administration of the internal revenue laws, and that an injunction prohibiting such conduct would not be sufficient to prevent her interference with the proper administration of the internal revenue laws, and enter a permanent injunction prohibiting Tinder, individually and d/b/a Your Tax Master and Angeliques Your Tax Master, from acting as an income tax return preparer;

F. That the Court, pursuant to 26 U.S.C. § 7402, prohibit Tinder from preparing or assisting in the preparation of any federal tax return, amended return, or claim for refund, for any person or entity other than herself (or her spouse, if filing a joint return);

G. That the Court, pursuant to 26 U.S.C. § 7402, prohibit Tinder from providing any tax advice or services to any person or entity, including providing electronic filing or tax consulting services to customers or representing customers before the Internal Revenue Service;

H. That the Court, pursuant to 26 U.S.C. § 7402, order Tinder to contact all persons for whom she prepared federal tax returns, amended tax returns, or any other federal tax forms after January 1, 2000 and inform those persons of the entry of the Court's findings, the possibility that penalties may be imposed against them, the possibility that the United States may seek to collect

any additional federal income taxes, penalties, and interest which they may owe, and the entry of the permanent injunction against Tinder;

I. That the Court, pursuant to 26 U.S.C. §§ 7402 and 7407, require Tinder to turn over to the United States copies of all federal tax returns or claims for refund, and the names, addresses, e-mail addresses, telephone numbers, and Social Security or taxpayer identification numbers of all customers for whom she prepared such returns or claims for refund, since January 1, 2000;

J. That the Court permit the Government, in order to monitor Tinder's compliance with the injunction, to engage in post-judgment discovery in accordance with the Federal Rules of Civil Procedure; and

K. That the Court grant the United States such other and further relief, including the costs of this action, as the Court deems appropriate.

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