

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

UNITED STATES OF AMERICA,)

Plaintiff,)

v.)

Case No.: 1:09-cv-00937

DERRICK B. JACKSON, a/k/a)
"Glenn Dent" individually and)
doing business as TAX WISDOM)
and INTERNATIONAL TAX AND)
ACCOUNTING SERVICES,)

Defendant.)
_____)

DEFAULT JUDGMENT AND ORDER OF PERMANENT INJUNCTION

Plaintiff United States filed its Complaint for Permanent Injunction and Other Relief under sections 7402, 7407, and 7408 of the Internal Revenue Code (26 U.S.C.), seeking to bar defendant Derrick Jackson from preparing income tax returns for others. The United States personally served Jackson with a summons and complaint, and the clerk entered his default on May 8, 2009, after he failed to answer the complaint or otherwise appear in this action.

Plaintiff has moved for the entry of a default judgment against Jackson. Plaintiff's motion is supported by the declaration of IRS Technical Advisor Shauna Henline. In accordance with Fed.R.Civ.P. 65(d), the findings of fact and reasons for the entry of a permanent injunction Derrick Jackson are set forth below.

Findings of Fact

1. This Court has jurisdiction over the parties and subject matter of this case.
2. Defendant Derrick Jackson has been a paid federal tax return preparer since at least 2002, preparing at least 513 returns between 2002 and 2006.
3. Defendant Derrick Jackson prepared and signed at least 76 federal income tax returns under the alias Glenn Dent and used a false EIN when filing returns with the IRS.
4. Defendant Jackson has prepared blatantly fraudulent tax returns for customers by misapplying I.R.C. § 6421 to claim fraudulent fuel tax credits.
5. Defendant Jackson used phony Forms W-2 to prepare federal income tax returns based on frivolous and unrealistic positions, which he knew would result in understatements of tax.
6. Defendant Jackson knowingly prepared federal income tax returns using false filing status to reduce reported tax liability, claimed false child tax credits, and claimed higher earned income tax credits.
7. Defendant Jackson prepared federal income tax returns claiming exaggerated or non-deductible depreciation deductions.

8. These facts show that Defendant Jackson is not likely to voluntarily cease understating his customers' federal income tax liabilities.

9. Defendant Jackson interfered with the enforcement of the internal revenue laws by continually and repeatedly understating his customers' tax liabilities. Defendant Jackson's continued and repeated understatement of his customers' tax liabilities unduly burdens the IRS and hurts his customers, who end up having to pay additional taxes and statutory interest.

10. The Government has been irreparably harmed by the loss of tax revenue due to the understatements of liability, and by the drain on administrative resources caused by the need to examine a large number of returns prepared by defendant.

11. The balance of the harm in this case favors the entry of an injunction.

12. These facts support the issuance of an injunction under I.R.C. §§ 7402, 7407, and 7408.

13. Jackson has not answered the complaint or otherwise appeared in this action. The clerk entered Jackson's default on May 8, 2009.

Conclusions of Law

14. Based on the factual findings and evidence presented by the United States that the defendant has not opposed, the Court finds that Derrick Jackson has continually and repeatedly engaged in conduct subject to penalty under I.R.C. §§ 6694, 6695, and 6701, and has continually and repeatedly engaged in other fraudulent or deceptive conduct substantially interfering with the administration of the tax laws. The Court also finds that a narrower injunction prohibiting only this specific misconduct would be insufficient.

15. Accordingly, the Court finds that Jackson should be permanently enjoined from preparing tax returns for others under I.R.C. §§ 7402, 7407, and 7408.

16. The Court finds that Jackson has engaged in conduct that interferes with the enforcement of the internal revenue laws, and that the United States and the public will suffer irreparable harm in the absence of a permanent injunction. The public interest will be served by granting a permanent injunction.

17. Accordingly, the Court finds that Defendant Derrick Jackson should be permanently enjoined under I.R.C. §§ 7402(a), 7407, and 7408.

Order

Based on the foregoing factual findings, and for good cause shown, the Court orders that the Defendant Jackson, individually and doing business as Tax Wisdom and International Tax and Accounting Services, and his agents, servants, employees, and those persons in active concert or participation with him who receive actual notice of this Order, are permanently enjoined from:

- a. acting as federal tax return preparers or assisting or directing the preparation or filing of federal tax returns for anyone other than themselves;
- b. instructing, advising, or assisting anyone to understate their federal tax liabilities on a federal tax return or form;
- c. preparing or filing (or helping to prepare or file) federal tax returns, amended returns, or other related documents and forms for others;
- d. engaging in any other activity subject to penalty under IRC § 6694;
- e. engaging in any activity subject to penalty under IRC § 6695;
- f. engaging in any activity subject to penalty under IRC § 6701; and
- g. engaging in other conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws.

Further, the Court orders Jackson, within 30 days of the entry of this Order, to contact by mail all persons for whom he prepared a federal tax return since January 1, 2002, enclosing a copy of the permanent injunction against Jackson. Defendant Jackson will bear the costs of providing a copy of the permanent injunction to his customers.

Further, the Court orders Jackson to produce to counsel for the United States, within 30 days of the entry of this Order, a list that identifies by name, social security number, address, email, telephone number, and tax period(s) all persons for whom Jackson prepared federal tax returns or claimed a tax refund since January 1, 2002. Defendant also must file with the Court a sworn certificate of compliance swearing he has complied with this portion of the order.

The United States is permitted to engage in post-judgment discovery to ensure compliance with this Order.

The Court orders will retain jurisdiction over this action for purposes of implementing and enforcing this Order and any additional orders necessary and appropriate to the public interest.

IT IS SO ORDERED this 9th day of June, 2009.

/s/Thomas W. Thrash
THOMAS W. THRASH, JR.
UNITED STATES DISTRICT JUDGE