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13 UNITED STATES DISTRICT COURT
14 DISTRICT OF NEVADA

15 UNITED STATES OF AMERICA,) CV-S-05-1154-PMP-PAL
16 Plaintiff,)
17 vs.)
18 LARRY P. GOODYKE,)
individually and doing business as)
19 CONSULTANTS BY 5 and)
PC COMPUTERZ TAX SERVICE,)
20 Defendant.)
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22 PERMANENT INJUNCTION ORDER AGAINST LARRY P. GOODYKE

23 Upon motion for summary judgment by plaintiff United States of
24 America and based on the evidence presented in that motion, a
25 permanent injunction is hereby entered against defendant Larry P.
26 Goodyke.

1 **Standards for Permanent Injunction**

2 In order to obtain a permanent injunction to enjoin a person from
3 acting as an income tax return preparer under 26 U.S.C. § 7407, the
4 United States must show that the defendant has continually or
5 repeatedly engaged in conduct subject to penalty under 26 U.S.C.
6 §§ 6694 or 6695 or has continually and repeatedly engaged in other
7 fraudulent or deceptive conduct substantially interfering with the
8 administration of the tax laws. The United States must also show that
9 a narrower injunction prohibiting only specific misconduct would be
10 insufficient. In order to obtain a permanent injunction under 26
11 U.S.C. § 7408, the United States must show that the defendant engaged
12 in conduct subject to penalty under 26 U.S.C. § 6701 and that
13 injunctive relief is appropriate to prevent the recurrence of such
14 conduct. The Court may issue a permanent injunction under 26 U.S.C.
15 § 7402(a) "as may be necessary or appropriate for the enforcement of
16 the internal revenue laws."

17 **Findings of Fact**

18 1. The Court has jurisdiction over the parties and subject
19 matter of this case.

20 2. Defendant Larry P. Goodyke operates and conducts business as
21 Consultants by 5 and formerly operated and conducted business as PC
22 Computerz Tax Service.

23 3. Goodyke provides tax services to the public including the
24 preparation of original and amended federal income tax returns.
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1 4. Goodyke has prepared at least 146 federal income tax returns
2 for others that omit wage income from the returns by claiming that the
3 taxpayer is "NOT LIABLE."

4 5. Goodyke has prepared at least 413 federal income tax returns
5 for others that report wage income as gross income but also
6 fraudulently claim the wage income as a miscellaneous deduction to
7 gross income by claiming that no gain is realized under 26 U.S.C.
8 § 1001 because labor for wages is an even exchange of property.

9 6. Both of these arguments are frivolous and have no basis in
10 the law. There is no realistic possibility that the arguments would
11 be sustained. Goodyke knew or should have known that there was no
12 realistic possibility that the arguments would be sustained.

13 7. Because he signed only 11 of these returns, Goodyke prepared
14 at least 548 federal income tax returns for others that he failed to
15 sign as a preparer and on which he failed to furnish any identifying
16 number. These omissions were due to willful neglect.

17 8. By preparing federal income tax returns for others with
18 these arguments, Goodyke substantially interfered with the
19 administration of the tax laws.

20 9. By preparing federal income tax returns and "response
21 letters" for others that contain these arguments, Goodyke has aided or
22 assisted in the preparation of tax returns and other documents he knew
23 or had reason to know would be used in connection with the
24 determination of others' tax liabilities, a material matter, and knew
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1 that the documents, if used, would result in an understatement of
2 others' tax liabilities.

3 10. By preparing federal income tax returns and letters for
4 others with these arguments, Goodyke undermines public confidence in
5 the federal tax system and incites violations of the internal revenue
6 laws. He causes the Government and the public harm, that if
7 alleviated, would outweigh the hardship to Goodyke if he ceased to
8 prepare tax returns.

9 11. Injunctive relief is appropriate and necessary to prevent
10 Goodyke from promoting services that interfere with tax enforcement.

11 **Conclusions of Law**

12 1. Based upon the factual findings and evidence presented, the
13 Court also finds that Larry P. Goodyke, individually and doing
14 business as Consultants by 5 and PC Computerz Tax Service, has
15 continually and repeatedly engaged in conduct subject to penalty under
16 26 U.S.C. §§ 6694 and 6695 and continually and repeatedly engaged in
17 other fraudulent or deceptive conduct substantially interfering with
18 the administration of the tax laws. The Court also finds that a
19 narrower injunction prohibiting only this specific misconduct would be
20 insufficient.

21 2. Accordingly, the Court finds that Larry P. Goodyke and all
22 those in active concert or participation with him should be
23 permanently enjoined under 26 U.S.C. § 7407 from acting as an income
24 tax return preparer.

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1 3. The Court also finds that Larry P. Goodyke engaged in
2 conduct subject to penalty under 26 U.S.C. § 6701 and that injunctive
3 relief is appropriate to prevent the recurrence of that conduct.

4 4. Accordingly, the Court finds that Larry P. Goodyke and all
5 those in active concert or participation with him should be
6 permanently enjoined under 26 U.S.C. § 7408 from preparing tax returns
7 and "response letters" that contain positions he knows, if used, would
8 result in an understatement of another person's tax liability and from
9 engaging in any conduct subject to penalty under the Internal Revenue
10 Code (26 U.S.C.).

11 5. The Court further finds that Larry P. Goodyke engaged in
12 conduct that interferes with the enforcement of the internal revenue
13 laws and that the United States and the hardship imposed on Goodyke
14 from this injunction is outweighed by the harm to the United States
15 and the public that his return preparation currently causes.

16 6. Based upon the evidence presented, the Court further finds
17 that Larry P. Goodyke will continue to violate the Internal Revenue
18 Code absent an injunction.

19 7. Accordingly, the Court finds that Larry P. Goodyke and all
20 those in active concert or participation with him, should be
21 permanently enjoined under 26 U.S.C. § 7402(a).

Order

Based on the foregoing factual findings and for good cause shown, entry of a permanent injunction is appropriate. Therefore,

IT IS HEREBY ORDERED that defendant Larry P. Goodyke and all those in active concert or participation with him are permanently enjoined from directly or indirectly:

- (1) Acting as a federal tax return preparer or requesting, assisting in, or directing the preparation and/or filing of federal tax returns for any person or entity other than himself;
- (2) Appearing as a representative on behalf of any person or organization before the Internal Revenue Service;
- (3) Understating customers' tax liabilities as penalized by 26 U.S.C. § 6694;
- (4) Failing to list a tax identification number or to sign federal income tax returns for which he is a tax-return preparer as penalized by 26 U.S.C. § 6695;
- (5) Engaging in activity subject to penalty under 26 U.S.C. § 6701, including preparing or assisting in the preparation of a tax return or any document related to a matter material to the internal revenue laws that includes a position that he knows would result in an understatement of another person's tax liability; and
- (6) Engaging in any other conduct subject to any penalty under the Internal Revenue Code or any conduct that interferes with the administration and enforcement of the internal revenue laws.

Further, IT IS HEREBY ORDERED that, within fifteen days of the date of this Order, Larry P. Goodyke, at his own expense, contact by mail, and, if an e-mail address is known, by e-mail all persons for whom he and those in active concert with him prepared a federal tax return to inform them of the Court's findings concerning the falsity

1 of his prior representations and enclose a copy of this Permanent
2 Injunction Order to those persons, and file with the Court a
3 certification that he has done so.

4 Further, IT IS HEREBY ORDERED that, within fifteen days of the
5 date of this Order, Larry P. Goodyke produce to counsel for the United
6 States a list that identifies by name, social security number,
7 address, e-mail address, and telephone number and tax period(s) all
8 persons for whom he prepared federal tax returns since January 1,
9 2002.

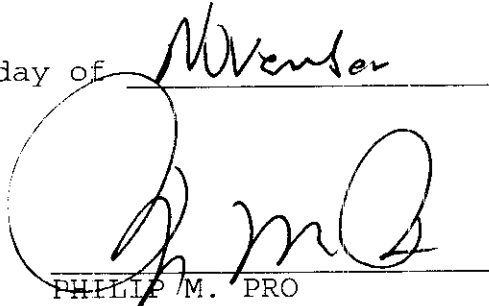
10 Further, IT IS HEREBY ORDERED that Larry P. Goodyke, and any
11 business or entity through which he operates, and all those in active
12 concert or participation with him, remove from his websites, including
13 www.consultantsby5.com, any materials advertising his services as a
14 preparer of federal income tax returns or tax consultant, to display
15 prominently at the top of the first page of the www.consultantsby5.com
16 website a complete copy of the permanent injunction in not less than
17 12-point type, and to maintain the website for one year with a
18 complete copy of the Court's permanent injunction so displayed
19 throughout that time.

20 Further, IT IS HEREBY ORDERED that the United States is permitted
21 to engage in post-judgment discovery to ensure compliance with this
22 Order.

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1 Finally, IT IS HEREBY ORDERED that this Court shall retain
2 jurisdiction over this action for purposes of implementing and
3 enforcing this Order and any additional orders necessary and
4 appropriate to the public interest.

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6 SO ORDERED, this 13th day of November.



PHILLIP M. PRO
CHIEF UNITED STATES DISTRICT JUDGE

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