IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

UNITED STATES OF AMERICA, Plaintiff, v. ANIEL SAINT-HILAIRE, Defendant.	Case No. 1:24-cv-20753

COMPLAINT FOR PERMANENT INJUNCTION

1. The United States of America brings this action to permanently enjoin Aniel Saint-Hilaire, individually or through any business entity, from:

a. Preparing, assisting in the preparation of, or directing the preparation of federal tax returns, amended returns, or other tax-related documents and forms, including any electronically submitted tax returns or tax-related documents, for any entity or person other than himself;

b. Filing, assisting in the filing of, or directing the filing of federal tax returns, amended returns, or other tax-related documents or forms, including any electronically submitted tax returns or tax-related documents, for any entity or person other than himself;

c. Using a false or fictitious Employer Identification Number ("EIN"), Taxpayer Identification Number ("TIN"), Preparer Taxpayer Identification Number ("PTIN"), Electronic Filing Identification Number ("EFIN"), Social Security Number ("SSN"), or any other federally issued identification number to file or remit federal tax returns;

d. Using an EFIN, EIN, TIN, PTIN, SSN, or any other federally issued identification number that belongs to another to file or remit federal tax returns;

e. Allowing others the use of an EFIN, EIN, TIN, PTIN, or any other federally issued identification number to prepare or file federal tax returns;

f. Using, maintaining, renewing, obtaining, transferring, selling, or assigning any PTIN or EFIN;

g. Owning, managing, assisting, working for, profiting from, or volunteering for any individual, business, or entity that prepares or assists in the preparation of tax returns, amended returns, or other tax-related documents or forms, including any electronically submitted tax returns or tax-related documents;

h. Transferring, selling, or assigning their customer lists and/or other customer information;

i. Engaging in activity subject to penalty under 26 U.S.C. ("I.R.C.") §§ 6694, 6695, or 6701; and

j. Engaging in conduct that substantially interferes with the proper administration and enforcement of tax laws;

2. The United States also seeks an order for disgorgement of ill-gotten gains from Mr. Saint-Hilaire's preparation of tax returns.

<u>Jurisdiction and Venue</u>

3. This action is authorized and requested by a delegate of the Secretary of the Treasury of the United States and is commenced at the direction of the Attorney General of the United States.

4. This Court has jurisdiction pursuant to I.R.C. § 7402(a) and 28 U.S.C. §§ 1340 and 1345.

5. Venue is proper in this Court, pursuant to I.R.C. §§ 7407(a), 7408(a), and 28 U.S.C. § 1391, because Mr. Saint-Hilaire's principal place of business is within this district, Mr. Saint-Hilaire prepares tax returns in this district, and the events giving rise to this claim occurred within this judicial district.

Mr. Saint-Hilaire and His Business Entities

6. Mr. Saint-Hilaire graduated from Clayton State University with a bachelor's degree in business administration.

7. Mr. Saint-Hilaire works as a tax return preparer in Miami-Dade County, Florida.

8. He currently resides in Orange County, Florida.

9. Mr. Saint-Hilaire has created and used numerous business entities to prepare tax returns.

10. Mr. Saint-Hilaire's primary business is AYS Financial Group Inc., which this Complaint refers to as "AYS."

11. According to its website, AYS was founded in 1998 "as a one man tax business located in North Miami."

12. In reality, AYS has operated as several different business entities.

13. For example, in 2002, Mr. Saint-Hilaire formed AYS Financial Services, Inc. That entity was administratively dissolved in 2010.

14. In 2011, Mr. Saint-Hilaire formed AYS Tax Services, Inc. That entity was administratively dissolved in 2021.

15. In 2012, Mr. Saint-Hilaire formed AYS Financial Services Inc. That entity was administratively dissolved in 2016.

16. In 2013, Mr. Saint-Hilaire formed AYS Financial Group, Inc. That entity was voluntarily dissolved in 2021.

17. In 2017, Mr. Saint-Hilaire formed Aniel Saint-Hilaire, P.A. That entity was voluntarily dissolved in 2021.

18. In 2023, Mr. Saint-Hilaire formed AYS Financial Group Inc. That entity remains active.

19. In 2020, Mr. Saint-Hilaire formed Divine Path Trucking, LLC. That entity remains active.

20. Mr. Saint-Hilaire has also used business entities formed in the names of others.

21. For example, Mr. Saint-Hilaire has used AYS Financial Services Inc, which was formed in 2020 in the name of Pelancia Victor. That entity was administratively dissolved in 2021.

22. AYS Financial Services Inc was an alter ego of Mr. Saint-Hilaire.

23. Mr. Saint-Hilaire also uses Divine Tax Services LLC, which was created in 2021 in the name of Pelancia Victor. That entity remains active.

24. Mr. Saint-Hilaire manages Divine Tax Services LLC, which is an alter ego of Mr. Saint-Hilaire.

25. Mr. Saint-Hilaire also uses AYS Realty & Financial Services, which was created in 2005 in the name of Yola G. Saint-Hilaire. That entity was administratively dissolved in 2018.

26. AYS Realty & Financial Services was an alter ego of Mr. Saint-Hilaire.

27. Mr. Saint-Hilaire also uses RB Tax Services, which is an entity created in the name of Rools Bordes.

28. Between 2019 and 2023, Mr. Saint-Hilaire has employed two or three people who assist in his tax return preparation, including his sister, Chimene Saint-Hilaire; Rools Bordes; and Pelancia Victor.

<u>Mr. Saint-Hilaire's Tax Preparation Activities</u>

29. Mr. Saint-Hilaire is a paid "tax return preparer," as defined by I.R.C. § 7701(a)(36).

30. As shown in the chart below, Mr. Saint-Hilaire, individually and through his business entities, files thousands of income tax returns each year. He claims refunds on approximately 99% of all returns he files.

Calendar Year	Returns	Refunds Claimed
2019	2,198	2,176 (99%)
2020	1,934	1,918 (99%)
2021	2,303	2,257 (98%)
2022	2,107	2,078 (99%)
2023	2,239	2,204 (98%)
Total	10,781	10,633 (99%)

31. The fees Mr. Saint-Hilaire charged to customers the IRS interviewed ranged from $600 to $1,650 per tax return, which Mr. Saint-Hilaire usually deducted from the refunds he claimed on the customers' returns.

32. Mr. Saint-Hilaire often fails to disclose his fee to his customers.

33. In many cases, customers are unaware of the fee that Mr. Saint-Hilaire charged to prepare their return.

Mr. Saint-Hilaire's History of Preparation Misconduct

34. Anyone who prepares or assists in preparing federal tax returns for compensation is required to have a valid PTIN assigned by the IRS.

35. A PTIN is used to identify an individual tax return preparer on the customers' tax returns. The IRS maintains a database of return preparers and their PTINs.

36. Paid tax return preparers are required to identify themselves as the preparer on all federal tax returns that they prepare for compensation by signing their name and reporting their PTIN on each return. *See* I.R.C. § 6109.

37. Mr. Saint-Hilaire obtained a PTIN from the Internal Revenue Service (ending in 7315) that he uses to identify himself on tax returns he prepares for customers.

38. Mr. Saint-Hilaire's PTIN expired in 2017. Nonetheless, he continues to use his PTIN on some, but not all, of the returns he prepares.

39. Although Mr. Saint-Hilaire has been warned by the IRS that his PTIN is expired, he continues to prepare returns.

40. Between 2020 and 2022, Mr. Saint-Hilaire filed 98 tax returns reporting his PTIN with another tax return preparer's name. He also filed 159 tax returns reporting his PTIN but leaving the preparer name blank.

41. In an attempt to hide his conduct, Mr. Saint-Hilaire prepares customer tax returns using PTINs that the IRS did not assign to him.

42. For example, in 2017, Mr. Saint-Hilaire prepared 354 tax returns using the PTIN (ending in 7699) assigned to a former employee of Mr. Saint-Hilaire.

43. Mr. Saint-Hilaire has also prepared numerous customer tax returns using a PTIN (ending in 7513) assigned to an attorney in California.

44. Mr. Saint-Hilaire reported this PTIN (ending in 7513) as his own on 916 tax returns between 2019 and 2022.

45. Mr. Saint-Hilaire, or an employee of Mr. Saint-Hilaire, has also prepared customer tax returns that misidentify or fail to identify the name of the tax preparer.

46. For example, between 2019 and 2023, Mr. Saint-Hilaire, or one of his employees, prepared 6,058 tax returns that either left the paid preparer name blank or reported the name of the paid preparer simply as “Rools,” “M,” “A,” or “Martine.”

47. The returns described in paragraph 46, above, reported no PTIN, the PTIN issued to Mr. Saint-Hilaire ending in 7315, or a PTIN issued to another individual (ending in 3937, 1793, 9260, or 7513).

48. In addition to listing an employee’s PTIN on any tax return they prepare, tax preparation firms must list their EIN on any tax returns prepared by the business and filed with the IRS.

49. Mr. Saint-Hilaire files customers’ tax returns that often misrepresent or completely omit his business’s EIN (ending in 9656).

50. For example, tax returns that Mr. Saint-Hilaire filed in 2019 reported the preparer’s firm name as AYS or AYS Financial Services with the EIN assigned to AYS Realty & Financial Services, RB Tax Service, and AYS Financial Service. Mr. Saint-Hilaire prepared other returns in 2019 that completely omitted his firm name and EIN.

51. Tax returns that Mr. Saint-Hilaire filed in 2021 reported the preparer’s firm name as AYS, AYS Financial Services, or Aniel Saint-Hilaire with the EIN assigned to AYS, RB Tax Service, and AYS Financial Service. Other returns that Mr. Saint-Hilaire prepared in 2021 omitted his firm name and EIN.

52. Tax returns that Mr. Saint-Hilaire filed in 2022 reported the preparer's firm name as AYS, Divine Tax Services, or Aniel Saint-Hilaire with the EIN assigned to AYS, Divine Path Trucking, RB Tax Service, and AYS Financial Service. Other returns that Mr. Saint-Hilaire prepared in 2022 omitted his firm name and EIN.

53. To electronically file customers' federal tax returns, the IRS requires all tax return preparers to also obtain an EFIN. Each EFIN is uniquely associated with a specific address (e.g., tax return preparation business address). An EFIN application includes the identification of the person or persons responsible for all tax returns that originate from the address associated with the EFIN. An EFIN application also includes the names of individuals who are authorized to act on behalf of the tax return preparation business in legal or tax matters.

54. Mr. Saint-Hilaire has electronically filed customers' tax returns using different EFINs either assigned to one of his businesses or to someone working with him.

55. For example, tax returns that Mr. Saint-Hilaire e-filed in 2019 used EFINs assigned to AYS Realty & Financial Services and AYS.

56. Tax returns that Mr. Saint-Hilaire e-filed in 2020 used EFINs assigned to AYS Realty & Financial Services.

57. Tax returns that Mr. Saint-Hilaire e-filed in 2021 used EFINs assigned to RB Tax Services, AYS, and AYS Realty & Financial Services.

58. Tax returns that Mr. Saint-Hilaire e-filed in 2022 used EFINs assigned to RB Tax Services, Divine Tax Services, Pelancia Victor, and another accounting firm.

59. Tax returns that Mr. Saint-Hilaire e-filed in 2023 used EFINs assigned to another accounting firm and to Pelancia Victor.

60. The purpose of Mr. Saint-Hilaire's flagrant misuse of preparer identifiers—PTINs, EINs, and EFINs—is to deceive the IRS and make it more difficult to discover his wrongdoings.

Previous IRS Investigations of Mr. Saint-Hilaire's Misconduct

61. Between April 2012 and June 2022, the IRS received complaints about Mr. Saint-Hilaire's return preparation practices from 13 of his customers.

62. The customers complained that Mr. Saint-Hilaire charged them a higher fee for preparation than they agreed to pay, failed to follow through on representation they paid for, fraudulently reported self-employment income as Form W-2 employment income, advised customers to fraudulently report deductions they did not qualify for, and filed their tax returns without their consent.

63. Customers also complained that Mr. Saint-Hilaire reported false information on their tax returns. For example, one customer complained that her tax return wrongly reported her filing status as Head of Household while she was married. She also told the IRS that Mr. Saint-Hilaire reported college expenses for her three-year old child. Another customer reported that Mr. Saint-Hilaire reported fictitious residential energy credits and fuel tax credits on her tax return.

64. In November 2013, the IRS mailed Mr. Saint-Hilaire a letter to alert him that many of the tax returns that he prepared claiming the Earned Income Tax Credit ("EITC") were found to contain errors that resulted in significant changes to his customers' returns.

65. Mr. Saint-Hilaire received a second letter with this warning in October 2014.

66. In 2015, Mr. Saint-Hilaire was the subject of an IRS investigation for allegedly preparing tax returns with inflated or fictious Schedule A deductions, Schedule C businesses, and Education Credits.

67. As part of that investigation, the IRS audited tax returns for 375 of Mr. Saint-Hilaire's customers. Of those audits, 339 found deficiencies, meaning that the return claimed a smaller tax liability than the customer actually owed. The 339 returns had an average deficiency of $4,521 and a total deficiency of $1,695,513.

68. As a result of that investigation, in 2017, the IRS asserted a total of $45,000 in return preparer penalties against Mr. Saint-Hilaire under I.R.C. § 6694(a) for understating his customers' 2013 and 2014 tax liabilities due to an unreasonable position.

69. In March 2017, the IRS issued a new letter to Mr. Saint-Hilaire advising him that he had been preparing tax returns using an expired PTIN and a PTIN that belongs to another person.

70. In 2018, the IRS conducted an EITC Due Diligence visit to determine whether Mr. Saint-Hilaire was following the due diligence requirements of the I.R.C. and its regulations.

71. As a result of that Due Diligence visit, the IRS asserted $75,990 of return preparer penalties against Mr. Saint-Hilaire under I.R.C. § 6695(g) for failing to comply with EITC due diligence requirements.

72. In total, as shown in the chart below, the IRS has assessed penalties of more than $143,000 against Mr. Saint-Hilaire for his misconduct as a return preparer.

Penalty Provisions	**Tax Year**	**Date Assessed**	**Penalty Amount**
I.R.C. § 6694(a) I.R.C. § 6694(b)	2013	06/29/2015	$5,000.00
		08/08/2016	$2,369.01
		02/13/2017	$19,000.00
I.R.C. § 6694(a)	2014	08/08/2016	$11,688.25
		02/13/2017	$26,000.00
I.R.C. § 6695(g)	2017	09/10/2018	$75,990.00
		05/30/2022	$3,462.18
		Total	$143,509.44

73. Mr. Saint-Hilaire has not stopped or corrected his improper return preparation practices as a result of the assessed penalties.

Mr. Saint-Hilaire's Schemes

74. Despite charging their customers hundreds of dollars for his services, Mr. Saint-Hilaire prepares returns that claim fraudulent deductions and credits to purposely underreport the tax his customers owe and claim refunds they are not entitled to receive. Examples of Mr. Saint-Hilaire's fraudulent schemes are described below. The Complaint refers to each customer by a number, *e.g.*, Customer 1, *etc.* A Customer Key, which identifies each customer by name and SSN, will be served on Mr. Saint-Hilaire with this complaint.

Mr. Saint-Hilaire Prepares Tax Returns with False or Inflated Schedule A Deductions

75. Mr. Saint-Hilaire often understates his customers' tax liabilities by overstating or fabricating deductions claimed on Schedule A - Itemized Deductions, filed with the Form 1040 income tax returns they prepare for customers.

76. Schedule A is used by individuals to claim itemized deductions for charitable giving, professional fees and expenses, healthcare costs, job-related costs, and other unreimbursed expenses. Claiming false or inflated deductions allows a fraudulent tax preparer to underreport the customer's taxable income and reduce the tax liability reported on the customer's tax return. In many cases, the reduction in tax leads to bogus and fraudulent refund claims.

77. Mr. Saint-Hilaire often prepares and files tax returns with fabricated or overstated Schedule A deductions that are not commensurate with the customer's reported income.

78. For instance, in calendar year 2023, Mr. Saint-Hilaire filed at least 50 income tax returns in which he claimed itemized deductions greater than the customer's total income for the year.

79. One of the ways that Mr. Saint-Hilaire understates his customers' tax liabilities is by fabricating or overstating charitable contributions claimed on Schedule A of the tax returns they prepare.

80. Taxpayers who make qualifying charitable contributions are entitled to deduct them on Schedule A.

81. Taxpayers can deduct qualifying cash and non-cash charitable contributions. However, non-cash contributions valued at more than $5,000 generally must be supported by an appraisal of the donated property.

82. As illustrated in the table below, for tax years 2021 and 2022, Mr. Saint-Hilaire claimed more than $65,455 in false or inflated deductions.

Customer	Tax Year	Deduction Type	False or Inflated Deduction Amount
Customer 2	2021	Charitable	$20,590
Customer 2	2022	Charitable	$25,645
Customer 3	2022	Medical	$14,343
Customer 4	2022	Charitable	$4,877
		Total	**$65,455**

83. None of the customers in the table above qualified for the deductions claimed on their tax returns. Representative examples of this scheme include:

a. Mr. Saint-Hilaire reported $20,590 in charitable contributions on a Schedule A that he included with the 2021 tax return he prepared for Customer 2. Customer 2 did not make these charitable contributions in 2021 and did not tell Mr. Saint-Hilaire that he did.

b. Mr. Saint-Hilaire reported $25,645 in charitable contributions on a Schedule A that he included with the 2022 tax return he prepared for

Customer 2. Customer 2 did not make these charitable contributions in 2022 and did not tell Mr. Saint-Hilaire that he did.

c. Mr. Saint-Hilaire claimed $14,343 in medical and dental expenses on the 2022 tax return for Customer 3. But Customer 3 did not have these expenses, did not tell Mr. Saint-Hilaire that he did, and did not provide any documents showing that he did.

d. Mr. Saint-Hilaire reported $4,877 in cash contributions on a Schedule A that he included with the 2022 tax return for Customer 4. Customer 4 did not make any charitable contributions in 2022 and did not tell Mr. Saint-Hilaire that he did.

84. These examples are just a small sample of the times that Mr. Saint-Hilaire reported fraudulent Schedule A deductions on his customers' returns.

Mr. Saint-Hilaire Prepares Tax Returns with False or Inflated Unreimbursed Employee Business Expenses

85. Until tax year 2018, taxpayers with W-2 income who itemized their deductions on Schedule A could deduct ordinary and necessary unreimbursed employee business expenses ("UEBE").

86. Deductible expenses include the cost of miles driven for work. However, taxpayers are not allowed to deduct the cost for miles they commute between work and home.

87. Starting with the 2018 tax year, most taxpayers are no longer permitted to deduct UEBE. Under limited circumstances, UEBE can be claimed on Schedule 1 of Form 1040. Schedule 1, in turn refers to Form 2106, which instructs taxpayers and return preparers in bold letters that it is "**for use only by Armed Forces reservists, qualified performing artists, fee-basis state or local government officials, and employees with impairment-related work**

expenses." Taxpayers who do not fall into these extremely limited categories are categorically ineligible to claim UEBE.

88. Nevertheless, Mr. Saint-Hilaire claims bogus UEBE deductions for customers who are categorically ineligible for UEBE deductions.

89. As part of his scheme, Mr. Saint-Hilaire often claims mileage reimbursement for tens of thousands of miles reportedly driven by his customers. In reality, his customers do not drive the miles claimed on their returns and usually only drive short distances to and from work.

90. As illustrated in the table below, Mr. Saint-Hilaire claimed more than $305,710 in improper UEBE for tax years 2021 and 2022 alone.

Customer	Tax Year	Miles Claimed	Ineligible Expenses
Customer 1	2022	39,225	$23,034
Customer 2	2021	13,583	$15,482
Customer 2	2022	0	$3,139
Customer 3	2022	39,839	$19,474
Customer 4	2022	38,398	$15,596
Customer 5	2021	26,257	$7,912
Customer 5	2022	39,356	$11,833
Customer 6	2022	39,488	$12,983
Customer 7	2021	28,278	$15,803
Customer 8 Customer 9	2021	29,998	$11,839
Customer 8 Customer 9	2022	49,877	$17,222
Customer 11	2021	37,367	$9,955
Customer 11	2022	47,367	$10,071
Customer 12 Customer 13	2021	36,544 39,277	$14,406 $20,267
Customer 12 Customer 13	2022	38,398 43,545	$14,417 $19,599
Customer 14	2021	34,356	$12,263
Customer 14	2022	39,474	$16,489
Customer 15	2021	28,278	$10,581
Customer 15	2022	39,212	$8,535
Customer 16	2021	0	$1,753
Customer 16	2022	35,556	$13,057
	Totals	**763,673**	**$305,710**

91. None of the customers in the table above were eligible to deduct UEBE and none of the customers had the mileage or other expenses claimed on their returns. Representative examples of this scheme include:

a. Mr. Saint-Hilaire claimed a deduction for $23,034 in UEBE on the 2022 tax return for Customer 1, which included a purported 39,225 miles driven and $7,051 in "business expenses." Customer 1 worked as a furniture salesman, finance person, and customer service representative in 2022; he did not qualify to deduct UEBE. Even if he did, he only drove about 15 miles to and from work, which are non-deductible commuting expenses.

b. Mr. Saint-Hilaire claimed a deduction for $15,482 in UEBE on the 2021 tax return for Customer 2, which included a purported 13,583 miles driven and $1,899 in "business expenses." Customer 2 worked as a hotel waiter in 2021; he did not qualify to deduct UEBE. Even if he did, Customer 2 only had nondeductible commuting expenses. Customer 2 did not discuss these expenses with Mr. Saint-Hilaire.

c. Mr. Saint-Hilaire claimed a deduction for $3,139 in UEBE on the 2022 tax return for Customer 2, which included a purported 2,000 in transportation costs and $1,899 in "business expenses." Customer 2 worked as a hotel waiter in 2022; he did not qualify to deduct UEBE. Even if he did, Customer 2 only had non-deductible commuting expenses. Customer 2 did not discuss these expenses with Mr. Saint-Hilaire.

d. Mr. Saint-Hilaire claimed a deduction for $19,474 in UEBE on the 2022 tax return for Customer 3, which included a purported 39,839 miles driven and

$6,360 in "business expenses." Customer 3 is a W-2 employee for U.S. Customs and Border Protection; he is not a fee-basis government official and did not otherwise qualify to deduct UEBE. Even if he did, Customer 3 did not report any business expenses or car mileage to Mr. Saint-Hilaire.

e. Mr. Saint-Hilaire claimed a deduction for $15,596 in UEBE on the 2022 tax return for Customer 4, which included a purported 38,398 miles driven and $5,049 in "business expenses." Customer 4 does not qualify to deduct UEBE, nor does he have a business. Even if he did qualify, Customer 4 only drove 25 miles to and from work, which are non-deductible commuting expenses. Customer 4 told this to Mr. Saint-Hilaire.

f. Mr. Saint-Hilaire claimed a deduction for $7,912 in UEBE on the 2021 tax return for Customer 5 and a deduction for $11,833 in UEBE on the 2022 tax return for Customer 5. These deductions were based on $7,360 in vehicle expenses in 2021 and $11,501 in vehicle expenses in 2022. For these years, Customer 5 was a storage worker at Amazon; he did not qualify to deduct UEBE. Even if he did, Customer 5 told Mr. Saint-Hilaire that he only spent $40 to $50 in gas each week, which is a non-deductible commuting expense.

g. Mr. Saint-Hilaire claimed a deduction for $12,983 in UEBE on the 2022 tax return for Customer 6, which included a purported 39,488 miles driven. Customer 6 works in a restaurant kitchen, does not have a business, and does not qualify to deduct UEBE. Customer 6 did not tell Mr. Saint-Hilaire that he drove 39,488 miles to and from the restaurant, which is a non-deductible commuting expense.

h. Mr. Saint-Hilaire claimed a deduction for $15,803 in UEBE on the 2021 tax return for Customer 7, which included a purported 28,278 miles driven and $7,877 in other transportation costs. Customer 7 worked as a landscaper in 2021; he did not qualify to deduct UEBE. Customer 7 did not tell Mr. Saint-Hilaire that he drove 28,278 miles in 2021. In fact, Customer 7 only had a car for a portion of 2021.

i. Mr. Saint-Hilaire prepared joint returns for Customers 8 and 9 for tax years 2021 and 2022. In tax year 2021, Mr. Saint-Hilaire claimed a deduction for $11,839 in UEBE for Customer 8, which included a purported 29,998 miles driven. In tax year 2022, Mr. Saint-Hilaire claimed a deduction for $17,222 in UEBE for Customer 8, which included a purported 49,877 miles driven. Customer 8 worked as a restaurant server in 2021 and 2022; he did not qualify to deduct UEBE. Even if he did, Customer 8 only had non-deductible commuting expenses.

j. Mr. Saint-Hilaire claimed a deduction for $9,955 in UEBE on the 2021 tax return for Customer 11 and a deduction for $10,071 in UEBE on the 2022 tax return for Customer 11. These deductions were based primarily on 37,367 miles purportedly driven in 2021 and 47,367 miles purportedly driven in 2022. Customer 11 works in security as a W-2 employee; he does not qualify to deduct UEBE.

k. Mr. Saint-Hilaire prepared joint returns for Customers 12 and 13 for tax years 2021 and 2022. In tax year 2021, Mr. Saint-Hilaire claimed a deduction of $14,406 in UEBE for Customer 12 and a deduction of $20,267 in UEBE for

Customer 13. In tax year 2022, Mr. Saint-Hilaire claimed a deduction of $14,417 in UEBE for Customer 12 and a deduction of $19,599 in UEBE for Customer 13. Each of these deductions was based primarily on tens of thousands of miles driven by each taxpayer. Customer 12 is a respiratory therapist; he does not qualify to deduct UEBE. Customer 13 is a nurse; she does not qualify to deduct UEBE. Even if they did qualify, Customers 12 and 13 did not provide Mr. Saint-Hilaire with the mileage numbers claimed on their return. Customers 12 and 13 only had non-deductible commuting expenses.

l. Mr. Saint-Hilaire claimed a deduction for $12,263 in UEBE on the 2021 tax return for Customer 14 and a deduction for $16,489 in UEBE on the 2022 tax return for Customer 14. These deductions were based on 34,356 miles purportedly driven in 2021 and 39,474 miles purportedly driven in 2022, as well as thousands of dollars in other transportation costs and "business expenses." Customer 14 is a corrections officer; he does not qualify to deduct UEBE. Even if he did, the only expenses he discussed with Mr. Saint-Hilaire were non-deductible commuting expenses and non-deductible dry-cleaning expenses.

m. Mr. Saint-Hilaire claimed a deduction for $10,581 in UEBE on the 2021 tax return for Customer 15 and a deduction for $8,535 in UEBE on the 2022 tax return for Customer 15. These deductions were based on 28,278 miles purportedly driven in 2021 and 39,212 miles purportedly driven in 2022, as well as thousands of dollars in transportation costs and "business expenses."

Customer 15 is a corrections officer; she does not qualify to deduct UEBE. Even if she did, Customer 15 only had non-deductible commuting expenses.

n. Mr. Saint-Hilaire claimed a deduction for $1,753 in UEBE on the 2021 tax return for Customer 16 and a deduction for $13,057 in UEBE on the 2022 tax return for Customer 16. These deductions were based on 35,556 miles purportedly driven in 2022, as well as thousands of other transportation costs and "business expenses." Customer 16 works in the kitchen at a restaurant; he does not qualify to deduct UEBE. Even if he did, he did not give Mr. Saint-Hilaire the expenses that are claimed on his returns.

92. These examples are just a small sample of the times that Mr. Saint-Hilaire reported bogus UEBE on returns for customers that are ineligible to claim them.

93. As shown in the chart below, Mr. Saint-Hilaire claims tens of millions of dollars in UEBE each year.

Calendar Year	Returns	Returns Claiming UEBE	Total UEBE Claimed
2021	2,303	1,332 (58%)	$19,698,680
2022	2,107	1,278 (61%)	$16,311,863
2023	2,239	1,259 (56%)	$18,462,290
Total	**6,649**	**3,869 (58%)**	**$54,472,833**

94. Mr. Saint-Hilaire prepares tax returns claiming UEBE at an abnormally high rate when compared to state and national averages. In both 2021 and 2022, less than 0.5% of tax returns, in Florida and nationwide, claimed UEBE. However, Mr. Saint-Hilaire claimed UEBE on 58–61% of the returns he prepared in those years.

Mr. Saint-Hilaire Prepares Tax Returns with Fictitious Business Losses Reported on Schedule C

95. Individual taxpayers who are self-employed report the business's income and expenses on a Schedule C, Profit or Loss From Business (Sole Proprietorship), that is filed as part of the taxpayer's Form 1040. The net figure reported on a Schedule C, whether a profit or a loss, is a component of the taxpayer's adjusted gross income ("AGI").

96. Mr. Saint-Hilaire understates his customers' AGI by fabricating or inflating losses claimed on a Schedule C filed with the returns. Often, Mr. Saint-Hilaire will include a Schedule C on returns for customers he knows do not own or operate a business. This fraudulently reduces the amount of taxable income the customers report and thus the amount of tax they report they owe. The reduction in tax also leads to claims for bogus tax credits and fraudulent refund claims.

97. Mr. Saint-Hilaire frequently invents or overstates losses in order to fraudulently reduce taxable income. In all instances in the table below, Mr. Saint-Hilaire either created a fictional business or claimed business losses the customer did not incur. As reflected in the table, Mr. Saint-Hilaire claimed more than $45,933 in false or inflated losses in tax years 2021 and 2022 alone.

Customer	Tax Year	False or Inflated Losses
Customer 6	2022	$11,315
Customer 7	2022	$11,928
Customer 10	2021	$7,815
Customer 11	2022	$14,875
	Total	**$45,933**

98. None of the customers in the table above incurred the losses reported on their returns. Representative examples of this scheme include:

a. Mr. Saint-Hilaire claimed a business loss of $11,315 on a Schedule C that he included with the 2022 tax return for Customer 6. Customer 6 was a regular wage earner and did not operate a business in 2022. He did not tell Mr. Saint-Hilaire that he did.

b. Mr. Saint-Hilaire claimed a business loss of $11,928 on a Schedule C that he included with the 2022 tax return for Customer 7. Although Customer 7 had some expenses related to his self-employment, he did not have the expenses that Mr. Saint-Hilaire claimed on his return and he did not tell Mr. Saint-Hilaire that he did.

c. Mr. Saint-Hilaire claimed a business loss of $7,815 on a Schedule C that he included with the 2021 tax return for Customer 10 and claimed a business loss of $14,875 on a Schedule C that he included with the 2022 tax return for Customer 10. Customer 10 drives for Uber and provided Mr. Saint-Hilaire with his earnings statements but does not know how Mr. Saint-Hilaire calculated the disproportionate expenses claimed. Mr. Saint-Hilaire claimed thousands of dollars in expenses, repairs, depreciation, and other expenses, but Customer 10 did not provide those inflated expenses to Mr. Saint-Hilaire For tax year 2022, Mr. Saint-Hilaire claimed depreciation on a vehicle that Customer 10 did not own during that tax year.

99. In addition to reducing taxable income, Mr. Saint-Hilaire's Schedule C Scheme often results in customers receiving a greater EITC than they are entitled to obtain.

100. The EITC is a benefit for working taxpayers with low to moderate income. The amount of EITC for which taxpayers may qualify depends upon several factors, including the

taxpayer's filing status, number of dependents, and amount of "earned income." The amount of the EITC increases in relation to the taxpayer's "earned income" to a certain threshold. Then the amount of the credit decreases as income rises until the taxpayer becomes ineligible to claim the credit.

101. Through his Schedule C scheme, Mr. Saint-Hilaire lowers customers' earned income, which results in increased EITCs for some customers and, in other cases, results in customers receiving the EITC despite being otherwise ineligible. For example:

a. Customer 6 was ineligible for the EITC in 2022 based on his earned income of $49,435. However, because Mr. Saint-Hilaire fraudulently claimed an ineligible dependent for Customer 6 and claimed $11,315 in fake business losses, Mr. Saint-Hilaire put Customer 6 below the income limit of $43,492 and fraudulently claimed $858 in EITC.

b. Customer 10 was ineligible for the EITC in 2022 based on his earned income of $57,108. However, because Mr. Saint-Hilaire claimed $14,875 in inflated business losses, Mr. Saint-Hilaire put Customer 10 below the income limit of $43,492 and fraudulently claimed $202 in EITC.

102. These examples are just a small sample of the times that Mr. Saint-Hilaire reported false or inflated Schedule C losses on his customers' returns.

103. As shown in the table below, Mr. Saint-Hilaire prepares hundreds of tax returns with Schedules C each year. On these returns, he claims hundreds of thousands of dollars, sometimes over a million, in losses each year.

Calendar Year	Returns	Returns with Schedules C	Total Profit/Loss Claimed
2021	2,303	778 (34%)	($1,496,005)
2022	2,107	637 (30%)	($704,315)
2023	2,239	721 (32%)	($3,005,714)
Total	**6,649**	**2,136 (32%)**	**($5,206,034)**

104. Mr. Saint-Hilaire prepares tax returns with a Schedule C at an abnormally high rate when compared to state and national averages. In 2021, fewer than 23% of tax returns in Florida, and less than 15% of tax returns nationwide, included a Schedule C. In 2022, fewer than 24% of tax returns in Florida, and fewer than 19% of tax returns nationwide, included a Schedule C. However, Mr. Saint-Hilaire filed a Schedule C with 30–34% of returns he filed in 2021 and 2022.

Mr. Saint-Hilaire Prepares Tax Returns Claiming False Residential Energy Credits

105. The Internal Revenue Code provides a non-refundable tax credit to taxpayers who make certain energy efficient improvements to their home. This credit is reported on a Form 5695 attached to a taxpayer's income tax return.

106. A taxpayer can receive the residential energy credit by purchasing certain clean energy property, such as solar equipment, wind turbines, and geothermal heat pumps. If a taxpayer makes such a purchase, they can reduce their taxable income by a percentage of the equipment costs.

107. Mr. Saint-Hilaire regularly prepares IRS Form 5695 "Residential Energy Credits" for customers who do not qualify for the credit.

108. In all instances in the table below, Mr. Saint-Hilaire invented clean energy property costs to claim bogus residential energy credits on his customers' returns. As reflected in the table, Mr. Saint-Hilaire claimed more than $83,124 in fraudulent residential energy credits for customers in tax years 2021 and 2022 alone.

Customer	Tax Year	Bogus Credits
Customer 1	2022	$1,364
Customer 2	2021	$3,324
Customer 2	2022	$6,805
Customer 3	2022	$5,190
Customer 4	2022	$3,756
Customer 5	2021	$2,059
Customer 5	2022	$1,458
Customer 6	2021	$3,146
Customer 7	2021	$2,126
Customer 7	2022	$2,048
Customer 8 Customer 9	2021	$3,970
Customer 8 Customer 9	2022	$2,909
Customer 10	2022	$246
Customer 11	2021	$4,325
Customer 11	2022	$4,124
Customer 12 Customer 13	2021	$5,220
Customer 12 Customer 13	2022	$10,257
Customer 14	2021	$4,778
Customer 14	2022	$4,058
Customer 15	2021	$4,477
Customer 15	2022	$2,764
Customer 16	2021	$2,354
Customer 16	2022	$2,366
	Total	**$83,124**

109. None of the customers in the table above were eligible for a Residential Energy Credit. Representative examples of this scheme include:

a. Mr. Saint-Hilaire claimed a $1,364 residential energy credit based on $4,545 in qualified small wind energy property costs and qualified biomass fuel property costs on Customer 1's 2022 tax return. Customer 1 did not incur any of these expenses and did not tell Mr. Saint-Hilaire that he did. In fact, Customer 1 did not own a home in 2022.

b. Mr. Saint-Hilaire claimed a $3,324 residential energy credit based on $12,784 in qualified small wind energy property costs, qualified geothermal heat pump property costs, and qualified biomass fuel property costs on Customer 2's 2021 tax return. Customer 2 did not incur any of these expenses and did not tell Mr. Saint-Hilaire that he did. In fact, Customer 2 did not own a home in 2021.

c. Mr. Saint-Hilaire claimed a $6,805 residential energy credit based on $22,682 in qualified small wind energy property costs, qualified geothermal heat pump property costs, and qualified biomass fuel property costs on Customer 2's 2022 tax return. Customer 2 did not incur any of these expenses and did not tell Mr. Saint-Hilaire that he did. In fact, Customer 2 did not own a home in 2022.

d. Mr. Saint-Hilaire claimed a $5,190 residential energy credit based on $17,301 in qualified solar water heating property costs, qualified small wind energy property costs, qualified geothermal heat pump property costs, and qualified biomass fuel property costs on Customer 3's 2022 tax return. Customer 3 did not incur any of these costs. When Mr. Saint-Hilaire asked about residential energy credits, Customer 3 told Mr. Saint-Hilaire that he did not have any qualifying expenses.

e. Mr. Saint-Hilaire claimed a $3,756 residential energy credit based on $12,519 in qualified solar water hearing property costs, qualified small wind energy property costs, qualified geothermal heat pump property costs, and qualified biomass fuel property costs on Customer 4's 2022 tax return. Customer 4 did not incur any of these expenses and did not tell Mr. Saint-Hilaire that he did.

f. Mr. Saint-Hilaire claimed a $2,059 residential energy credit on Customer 5's 2021 tax return and a $1,458 residential energy credit on Customer 5's 2022 tax return. These credits were based on thousands of qualified small wind energy property costs, qualified geothermal heat pump property costs, and qualified biomass fuel property costs. Customer 5 did not incur any of these expenses and did not tell Mr. Saint-Hilaire that he did. In fact, Customer 5 does not own his house.

g. Mr. Saint-Hilaire claimed a $3,146 residential energy credit on Customer 6's 2021 tax return based on $3,223 in qualified small wind energy property costs and qualified biomass fuel property costs. Customer 6 did not incur any of these expenses and did not tell Mr. Saint-Hilaire that he did. In fact, Customer 6 does not own his house.

h. Mr. Saint-Hilaire claimed a $2,126 residential energy credit on Customer 7's 2021 tax return and a $2,048 residential energy credit on Customer 7's 2022 tax return. These credits were based on thousands of qualified solar water hearing property costs, qualified small wind energy property costs, qualified geothermal heat pump property costs, and qualified biomass fuel property costs. Customer 7 did not incur any of these costs and did not tell Mr. Saint-Hilaire that he did. In fact, Customer 7 does not own his house.

i. Mr. Saint-Hilaire prepared joint returns for Customer 8 and Customer 9 for tax years 2021 and 2022. For tax year 2021, Mr. Saint-Hilaire claimed a

$3,970 residential energy credit for Customer 8. For tax year 2022, Mr. Saint-Hilaire claimed a $2,909 residential energy credit for Customer 8. These credits were based on thousands of qualified solar water heating property costs, qualified small wind energy property costs, qualified geothermal heat pump property costs, and qualified biomass fuel property costs. Customer 8 did not incur any of these costs in 2021 or 2022 and did not discuss any such costs with Mr. Saint-Hilaire. In fact, Customer 8 does not own his house.

j. Mr. Saint-Hilaire claimed a $246 residential energy credit on Customer 10's 2022 tax return based on $4,748 in qualified small wind energy property costs, qualified geothermal heat pump property costs, and qualified biomass fuel property costs. Customer 10 did not discuss any of these costs with Mr. Saint-Hilaire. Customer 10 only added insulation and a fence to his home in 2022, which are not eligible for the residential energy credit.

k. Mr. Saint-Hilaire claimed a $4,325 residential energy credit on Customer 11's 2021 tax return and a $4,124 residential energy credit on Customer 11's 2022 tax return. These credits were based on more than $15,000 in qualified solar water heating property costs, qualified small wind energy property costs, qualified geothermal heat pump property costs, and qualified biomass fuel property costs in each year. Customer 11 did not incur these costs and did not tell Mr. Saint-Hilaire that he did. In 2021, Customer 11 only repainted his home. In 2022, Customer 11 purchased an air conditioner and water heater, but both were electric powered. Neither the painting nor the purchases were eligible for the residential energy credit.

l. Mr. Saint-Hilaire prepared joint returns for Customers 12 and 13 for tax years 2021 and 2022. For tax year 2021, Mr. Saint-Hilaire claimed a $5,220 residential energy credit for Customer 12. For tax year 2022, Mr. Saint-Hilaire claimed a $10,257 residential energy credit for Customer 12. These credits were based on $20,077 and $34,190, for tax years 2021 and 2022, respectively, in qualified solar water hearing property costs, qualified small wind energy property costs, qualified geothermal heat pump property costs, and qualified biomass fuel property costs. Customer 12 did not incur any of these expenses and did not tell Mr. Saint-Hilaire that he did.

m. Mr. Saint-Hilaire claimed a $4,778 residential energy credit on Customer 14's 2021 tax return and a $4,058 residential energy credit on Customer 14's 2022 tax return. These credits were based on more than $10,000, each year, in qualified solar water hearing property costs, qualified small wind energy property costs, and qualified biomass fuel property costs. Customer 14 did not incur any of these expenses and did not tell Mr. Saint-Hilaire that he did.

n. Mr. Saint-Hilaire claimed a $4,477 residential energy credit on Customer 15's 2021 tax return and a $2,764 residential energy credit on Customer 15's 2022 tax return. These credits were based on thousands of dollars of qualified solar water hearing property costs, qualified small wind energy property costs, and qualified biomass fuel property costs. Customer 15 did not incur any of these expenses and did not tell Mr. Saint-Hilaire that she did.

o. Mr. Saint-Hilaire claimed a $2,354 residential energy credit on Customer 16's 2021 tax return and a $2,366 residential energy credit on Customer 16's 2022 tax return. These credits were based on $13,056 and $4,277, for tax years 2021 and 2022, respectively, in qualified solar water hearing property costs, qualified small wind energy property costs, and qualified biomass fuel property costs. Customer 16 did not incur any of these expenses and did not tell Mr. Saint-Hilaire that he did.

110. These examples are just a small sample of the times that Mr. Saint-Hilaire claimed bogus residential energy credits on his customers' returns.

111. As shown in the table below, Mr. Saint-Hilaire prepares hundreds of tax returns claiming residential energy credits each year. On these returns, he claims millions of dollars in residential energy credits each year.

Calendar Year	Returns	Returns Claiming REC	Total REC Claimed
2021	2,303	699 (30%)	$1,275,642
2022	2,107	918 (44%)	$2,069,237
2023	2,239	1,013 (45%)	$2,869,738
Total	**6,649**	**2,630 (40%)**	**$6,214,617**

112. Mr. Saint-Hilaire prepares tax returns claiming residential energy credits at an abnormally high rate when compared to state and national averages. In 2021 and 2022, approximately 2% of tax returns, in Florida and nationwide, claimed residential energy credits. However, Mr. Saint-Hilaire claimed a residential energy credit on 30–45% of the returns he prepared those years.

Mr. Saint-Hilaire Prepares Tax Returns Claiming Fraudulent Refundable Fuel Credits

113. The Internal Revenue Code provides a refundable fuel tax credit to taxpayers who operate farm equipment or other off-highway business vehicles. This credit is reported on a Form 4136 attached to a taxpayer's income tax return.

114. To qualify for the fuel credit, the equipment or vehicles using the fuel must not be registered for highway use. The fuel tax credit does not apply to passenger cars or other vehicles that are registered or required to be registered to drive on public highways.

115. Mr. Saint-Hilaire regularly prepares IRS Form 4136 "Credit for Federal Tax Paid on Fuels" for customers who did not have qualifying fuel purchases.

116. In all instances in the table below, Mr. Saint-Hilaire invented off-highway fuel purchases to claim bogus fuel tax credits on his customers' returns. As reflected in the table, Mr. Saint-Hilaire claimed more than $3,949 in fraudulent fuel tax credits for tax years 2021 and 2022 alone.

Customer	Tax Year	Bogus Credits
Customer 1	2022	$406
Customer 5	2021	$480
Customer 5	2022	$480
Customer 6	2021	$457
Customer 6	2022	$444
Customer 7	2021	$405
Customer 7	2022	$405
Customer 16	2021	$445
Customer 16	2022	$427
	Total	**$3,949**

117. None of the customers in the table above were eligible for a Fuel Tax Credit. Representative examples of this scheme include:

a. Mr. Saint-Hilaire claimed a $406 fuel tax credit based on 2,220 gallons of fuel reported for off-highway business purposes. Customer 1 did not purchase 2,220 gallons of fuel for off-highway business purposes and did not tell Mr. Saint-Hilaire that he did.

b. Mr. Saint-Hilaire claimed a $480 fuel tax credit on the 2021 and 2022 tax returns for Customer 5. These credits were based on 2,220 gallons of fuel reported for off-highway business purposes in each year. Customer 5 did not purchase 2,220 gallons of fuel for off-highway business purposes in 2021 or 2022 and did not tell Mr. Saint-Hilaire that he did.

c. Mr. Saint-Hilaire claimed a $457 fuel tax credit on the 2021 tax return for Customer 6 and a $444 fuel tax credit on the 2022 tax return for Customer 6. These credits were based on 2,490 gallons of fuel reported for off-highway business purposes in 2021 and 2,425 gallons of fuel reported for off-highway business purposes in 2022. Customer 6 does not have a business and did not purchase any fuel for off-highway business purposes in 2021 or 2022. Customer 6 did not tell Mr. Saint-Hilaire that he did.

d. Mr. Saint-Hilaire claimed a $405 fuel tax credit on the 2021 and 2022 tax returns for Customer 7. These credits were based on 2,211 gallons of fuel reported for off-highway business purposes in each year. Customer 7 did not purchase 2,211 gallons of fuel for off-highway business purposes in 2021 or 2022 and did not tell Mr. Saint-Hilaire that he did. In fact, Customer 7 told Mr. Saint-Hilaire that he did not purchase any gas because he did not have a car.

e. Mr. Saint-Hilaire claimed a $445 fuel tax credit on the 2021 tax return for Customer 16 and a $427 fuel tax credit on the 2022 tax return for Customer 16. These credits were based on 2,433 gallons of fuel reported for off-highway business purposes in 2021 and 2,333 gallons of fuel reported for off-highway business purposes in 2022. Customer 16 did not purchase any fuel for off-highway business purposes in 2021 or 2022 and did not tell Mr. Saint-Hilaire that he did.

118. These examples are just a small sample of the times that Mr. Saint-Hilaire claimed bogus fuel tax credits on his customers' returns.

119. As shown in the table below, Mr. Saint-Hilaire prepares thousands of tax returns claiming fuel tax credits each year. On these returns, he claims approximately half a million dollars in fuel tax credits each year.

Calendar Year	Returns	Returns Claiming FTC	Total FTC Claimed
2021	2,303	1,259 (55%)	$574,122
2022	2,107	1,030 (49%)	$459,714
2023	2,239	1,227 (55%)	$550,092
Total	**6,649**	**3,516 (53%)**	**$1,583,928**

120. Mr. Saint-Hilaire prepares tax returns claiming fuel tax credits at an abnormally high rate when compared to state and national averages. In 2021 and 2022, fewer than 0.7% of tax returns in Florida, and fewer than 0.2% of tax returns nationwide, claimed fuel tax credits. However, Mr. Saint-Hilaire claimed fuel tax credits on 49–55% of the returns he filed in those years.

Mr. Saint-Hilaire Prepares Tax Returns Claiming Fictitious Health Savings Account Deductions

121. Taxpayers may claim a tax deduction for contributions they make to a health savings account ("HSA"). The amount of the deduction is generally the amount a taxpayer contributes to the HSA, subject to a cap.

122. An HSA is a specific, tax-advantaged account in which interest or other earnings on the assets in the account are tax free. Distributions for qualified medical expenses may also be tax free.

123. To be eligible to make contributions to an HSA, a taxpayer must be covered under a high deductible health plan ("HDHP"). An HDHP is a specific health insurance plan that has a higher annual deductible than typical health plans.

124. Eligible taxpayers can claim a deduction for contributions to an HSA on IRS Form 8889 "Health Savings Accounts (HSAs)."

125. Mr. Saint-Hilaire regularly prepares Forms 8889 for customers who are not eligible for such a deduction.

126. In all instances in the table below, Mr. Saint-Hilaire fabricated HSA contributions to claim deductions that his customers were not entitled to. As reflected in the table, Mr. Saint-Hilaire claimed more than $103,386 in bogus HSA deductions in tax years 2021 and 2022 alone.

Customer	Tax Year	Bogus Deduction
Customer 1	2022	$3,650
Customer 3	2022	$6,662
Customer 5	2021	$6,511
Customer 5	2022	$3,650
Customer 6	2021	$5,400
Customer 7	2021	$3,600
Customer 7	2022	$3,650
Customer 8 Customer 9	2021	$6,600
Customer 8 Customer 9	2022	$7,300
Customer 10	2021	$969
Customer 10	2022	$6,522
Customer 11	2021	$3,600
Customer 11	2022	$3,650
Customer 12 Customer 13	2021	$7,200
Customer 12 Customer 13	2022	$7,300
Customer 14	2021	$7,200
Customer 14	2022	$3,650
Customer 15	2022	$7,300
Customer 16	2021	$4,322
Customer 16	2022	$4,650
	Total	**$103,386**

127. None of the customers in the table above qualified for the deductions reported on their returns. Representative examples of this scheme include:

a. Mr. Saint-Hilaire claimed a deduction for $7,444 in contributions to an HSA on Customer 1's 2022 tax return. Customer 1 has health insurance through his work, but Customer 1 did not set up an HSA. Customer 1 did not tell Mr. Saint-Hilaire that he had a HDHP or an HSA.

b. Mr. Saint-Hilaire claimed a deduction for $6,662 in contributions to an HSA on Customer 3's 2022 tax return. Customer 3 did not make any contributions to an HSA in 2022 and did not tell Mr. Saint-Hilaire that he did.

c. Mr. Saint-Hilaire claimed a deduction for $6,511 in contributions to an HSA on Customer 5's 2021 tax return and $5,434 in contributions to an HSA on Customer 5's 2022 tax return. Customer 5 did not make any contributions to an HSA in 2021 or 2022 and did not tell Mr. Saint-Hilaire that he did.

d. Mr. Saint-Hilaire claimed a deduction for $5,400 in contributions to an HSA on Customer 6's 2021 tax return. Customer 6 did not tell Mr. Saint-Hilaire that he had a HDHP or an HSA.

e. Mr. Saint-Hilaire claimed a deduction for $6,777 in contributions to an HSA on Customer 7's 2021 tax return and $5,687 in contributions to an HSA on Customer 7's 2022 tax return. Customer 7 did not have an HSA in 2021 or 2022 and did not make any contributions to one, nor did Customer 7 tell Mr. Saint-Hilaire that he did.

f. Mr. Saint-Hilaire prepared joint returns for Customers 8 and 9 for tax years 2021 and 2022. For tax year 2021, Mr. Saint-Hilaire claimed a deduction for

$6,600 in contributions to an HSA by Customer 8. For tax year 2022, Mr. Saint-Hilaire claimed a deduction for $8,714 in contributions to an HSA by Customer 8. Customer 8 did not have an HDHP or an HSA in 2021 or 2022 and did not tell Mr. Saint-Hilaire that he did.

g. Mr. Saint-Hilaire claimed $969 in contributions to an HSA on Customer 10's 2021 tax return and $6,522 in contributions to an HSA on Customer 10's 2022 tax return. Customer 10 had health insurance through work that was not an HDHP. Customer 10 did not tell Mr. Saint-Hilaire that he contributed to an HSA.

h. Mr. Saint-Hilaire claimed $7,633 in contributions to an HSA on Customer 11's 2021 tax return and $7,612 in contributions to an HSA on Customer 11's 2022 tax return. Customer 11 did not make any contributions to an HSA in 2021 or 2022 and did not tell Mr. Saint-Hilaire that he did.

i. Mr. Saint-Hilaire prepared joint returns for Customers 12 and 13 for tax years 2021 and 2022. For tax year 2021, Mr. Saint-Hilaire claimed a deduction for $8,711 in contributions to an HSA by Customer 12. For tax year 2022, Mr. Saint-Hilaire claimed a deduction for $12,132 in contributions to an HSA by Customer 12. Mr. Saint-Hilaire did not ask Customer 12 about contributions to an HSA and Customer 12 did not tell Mr. Saint-Hilaire that he made the contributions reported on his tax return.

j. Mr. Saint-Hilaire claimed $8,723 in contributions to an HSA on Customer 14's 2021 tax return and $8,252 in contributions to an HSA on Customer 14's

2022 tax return. Customer 14 did not contribute to an HSA in 2021 or 2022 and did not tell Mr. Saint-Hilaire that he did.

k. Mr. Saint-Hilaire claimed $7,669 in contributions to an HSA on Customer 15's 2022 tax return. Customer 15 did not contribute to an HSA in 2022 and did not tell Mr. Saint-Hilaire that she did.

l. Mr. Saint-Hilaire claimed $4,322 in contributions to an HSA on Customer 16's 2021 tax return and $7,444 in contributions to an HSA on Customer 16's 2022 tax return. Customer 16 did not contribute to an HSA in 2021 or 2022 and did not tell Mr. Saint-Hilaire that he did.

128. These examples are just a small sample of the times that Mr. Saint-Hilaire claimed false HSA deductions on his customers' returns.

129. As shown in the table below, Mr. Saint-Hilaire prepares hundreds, sometimes thousands, of tax returns claiming HSA deductions each year. On these returns, he claims millions of dollars in HSA deductions each year.

Calendar Year	Returns	Returns Claiming HSA	Total HSA Deductions Claimed
2021	2,303	34 (1.5%)	$59,570
2022	2,107	955 (45%)	$4,495,283
2023	2,239	1,128 (50%)	$5,336,339
Total	**6,649**	**2,117 (32%)**	**$9,891,192**

130. Mr. Saint-Hilaire prepares tax returns claiming HSA deductions at an abnormally high rate when compared to state and national averages. In 2021 and 2022, fewer than 1.5% of tax returns, in Florida and nationwide, claimed HSA deductions. Mr. Saint-Hilaire followed that average in 2021. However, in 2022, Mr. Saint-Hilaire claimed HSA deductions on 45% of the returns he prepared.

Mr. Saint-Hilaire Prepares Tax Returns Claiming Other Fraudulent Schemes: Incorrect Filing Status, Improper Child and Dependent Credits, Bogus Education Credits, etc.

131. A taxpayer's filing status is generally determined from marital status. For example, married taxpayers must usually file as either "married filing jointly" or "married filing separately."

132. Filing status can have a significant effect on a taxpayer's total liability. For example, "married filing separately" generally results in a higher tax rate than "married filing jointly."

133. Taxpayers who are unmarried, or considered unmarried, with a qualified dependent may also file as "head of household." This filing status usually results in lower tax rates than "single" or "married filing separately" and allows a higher standard deduction.

134. Mr. Saint-Hilaire often inappropriately manipulates the filing status of his customers to claim tax rates, deductions, and credits that they are not otherwise entitled to. For example:

a. Mr. Saint-Hilaire claimed Customer 6's daughter as a dependent on Customer 6's 2021 and 2022 tax returns. However, Customer 6 told Mr. Saint-Hilaire that his daughter lives with her mother, meaning that Customer 6 cannot claim his daughter as a dependent. This intentional error allowed Mr. Saint-Hilaire to inappropriately claim Head of Household filing status on Customer 6's 2022 tax return.

b. Customers 14 and 15 are married. They go together to have Mr. Saint-Hilaire prepare their tax returns. Even though Mr. Saint-Hilaire knows they are married, he prepared a 2021 tax return for Customer 14 improperly claiming a filing status of Single and a prepared a 2021 tax return for Customer 15 improperly claiming a filing status of Head of Household. For tax year 2022, Mr. Saint-Hilaire prepared tax returns for Customers 14 and 15 with both returns improperly claiming Head of Household.

c. Customer 16 is married. Even though Mr. Saint-Hilaire knew this, Mr. Saint-Hilaire prepared Customer 16's 2021 and 2022 tax returns improperly claiming a filing status of Single.

135. In addition to reporting ineligible dependents on customers' tax returns to manipulate their filing status, Mr. Saint-Hilaire also falsely reports those dependents in order to claim child and dependent credits for customers who are ineligible to do so.

136. The child tax credit and the additional child tax credit are both available to taxpayers with qualifying children. If a taxpayer pays someone else to care for their qualifying child while the taxpayer works, the taxpayer may also be eligible to claim the child and dependent care credit.

137. For example, the ineligible dependent that Mr. Saint-Hilaire falsely claimed on Customer 6's 2021 and 2022 tax returns allowed him to improperly claim a $1,500 refundable child tax credit on both tax returns that Customer 6 was not entitled to.

138. Mr. Saint-Hilaire claimed a $3,000 child care credit on Customer 6's 2021 and 2022 tax returns, based on reported child care expenses of $6,000 and $4,590, respectively. Customer 6 did not pay child care expenses in either tax year and did not tell Mr. Saint-Hilaire that he paid these expenses.

139. These examples are just a small sample of the times that Mr. Saint-Hilaire fraudulently manipulated his customers' filing statuses and child and dependent credits.

140. Mr. Saint-Hilaire also claims bogus education expenses and falsely claims both nonrefundable and refundable education credits, including the American Opportunity Tax Credit, on customers' federal income tax returns. Unlike many tax credits, a refundable tax credit entitles qualifying taxpayers to receive refunds even if they have no tax liability.

141. To qualify for an education credit, the taxpayer must pay qualified education expenses to an eligible educational institution for an eligible student listed on the taxpayer's tax return (including their spouse or dependent). Educational institutions use an IRS Form 1098-T to transmit to students and the IRS the amount of the tuition and qualified education expenses billed and the amount of any scholarships or grants provided to the student.

142. Eligible taxpayers can claim a deduction for education credits on IRS Form 8863 "Education Credits (American Opportunity and Lifetime Learning Credits)."

143. For returns that claim the American Opportunity Credit, tax preparers are required to complete IRS Form 8867 "Paid Preparer's Due Diligence Checklist." That checklist asks the tax preparer if the customer provided the IRS Form 1098-T or other documentation to substantiate that the customer qualifies for the refundable credit. The checklist is attached to the customer's federal tax return for filing.

144. Mr. Saint-Hilaire claims false education credits on the tax returns of customers without confirming their eligibility to do so in order to generate a larger bogus refund.

145. For example, Mr. Saint-Hilaire claimed a $1,000 refundable educational credit and a $1,500 nonrefundable education credit on the joint 2021 tax return of Customers 8 and 9. On the Form 8863 attached to the 2021 tax return, Mr. Saint-Hilaire reported that Customer 9 was enrolled at least half-time at an eligible education institution and that she spent $4,000 on qualified education expenses. Similarly, Mr. Saint-Hilaire claimed a refundable tax credit of

$1,200 and a nonrefundable education credit of $1,800 on the 2022 tax return of Customers 8 and 9. The Form 8863 attached to the 2022 tax return reported that Customer 9 spent $4,000 on qualified education expenses at an eligible education institution. It also claimed that Customer 8 spent $500 on qualified education expenses at an eligible education institution. However, Customers 8 and 9 merely told Mr. Saint-Hilaire that they took classes during 2021 and 2022. They did not provide any documents to show that they met the enrollment requirement, that the school was an eligible education institution, that they spent $4,000 on education expenses, or that such expenses qualified for the credit. Mr. Saint-Hilaire thus generated an inflated tax refund of $12,713 for 2021 and an inflated tax refund of $13,650 for 2022, which Customers 8 and 9 were not entitled to.

146. Although Customers 8 and 9 did not provide Mr. Saint-Hilaire any paperwork to substantiate purported eligible education expenses for tax years 2021 or 2022, the IRS Form 8867 filed with both tax years reported that substantiation was provided.

147. As shown in the table below, Mr. Saint-Hilaire prepares hundreds of tax returns claiming refundable education credits. On these returns, he claims thousands of dollars in refundable education credits each year.

Calendar Year	Returns	Returns Claiming Refundable Education Credits	Total Refundable Education Credits Claimed
2021	2,303	455 (20%)	$470,635
2022	2,107	350 (17%)	$362,760
2023	2,239	424 (19%)	$428,543
Total	**6,649**	**1,229 (18%)**	**$1,261,938**

148. Mr. Saint-Hilaire may use additional schemes that the United States has yet to detect, in part because he actively masks his involvement in order to deceive the government and make detection more difficult.

Mr. Saint-Hilaire Masks His Involvement in These Schemes

149. Section 6109 of the Internal Revenue Code requires a tax return preparer to identify themself with their assigned PTIN on all returns they prepare. Failure to do so subjects a tax return preparer to penalty under Section 6695(c).

150. Section 6695(b) of the Internal Revenue Code also subjects tax return preparers to penalty for failing to sign a return they prepare. *See also* Treas. Reg. § 1.6695-1(b).

151. As discussed in paragraphs 34 through 60, above, Mr. Saint-Hilaire regularly engages in conduct subject to penalty under I.R.C. §§ 6695(b) and 6695(c) by preparing and filing tax returns that do not accurately identify him as the return preparer.

152. Mr. Saint-Hilaire prepared each of the returns listed in the table below. However, as illustrated, Mr. Saint-Hilaire did not properly identify himself, by name or PTIN, on any return.

Customer	Tax Year	Preparer's Name	PTIN
Customer 1	2022	Rools	PXXXX3937
Customer 2	2021	Rools	PXXXX3937
Customer 2	2022	Rools	PXXXX3937
Customer 3	2022	A	PXXXX1793
Customer 4	2022	A	PXXXX1793
Customer 5	2021	Rools	PXXXX3937
Customer 5	2022	A	PXXXX1793
Customer 6	2021	Rools	PXXXX3937
Customer 6	2022	Pelancia Victor	PXXXX1793
Customer 7	2021	Rools	PXXXX3937
Customer 7	2022	A	PXXXX1793
Customer 8 Customer 9	2021	Rools	PXXXX3937
Customer 8 Customer 9	2022	Rools	PXXXX3937
Customer 10	2021	Rools	PXXXX3937
Customer 10	2022	A	PXXXX1793
Customer 11	2021	Rools	PXXXX3937
Customer 11	2022	Rools	PXXXX3937
Customer 12 Customer 13	2021	Rools	PXXXX3937

Customer 12 Customer 13	2022	Rools	PXXXX3937
Customer 14	2021	Rools	PXXXX3937
Customer 14	2022	Rools	PXXXX3937
Customer 15	2021	Rools	PXXXX3937
Customer 15	2022	Rools	PXXXX3937
Customer 16	2021	Rools	PXXXX3937
Customer 16	2022	Rools	PXXXX3937

153. These examples are just a small sample of the times that Mr. Saint-Hilaire failed to identify himself on the returns he prepared.

154. In 2023, Mr. Saint-Hilaire prepared and filed 936 returns with the return preparer identified as "Rools" or "Pelancia Victor." However, in 2023, Rools Bordes did not prepare any returns. Mr. Saint-Hilaire claimed that Pelancia Victor "did not prepare many returns."

155. In 2023, Mr. Saint-Hilaire prepared another 1,088 returns with the return preparer identified only with the letter "A."

156. Mr. Saint-Hilaire's intentional concealment of his identity makes it difficult for the IRS to identify the returns Mr. Saint-Hilaire prepares and to quantify the associated harm.

<u>Harm Caused by Mr. Saint-Hilaire's Actions</u>

157. Through the schemes and other conduct described above, Mr. Saint-Hilaire has engaged in a pattern of understating customers' taxes and overstating their refunds or credits, which results in the loss of federal tax revenue.

158. In many instances, Mr. Saint-Hilaire's fraudulent understatement of his customers' taxable income and overstatement of his customers' refunds and credits caused the United States to issue refunds that the customers were not entitled to receive.

159. In addition to lost tax revenue, the United States must bear the substantial cost of examining tax returns Mr. Saint-Hilaire has prepared and collecting the understated liabilities from his customers.

160. Mr. Saint-Hilaire's illegal conduct also harms honest tax return preparers because, by preparing tax returns that unlawfully inflate their customers' refunds, Mr. Saint-Hilaire gains a competitive advantage over tax return preparers who prepare returns in accordance with the law. Customers who are satisfied with the tax refunds they receive, but are often unaware of Mr. Saint-Hilaire's illegal return preparation practices, return to Mr. Saint-Hilaire for subsequent tax seasons.

161. Mr. Saint-Hilaire's actions also undermine confidence in the federal income tax system. Mr. Saint-Hilaire's customers trust—and pay—him to prepare honest tax returns. Mr. Saint-Hilaire betrays that trust and harm his customers, who could potentially be required to pay tax deficiencies, interest, and penalties resulting from Mr. Saint-Hilaire's conduct.

162. Mr. Saint-Hilaire also encourages noncompliance with the internal revenue laws by failing to confirm with customers that their tax returns honestly and accurately reflect information they provided. Similarly, Mr. Saint-Hilaire's fraudulent use of the EITC undermines public confidence in a statutory credit meant to encourage low-income workers with young children to maintain employment.

163. Mr. Saint-Hilaire's pattern of concealing his tax preparation activities makes it difficult to determine the exact number of returns or the extent of the harm to the United States.

164. As shown in the table below, the limited number of returns prepared by Mr. Saint-Hilaire described in this complaint resulted in $187,706 in underreported tax, or more than $7,500 per return, on average.

Customer	**Tax Year**	**Refund or Liability Claimed**	**Correct Refund or Liability**	**Tax Harm**
Customer 1	2022	($5,947)	($887)	$5,060
Customer 2	2022	($12,996)	($4,749)	$8,247
Customer 2	2022	($15,487)	($3,746)	$11,741
Customer 3	2022	($6,197)	$4,766	$10,963

Customer 4	2022	($7,758)	($198)	$7,560
Customer 5	2021	($3,134)	$1,135	$4,269
Customer 5	2022	($2,712)	$1,085	$3,797
Customer 6	2021	($7,964)	($2,213)	$5,751
Customer 6	2022	($6,204)	$835	$7,039
Customer 7	2021	($3,913)	$1,385	$5,298
Customer 7	2022	($2,288)	$2,490	$4,778
Customer 8 Customer 9	2021	($12,713)	($5,532)	$7,181
Customer 8 Customer 9	2022	($13,650)	($4,734)	$8,916
Customer 10	2021	($10,439)	($7,255)	$3,184
Customer 10	2022	($8,253)	($4,208)	$4,045
Customer 11	2021	($2,919)	$4,613	$7,532
Customer 11	2022	($4,343)	$2,460	$6,803
Customer 12 Customer 13	2021	($19,026)	($7,168)	$11,858
Customer 12 Customer 13	2022	($26,119)	($5,946)	$20,173
Customer 14	2021	($12,801)	($4,422)	$8,379
Customer 14	2022	($9,146)	$2,389	$11,535
Customer 15	2021	($14,052)	($7,374)	$6,678
Customer 15	2022	($13,532)	($5,056)	$8,476
Customer 16	2021	($5,204)	($1,676)	$3,528
Customer 16	2022	($4,832)	$83	$4,915
	Totals	**($231,629)**	**($43,923)**	**$187,706**

165. Considering that Mr. Saint-Hilaire prepares more than approximately 2,200 tax returns each year, and each tax return underreports the customer's tax liability by approximately $7,500, on average, Mr. Saint-Hilaire's fraud could cost the United States an average of $16.5 million *every year*.

COUNT I: INJUNCTION UNDER I.R.C. § 7407
FOR CONDUCT SUBJECT TO PENALTY UNDER I.R.C. §§ 6694 and 6695

166. The United States realleges paragraphs 1 through 165.

167. Section 7407 of the Internal Revenue Code authorizes a district court to enjoin a person who is a tax return preparer from engaging in certain conduct or from further acting as a tax return preparer. The prohibited conduct justifying an injunction includes:

a. Engaging in conduct subject to penalty under I.R.C. § 6694(a), which penalizes a tax return preparer who prepares a return that contains an understatement of tax liability or an overstatement of a refund or credit due to an unreasonable position that the preparer knew or should have known was unreasonable;

b. Engaging in conduct subject to penalty under I.R.C. § 6694(b), which penalizes a tax return preparer who prepares a return that contains an understatement of tax liability or an overstatement of a refund due to willful or reckless conduct;

c. Engaging in conduct subject to penalty under I.R.C. §§ 6695(b) and 6695(c), which penalize a tax return preparer who fails to properly sign and identify himself or herself as the paid preparer.

d. Engaging in conduct subject to penalty under I.R.C. § 6695(g), which penalizes a tax return preparer who does not exercise due diligence in determining eligibility for earned income tax credits; and

e. Engaging in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of the internal revenue laws.

168. To issue an injunction, the court must find (1) that the preparer engaged in the prohibited conduct and (2) that injunctive relief is appropriate to prevent the recurrence of the conduct.

169. If a tax return preparer's conduct is continual or repeated and the court finds that a narrower injunction would not be sufficient to prevent the preparer's interference with the proper

administration of the internal revenue laws, the court may permanently enjoin the person from acting as a tax return preparer. *See* I.R.C. § 7407(b).

170. Mr. Saint-Hilaire has continually and repeatedly engaged in conduct subject to penalty under I.R.C. § 6694 by preparing returns that understate his customers' tax liabilities and overstate their refunds and credits. As described above, Mr. Saint-Hilaire prepares returns that claim deductions for expenses not incurred by their customers and credits to which the taxpayers are not entitled. Mr. Saint-Hilaire does so with the knowledge that the positions he takes on tax returns are unreasonable and lack substantial authority. Mr. Saint-Hilaire thus engages in conduct subject to penalty under I.R.C. § 6694(a).

171. Additionally, Mr. Saint-Hilaire engages in conduct subject to penalty under I.R.C. § 6694(b) by willfully understating customers' liabilities and acting with a reckless and intentional disregard of rules and regulations.

172. Mr. Saint-Hilaire has also engaged in conduct subject to penalty under I.R.C. §§ 6695(b) and 6695(c) by failing to properly identify himself as the preparer on tax returns he prepares.

173. Mr. Saint-Hilaire has also engaged in conduct subject to penalty under I.R.C. § 6695(g) by repeatedly failing to exercise due diligence in determining the eligibility of his customers to claim the EITC.

174. Mr. Saint-Hilaire's conduct substantially interferes with the administration of the internal revenue laws. Injunctive relief is necessary to prevent this misconduct because, absent an injunction, Mr. Saint-Hilaire is likely to continue preparing false federal income tax returns. Indeed, the IRS has assessed multiple penalties against Mr. Saint-Hilaire for his understatement of his clients' liabilities and his failure to exercise due diligence in determining his customers'

eligibility to claim the EITC. Mr. Saint-Hilaire received numerous other warnings regarding his problematic return preparation practices. The warnings and penalties had no effect on Mr. Saint-Hilaire's practices, and Mr. Saint-Hilaire continues to prepare tax returns that understate his client's liabilities and claim false or inflated EITCs.

175. A narrower injunction would be insufficient to prevent Mr. Saint-Hilaire's interference with the administration of the internal revenue laws. Mr. Saint-Hilaire prepares tax returns understating his customers' liabilities through multiple schemes that report false information on their customers' tax returns. In addition, the IRS may not yet have identified all of the schemes used by Mr. Saint-Hilaire to understate liabilities and to overstate refunds and credits. Without a permanent injunction against Mr. Saint-Hilaire, the IRS will be required to spend additional resources to uncover all of his future schemes. The harm resulting from these schemes includes both the expenditure of these resources and the revenue loss caused by the improper deductions and credits Mr. Saint-Hilaire claims on tax returns he prepares. Accordingly, only a permanent injunction is sufficient to prevent future harm caused by Mr. Saint-Hilaire acting as a tax return preparer.

COUNT II: INJUNCTION UNDER I.R.C. § 7408
FOR CONDUCT SUBJECT TO PENALTY UNDER I.R.C. § 6701

176. The United States realleges paragraphs 1 through 165.

177. Section 7408 of the Internal Revenue Code authorizes a district court to enjoin any person from engaging in conduct subject to penalty under I.R.C. § 6701.

178. Section 6701 of the Internal Revenue Code penalizes a person who aids or assists in the preparation of tax returns that the person knows will result in an understatement of tax liability.

179. Mr. Saint-Hilaire engages in conduct subject to penalty under I.R.C. § 6701 by knowingly and willfully preparing, aiding, or assisting in the preparation of income tax returns that claim credits and deductions that he knows to be improper, false, or inflated.

180. If the Court does not enjoin Mr. Saint-Hilaire, he is likely to continue engaging in conduct subject to penalty under I.R.C. § 6701. The preparation and filing of tax returns claiming improper credits and deductions is widespread over many customers and tax years. Injunctive relief is appropriate under I.R.C. § 7408 to prevent recurrence of this conduct.

COUNT III: INJUNCTION UNDER I.R.C. § 7402 FOR UNLAWFUL INTERFERENCE WITH THE ENFORCEMENT OF INTERNAL REVENUE LAWS

181. The United States realleges paragraphs 1 through 165.

182. Section 7402(a) of the Internal Revenue Code authorizes a court to issue orders of injunction as may be necessary or appropriate for the enforcement of the internal revenue laws.

183. Mr. Saint-Hilaire repeatedly and continually engages in conduct that interferes substantially with the administration and enforcement of the internal revenue laws.

184. If Mr. Saint-Hilaire continues to act as a tax return preparer, his conduct will result in irreparable harm to the United States, and the United States has no adequate remedy at law.

185. Mr. Saint-Hilaire's conduct has caused, and will continue to cause, substantial tax losses to the United States Treasury, much of which may be undiscovered and unrecoverable. The IRS will have to devote substantial and unrecoverable time and resources auditing customers individually to detect understated liabilities and overstated refund claims, unless the Court enjoins Mr. Saint-Hilaire's activities.

186. The detection and audit of erroneous tax credits and deductions claimed on tax returns prepared by Mr. Saint-Hilaire would be a significant burden on IRS resources.

187. Injunctive relief is appropriate because any harm to Mr. Saint-Hilaire caused by an injunction preventing him from continuing his illegal schemes is substantially outweighed by the harm he causes to the United States and to the public. Further, an injunction stopping Mr. Saint-Hilaire's illegal activity is in the public interest.

COUNT IV: DISGORGEMENT UNDER I.R.C. § 7402(a)

188. The United States realleges paragraphs 1 through 165.

189. Section 7402 of the Internal Revenue Code authorizes a district court to issue orders, judgments, and decrees as may be necessary or appropriate for the enforcement of the internal revenue laws.

190. Mr. Saint-Hilaire's conduct substantially interferes with the enforcement of the internal revenue laws and causes the United States to issue tax refunds to individuals not entitled to receive them. Mr. Saint-Hilaire has unjustly profited at the expense of the United States by subtracting his fees from those refunds.

191. Mr. Saint-Hilaire is not entitled to these ill-gotten gains.

192. But for Mr. Saint-Hilaire's conduct, these bogus refunds would not have been issued.

193. Using its broad authority under I.R.C. § 7402(a), the Court should enter an order requiring Mr. Saint-Hilaire to disgorge to the United States the receipts (in the form of fees earned by engaging in false or fraudulent conduct) for preparing federal tax returns that make false or fraudulent claims.

RELIEF REQUESTED

The United States respectfully requests that the Court:

A. Find that Mr. Saint-Hilaire has repeatedly and continually engaged in conduct subject to penalty under I.R.C. §§ 6694 and 6695, injunctive relief is appropriate under I.R.C.

§ 7407 to prevent recurrence of that conduct, and a narrower injunction would not be sufficient to prevent the recurrence of Mr. Saint-Hilaire's conduct;

B. Find that Mr. Saint-Hilaire has repeatedly and continually engaged in conduct subject to penalty under I.R.C. § 6701 and that injunctive relief is appropriate under I.R.C. § 7408 to prevent recurrence of that conduct;

C. Find that Mr. Saint-Hilaire has repeatedly and continually engaged in conduct that substantially interferes with the proper enforcement and administration of the internal revenue laws and that injunctive relief is appropriate under I.R.C. § 7402(a) and this Court's equitable authority to prevent recurrence of that conduct;

D. Enter a permanent injunction prohibiting Mr. Saint-Hilaire, and any other person or entity working in concert or participation with him, from directly or indirectly:

1. Preparing, assisting in the preparation of, or directing the preparation of federal tax returns, amended returns, or other tax-related documents and forms, including any electronically submitted tax returns or tax-related documents, for any entity or person other than himself;
2. Filing, assisting in the filing of, or directing the filing of federal tax returns, amended returns, or other tax-related documents or forms, including any electronically submitted tax returns or tax-related documents, for any entity or person other than himself;
3. Using a false or fictitious EIN, TIN, PTIN, EFIN, SSN, or any other federally issued identification number to file or remit federal tax returns;

4. Using an EFIN, EIN, TIN, PTIN, SSN, or any other federally issued identification number that belongs to another to file or remit federal tax returns;

5. Allowing others the use of an EFIN, EIN, TIN, PTIN, or any other federally issued identification number to prepare or file federal tax returns;

6. Using, maintaining, renewing, obtaining, transferring, selling, or assigning any PTIN or EFIN;

7. Owning, managing, assisting, working for, profiting from, or volunteering for any individual, business, or entity that prepares or assists in the preparation of tax returns, amended returns, or other tax-related documents or forms, including any electronically submitted tax returns or tax-related documents;

8. Transferring, selling, or assigning their customer lists and/or other customer information;

9. Engaging in activity subject to penalty under I.R.C. §§ 6694, 6695, or 6701; and

10. Engaging in conduct that substantially interferes with the proper administration and enforcement of tax laws.

E. Enter an injunction requiring Mr. Saint-Hilaire, at his own expense, to:

1. Send by certified mail, return receipt requested, a copy of the final injunction entered against Mr. Saint-Hilaire in this action, as well as a copy of the Complaint setting forth the allegations as to how Mr. Saint-Hilaire fraudulently prepared federal tax returns, to each person for whom Mr. Saint-

Hilaire prepared federal tax returns or any other federal tax forms after January 1, 2020, within 30 days of entry of the final injunction in this action;

2. Turn over to the United States copies of all returns and claims for refund that Mr. Saint-Hilaire prepared after January 1, 2020;
3. Provide the United States a list of the names, Social Security numbers, addresses, phone numbers, and email addresses of each person for whom Mr. Saint-Hilaire prepared tax returns, other tax forms, or claims for refund after January 1, 2020, within 30 days of entry of the final injunction in this action;
4. Prominently post, within 10 days of entry of the final injunction in this action, in Mr. Saint-Hilaire's place of business where he prepared tax returns: a statement that he has been enjoined from the preparation of tax returns.
5. Post for two years, on all social media accounts and websites Mr. Saint-Hilaire used to advertise his tax preparation services: a statement that he has been enjoined from the preparation of tax returns, a copy of the injunction, and a hyperlink to any press release regarding the injunction that the Department of Justice may issue;
6. Deliver a copy of the injunction to any employees, contractors and vendors of Mr. Saint-Hilaire, if any, within 30 days of entry of the final injunction in this action;
7. File a sworn statement with the Court evidencing Mr. Saint-Hilaire's compliance with the foregoing directives within 45 days of entry of the final injunction in this action; and

8. Keep records of Mr. Saint-Hilaire's compliance with the foregoing directives, which may be produced to the Court, if requested, or the United States pursuant to paragraph F, below;

F. Enter an order allowing the United States to monitor Mr. Saint-Hilaire's compliance with the injunction and to engage in post-judgment discovery in accordance with the Federal Rules of Civil Procedure;

G. Order, without further proceedings, the immediate revocation of any and all PTINs and EFINs held by, assigned to, or used by Mr. Saint-Hilaire issued under I.R.C. § 6109;

H. After a period of discovery to determine an appropriate amount of disgorgement, order Mr. Saint-Hilaire to disgorge his ill-gotten gains to the United States;

I. Retain jurisdiction over Mr. Saint-Hilaire and this action to enforce any permanent injunction entered; and

J. Award the United States its costs incurred in connection with this action, along with such other relief as justice requires.

Dated: February 27, 2024

Respectfully Submitted,

David A. Hubbert
Deputy Assistant Attorney General

Jeremy A. Rill
Jeremy A. Rill
Special Bar No. A5502675
Fla. Bar No. 124485
Elizabeth A. Kirby
Elizabeth A. Kirby
Special Bar No. A5503178
Trial Attorneys, Tax Division
U.S. Department of Justice
P.O. Box 14198
Washington, D.C. 20044
Telephone: 202-307-0513 (Rill)
Telephone: 202-305-8656 (Kirby)
Facsimile: 202-514-4963
Jeremy.A.Rill@usdoj.gov
Elizabeth.A.Kirby@usdoj.gov

Attorneys for the United States

Of Counsel:

Markenzy Lapointe
United States Attorney
Southern District of Florida