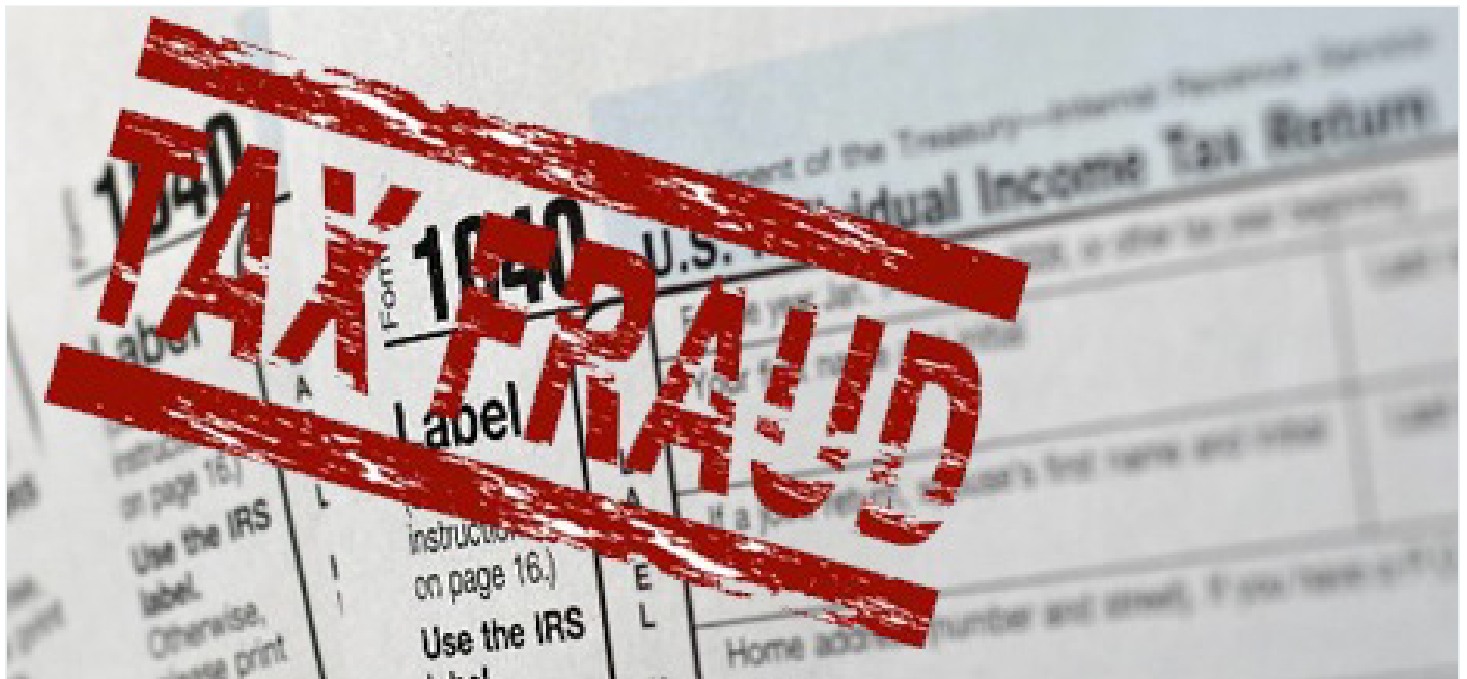


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leave a taxpayer open to liability for unpaid taxes, penalties and interest.

Isaac M. O'Bannon • Apr. 11, 2024



The Justice Department is advising taxpayers to choose their return preparers wisely as the April 15 federal tax filing deadline approaches. Unscrupulous preparers who include errors or false information on a tax return could leave a taxpayer open to liability for unpaid taxes, penalties and interest.

“Taxpayers must look out for unscrupulous preparers, who often will promise refunds that are too good to be true,” said Deputy Assistant Attorney General David A. Hubbert of the Justice Department’s Tax Division. “If your tax preparer asks you to sign a blank return, refuses to sign your return as your preparer or fails to give you a copy of your return, consult the IRS’s website to make sure that you are not exposing yourself to trouble. Taxpayers are responsible for the information on their tax return, so it is important to choose a tax professional that you trust to prepare your returns correctly.”

“Tax preparers contemplating filing false returns for their customers should know

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penalties or disgorgement of ill-gotten proceeds. The Justice Department's message has been clear: those who prepare fraudulent returns will face serious and lasting consequences.

Examples of civil injunctions obtained by the Tax Division over the last and current filing seasons include:

- On March 2, 2023, a federal district court in the Southern District of Florida permanently **barred** Rudy Aly, Rhonda Hudge, Cindy Odige and TUPS Tax LLC from preparing tax returns for others or owning or operating a tax preparation business. The court also ordered Aly to disgorge approximately \$400,000 in proceeds he received from preparing tax returns from 2018 to 2020. The court ordered Hudge to pay about \$15,000 and Odige and TUPS Tax to pay \$48,000 based on their settlement agreements with the United States.
- On May 17, 2023, a federal district court in the Eastern District of New York permanently **barred** Melida Portorreal individually and through her business, International Travel Multi & Tax Corp., from preparing returns for others and from owning or operating a tax return preparation business in the future. The government alleged that Portorreal prepared tax returns claiming fabricated business income and expenses, as well as various false tax deductions and false non-deductible expenses for her customers to receive the earned income tax credit and the child tax credit. The government estimated that Portorreal's actions caused losses to the United States exceeding \$3 million over a three-year period.
- On Sept. 1, 2023, a federal court in the Southern District of Texas permanently **enjoined** a Galveston-area tax preparer Johnathan Perry, doing business as X-Pert Taxes, from preparing tax returns or assisting or directing the preparation or filing of tax returns. The complaint says that Perry, over a six-year period, prepared over 4,000 tax returns that greatly overstated his customers' tax refunds by claiming fictitious business income and expenses, fabricated household help income and

fake education credits or fuel tax credits to which his customers were not entitled.

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that Jeffrey Cadet violated a permanent injunction entered against him in August 2019 that barred him from acting as a federal tax return preparer or requesting, assisting in or directing the preparation or filing of federal tax returns for others. To remedy his contempt, the court ordered Cadet to disgorge \$24,410 in ill-gotten fees he received for conduct violating the injunction and ordered him to pay the United States about \$7,400 in reimbursement for the attorneys' fees incurred in investigating and litigating his post-injunction conduct.

- On May 11, 2023, a federal court for the Southern District of Texas permanently **barred** Houston-area tax return preparer Hollins Ray Alexander from preparing tax returns for others and from owning, operating or franchising any tax return preparation business in the future. The terms of injunction required Alexander to send notices of the injunction to each person for whom he prepared tax returns and to post the injunction in places he conducts business, including social media accounts and websites. Finally, the court ordered Alexander to pay \$165,940 to the United States in illicitly obtained tax preparation fees.
- On July 11, 2023, federal court in the Southern District of Florida **found** Rose M. Chazulle in contempt for violating the injunction that bars her from preparing tax returns. The court found that Chazulle continued to prepare tax returns despite the court's order entered in 2016 prohibiting her from doing so by using the personal tax identification numbers (PTIN) assigned to her daughter and brother-in-law and electronic filing identification numbers (EFINs) associated with their businesses. As a contempt sanction, the court ordered Chazulle to disgorge \$48,100 in tax preparation fees she earned in violation of the injunction.

Criminal convictions against fraudulent preparers obtained by the Tax Division since the 2023 filing season began include:

- In February 2023, Thanh Ngoc Rudin and Seir Havana of California were **sentenced** to 34 months and 42 months in prison, respectively, for their role in a

conspiracy to prepare and file false tax returns for professional athletes. Both were

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James Wells and Christopher Randell were also ordered to pay \$423,917 in restitution to the United States.

- In November 2023, Adam Earnest, Christopher Randell and James Klish, return preparers in Jackson, Mississippi, were [found](#) guilty for their role in conspiring to file thousands of false income tax returns on behalf of customers of the tax return preparation business where they worked. For their conduct, Earnest was [sentenced](#) to more than eight years, Klish more than four years, and Wells to 15 months in prison for their role in a conspiracy to prepare and file false tax returns for their customers.
- In December 2023, Ronald Eugene Watson, a Maryland return preparer, was [sentenced](#) to over two years in prison for filing false returns for clients. He was also ordered to pay \$268,634 in restitution to the United States.

The Tax Division reminds taxpayers that the IRS has information, tips and [reminders](#) on its site for choosing a tax preparer carefully ([Choosing a Tax Professional](#) and [How to Choose a Tax Return Preparer](#)) and has launched a [free directory](#) of credentialed federal tax preparers. The IRS also offers taxpayers [tips](#)

to protect their identities and wallets when filing their taxes.

In addition, [IRS Free File](#), a public-private partnership, offers free online tax preparation and filing options on IRS partner websites for individuals whose adjusted gross income is under \$79,000. For individuals whose income is over that threshold, IRS Free File offers electronic federal tax forms that can be filled out and filed online for free. The IRS has [tips](#)

on how seniors and individuals with low to moderate income can get other help or guidance on tax return preparation, too.

In the past decade, the Justice Department's Tax Division has obtained civil injunctions and criminal convictions against hundreds of unscrupulous tax

preparers. Information about these cases is available on the Justice Department's

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