

COOPY

IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF OHIO

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CLERK OF COURT
U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO

UNITED STATES)
)
 Plaintiff,)
)
 v.)
)
 JOSEPH FLICKINGER,)
 individually and dba)
 AMERICAN FINANCIAL and)
 UNITED AMERICAN WORKFORCE,)
)
 and)
)
 EDWARD FLICKINGER, individually)
 and dba FLICKINGER ENTERPRISES--)
 TAX LAW SPECIALISTS and UNITED)
 AMERICAN WORKFORCE,)
)
 Defendants.)

Civil No. 1:05CV2868

JUDGE ADAMS
MAG. JUDGE GALLAS

Complaint and Request for Injunctive Relief

This is a civil action brought by the United States to permanently enjoin Joseph Flickinger, individually and dba American Financial and United American Workforce, from preparing federal income tax returns for others and from promoting fraudulent tax-evasion schemes, and to permanently enjoin Edward Flickinger, individually and dba Flickinger Enterprises--Tax Law Specialists and United American Workforce, from promoting fraudulent tax-evasion schemes.

Jurisdiction and Venue

1. Jurisdiction is conferred on this Court by 28 U.S.C. §§ 1340 and 1345 and 26 U.S.C. §§ 7401, 7402(a), 7407, and 7408.



2. This suit is brought to enjoin Joseph Flickinger from:

- a. engaging in activity subject to penalty under 26 U.S.C. § 6694, including understating customers' liabilities;
- b. engaging in activity subject to penalty under 26 U.S.C. § 6695, including failing to sign federal income tax returns he prepares;
- c. engaging in activity subject to penalty under 26 U.S.C. § 6700, including organizing or selling a plan or arrangement and, in connection with that activity, making a statement regarding the excludibility of income or the securing of any other tax benefit that he knows or has reason to know is false or fraudulent as to any material matter;
- d. engaging in activity subject to penalty under 26 U.S.C. § 6701, including preparing and/or assisting in the preparation of documents related to a matter material to the internal revenue laws that include a position that he knows will result in the understatement of tax liability;
- e. engaging in any other activity subject to penalty under 26 U.S.C. §§ 6694, 6695, 6701, or any other provision of the Internal Revenue Code;
- f. preparing federal income tax returns for others; and
- g. engaging in other conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws.

3. This suit is brought to enjoin Edward Flickinger from:

- a. engaging in activity subject to penalty under 26 U.S.C. § 6700, including organizing or selling a plan or arrangement and, in connection with that activity, making a statement regarding the excludibility of income or the securing of any other tax benefit that he knows or has reason to know is false or fraudulent as to any material matter;
- b. engaging in activity subject to penalty under 26 U.S.C. § 6701, including preparing and/or assisting in the preparation of documents related to a matter material to the internal revenue laws that include a position that he knows will result in the understatement of tax liability;
- c. engaging in any other activity subject to penalty under 26 U.S.C. §§ 6700, 6701 or any other provision of the Internal Revenue Code; and

- d. engaging in other conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws.

4. This action has been requested by the IRS Chief Counsel, a delegate of the Secretary of the Treasury, and commenced at the direction of a delegate of the Attorney General under 26 U.S.C. §§ 7401, 7402, 7407, and 7408.

5. Until arrested at an airport while trying to flee to Antigua on July 31, 2004, Joseph Flickinger resided in Riverton, Utah, and in Port Clinton, Ohio, within this district.

6. As set forth more fully in the Information discussed below, Joseph Flickinger operated American Financial at his residences, initially in Berea, Ohio, and subsequently in North Royalton, Ohio, and Port Clinton, Ohio, within this district.

7. Although United American Workforce is a limited liability company incorporated in the State of Nevada, it conducted business within this district, as evidenced by United American Workforce checks listing Port Clinton, Ohio as the business address.

8. Some of United American Workforce's customers reside in this district, including Mentor, Willoughby Hills, and Sandusky, Ohio.

9. Edward Flickinger, Joseph Flickinger's twin brother, resides at 124 Olde Towne Trail, Berea, Ohio, within this district.

10. Flickinger Enterprises—Tax Law Specialists, is operated out of Edward Flickinger's home at 124 Olde Towne Trail, Berea, Ohio.

11. Some of Flickinger Enterprises' customers reside in this district, including Strongsville, Richfield, Concord, and Cleveland, Ohio.

12. Because a substantial part of the events giving rise to this case occurred in the Northern District of Ohio, Edward Flickinger resides in this district, and many of the customers who participated in the tax-fraud schemes described below reside in this district, venue is proper in this Court under 28 U.S.C. §§ 1391 and 1396.

Facts Common to American Financial

13. On February 17, 2004 an indictment was handed down in the Southern District of Ohio charging Joseph Flickinger with various offenses relating to his tax-return preparation and fraudulent tax schemes.

14. As set forth more fully in the Indictment, Joseph Flickinger was charged with conspiracy to defraud the IRS by mailing counterfeit and fraudulent cashiers' checks from a fictitious foreign bank, called Euro Credit and Exchange Bank, Ltd. to the IRS, to "pay" the delinquent tax liabilities of several American Financial customers. Joseph Flickinger was also charged with mailing to the IRS what purported to be legal orders, called "Writs of Praecipe," allegedly from a so-called common law court, which directed "the IRS to cash the checks and refund the remainders to his customers or suffer damages in excess of \$10,000,000."

15. On April 14, 2005, Flickinger pleaded guilty to Counts Three and Eight of the Indictment, thereby admitting to the conduct described above in paragraph 13.

16. On April 14, 2005, Joseph Flickinger was charged by a criminal information filed in the Southern District of Ohio with various offenses relating to his tax return preparation and tax-fraud schemes.

17. As set forth more fully in the Information, Joseph Flickinger attempted to defraud the IRS by inducing and assisting his customers to (1) submit false and frivolous documents to their

employers and the IRS in an effort to stop withholding of taxes on their wages; (2) asserting false claims for refunds on behalf of his customers by preparing federal income tax returns that listed zero income, knowing that his customers had wage income and other items of income and deductions that the customers were required to report; and (3) submitting false and frivolous documents to the IRS to thwart the IRS's efforts to enforce the employers' obligation to withhold taxes and the employees' obligations to report and pay the taxes owing on those wages.

18. As part of this scheme, Joseph Flickinger also conducted seminars and made presentations to customers where he made false statements about the internal revenue laws, including statements falsely denying the validity and applicability of those laws to income received as compensation for services and falsely stating that he could "detax" customers, purportedly enabling them to work without having taxes withheld or to pay income taxes.

19. In order to conceal his role in this scheme, Joseph Flickinger illegally failed to sign federal income tax returns he prepared as a paid return preparer.

20. As part of this scheme, Joseph Flickinger prepared approximately 384 zero tax returns, which falsely listed the number zero on all lines for reporting items of income or deductions, except for the lines claiming refunds. These zero tax returns claimed refunds totaling approximately \$2,320,545.

21. On April 14, 2005, Flickinger pleaded guilty to Counts One and Three of the Information, thereby admitting to the conduct described above in paragraphs 15 through 20.

Facts Common to United American Workforce

22. In October of 2002, Joseph Flickinger started a company named United American Workforce.

23. United American Workforce is incorporated in the State of Nevada as a limited liability company.

24. Joseph Flickinger is the president of United American Workforce.

25. In March of 2003, United American Workforce ran an advertisement in the West Jordan Journal, a Utah newspaper, stating that small business owners could "take home 100% of your next paycheck" and that "employees can eliminate the 7.65% matching FICA taxes" through United American Workforce.

26. This advertisement did not reveal that United American Workforce was actually advertising a tax-fraud scheme used by its customers to stop their employers from withholding taxes on their wages. Under this scheme, United American Workforce's customers, whose employers were required to withhold FICA taxes, purported to become "independent contractors" of United American Workforce, thereby absolving their employers of a duty to withhold FICA and income taxes. Then, United American Workforce's customers instructed their employers to send their paychecks to United American Workforce or to make their paychecks payable to United American Workforce, on the apparent assumption that United American Workforce would now be responsible for withholding FICA and income taxes.

27. As an example of how this scheme works, on June 21, 2004, a Willoughby Hills, Ohio building company issued a check to United American Workforce for \$14,715.28.

28. On information and belief, this check was for services provided by one of United American Workforce's customers to the Willoughby Hills, Ohio building company.

29. IRS records reveal that this United American Workforce customer did not file a federal tax return for 2004 and that United American Workforce did not file any information

reports (IRS Form 1099 or IRS Form W-2) indicating that this customer had earned income from the Willoughby Hills, Ohio building company in 2004.

30. As another example of how this scheme works, on June 7, 2004, a Sandusky, Ohio counseling services company issued a check to United American Workforce for \$880.

31. On information and belief, this check was for services provided by one of United American Workforce's customers to the Sandusky, Ohio counseling service.

32. IRS records reveal that this United American Workforce customer did not file a federal tax return for 2004 and that United American Workforce did not file any information reports (IRS Form 1099 or IRS Form W-2) indicating that this customer had earned income from the Sandusky, Ohio counseling service in 2004.

33. As part of this scheme, United American Workforce took an 8% fee, remitted 92% of the employee's income back to the customer, and paid nothing to the IRS.

34. United American Workforce did not pay FICA taxes or withhold federal income taxes for its "independent contractor" customers.

35. United American Workforce's customers were not required to provide to United American Workforce IRS Forms W-4 for withholding purposes.

36. United American Workforce did not send IRS Forms 1099 to the IRS for the amounts it paid to its "independent contractor" customers.

37. United American Workforce customers include a medical officer for the State of Ohio Department of Corrections; other employees of the State of Ohio Department of Corrections; a dentist residing in Garfield Heights, Ohio, and a computer specialist residing in Cape Coral, Florida.

38. On information and belief, United American Workforce has had between 6 and 15 customers, none of whom were entitled to claim independent contractor status for tax purposes.

39. After Joseph Flickinger was arrested while attempting to flee to Antigua on July 31, 2004, Edward Flickinger began taking calls from United American Workforce customers and informed them that Joseph Flickinger was overseas.

40. After Joseph Flickinger was arrested in July of 2004, he closed United American Workforce's bank account and contacted his brother Edward, who promised to keep United American Workforce in operation.

41. After taking over operations, Edward Flickinger set up a new United American Workforce bank account using his social security number.

42. On information and belief, Edward Flickinger continues to conduct business through United American Workforce.

Facts Common to Flickinger Enterprises—Tax Law Specialists

43. Edward Flickinger operates a "detaxing" tax-fraud scheme through a business known as Flickinger Enterprises—Tax Law Specialists in Berea, Ohio that is used by Flickinger's customers to falsely claim that they are exempt from withholding.

44. As set forth in the Contract & Agreement entered into between Flickinger Enterprises and a representative customer on January 22, 2004, Flickinger Enterprises contracts with customers for a \$3,600 fee to assist customers "in an effort to stop the withholding of Federal Income Taxes."

45. The Contract further provides that Flickinger Enterprises will provide assistance to customers who need to justify a claim that they are exempt from withholding with the Internal Revenue Service.

46. As part of this scheme, Flickinger Enterprises provides blank IRS W-4 Forms to its customers with instructions to "Write 'Exempt'" on the IRS Form W-4, and to "submit 'immediately' to your Payroll Department."

47. The IRS Forms W-4 that Flickinger Enterprises provides to their customers state that individuals must meet two conditions to claim that they are exempt from withholding: if "[I]ast year I had a right to a refund of all federal income tax withheld because I had no tax liability and This year I expect a refund of all federal income tax withheld because I expect to have no tax liability."

48. The signature block of the IRS Form W-4 informs taxpayers that any claim for exempt status is made under penalties of perjury.

49. Flickinger Enterprises targets this tax-fraud scheme to nurses and others in the Northern Ohio area, including Strongsville, Richfield, Concord, and Cleveland.

50. In targeting this tax-fraud scheme to nurses in the Northern Ohio area, Flickinger Enterprises uses mailing labels that state, "Nurses Call the Shots."

51. Flickinger Enterprises mailed documents using this label to nurses in the Northern Ohio area as late as June 28, 2005.

52. On information and belief, none of the nurses targeted by Flickinger Enterprises are entitled to claim that they were exempt from withholding because they cannot satisfy the two conditions precedent for claiming a withholding exemption set forth above.

53. Flickinger Enterprises' customers have filed frivolous IRS Forms W-4 with their employers falsely claiming that they are exempt from withholding from January 21, 2003 and February 9, 2005.

54. As part of this scheme, Flickinger Enterprises sends form letters to its customers and instructs the customers to present these forms to their payroll departments to justify their claim that they are exempt from withholding.

55. Although the form letter states that the employer must not withhold taxes if the employee has filed an IRS Form W-4 stating the employee is exempt, the letter does not provide any proper basis for Flickinger Enterprises' customers to claim that they are exempt from withholding.

56. As part of this scheme, Flickinger Enterprises sends unsigned form letters to its customers and instructs the customers to sign these letters and send them the IRS to justify the customers' claim that they are exempt from withholding.

57. A representative letter from a Flickinger Enterprises' customer to the IRS dated February 18, 2005 contains the false and frivolous statement that "[i]f wages and interest income are derived from sources outside the United States, it then follows unless there is a subheading "Domestic Source Income", [on IRS Form 1040] that income is not required to be reported, at least on Form 1040." This letter also falsely states that "[i]t is incumbent upon the government to provide me with the proper form and instructions for reporting my domestic income, as I had no foreign source income last year to report, cannot be compelled to report domestic income on Form 1040, or be compelled to perjure myself by filing such Form."

58. Another representative letter from a Flickinger Enterprises' customer to the IRS dated May 2, 2004 falsely states that the customer had zero taxable income because the exchange of labor for wages or salary "CANNOT be taxed because there is no profit or gain."

59. Another representative letter from a Flickinger Enterprises' customer to the IRS, dated May 2, 2004, falsely states that the IRS has no authority to enforce the Internal Revenue Code

60. On information and belief, Flickinger Enterprises falsely informs customers that they do not have to pay federal income tax on income earned within the United States or based on other frivolous tax-protestor theories set forth in the letters referenced above..

61. As part of this scheme, Flickinger Enterprises also falsely promises customers that they are entitled to a refund of previous taxes withheld based on the false tax advice discussed above.

62. As part of this scheme, Flickinger Enterprises sent a "Letter of Refund Procedure" claiming that customers can "actually receive a refund of all taxes withheld, both Federal and State, during the last reporting year."

63. On information and belief, Flickinger Enterprises falsely promises that customers can receive refunds of previous tax withheld based on the false statements discussed above that their customers are exempt from withholding.

64. In order to keep the IRS from learning of this scheme and to interfere with the proper administration of the internal revenue laws, Flickinger Enterprises sent its customers a notice advising them that if "anyone from the IRS or State Tax Agency contact you," the customers

should say "If you need any information from me, please put it in writing and I will forward it to my attorney for review." The letter then instructs: "SAY NOTHING ELSE!!!"

65. In this notice, Flickinger Enterprises also falsely informs customers that the IRS and state tax agencies are engaging in "unlawful" tactics" and "intimidation" if they seek information from customers regarding their tax liabilities.

66. In this notice, Flickinger Enterprises also falsely informs customers that "we are operating well within the law as we increase your pay checks."

67. As part of this scheme, Flickinger Enterprises provided a document to a Richfield, Ohio customer that was sent to an IRS revenue agent on March 2, 2005 that falsely stated that the IRS cannot issue summonses, that there is no tax "liability" for income taxes, and that "there is **NO LAW** that would compel me to be examined or audited without my consent."

68. Joseph Flickinger told Edward Flickinger to stop the Flickinger Enterprises' detaxing scheme.

69. Edward Flickinger told Joseph Flickinger he would not stop this scheme because he believed he would not be caught.

Count I

(Injunction under 26 U.S.C. § 7407)

70. The United States incorporates herein as if fully restated, the allegations in paragraphs 1 through 69.

71. 26 U.S.C. § 7407 authorizes a court to enjoin a person from preparing federal income tax returns for others if the person has continually or repeatedly:

- a. engaged in conduct subject to penalty under 26 U.S.C. § 6694 (which penalizes a return preparer who prepares or submits a return that contains an unrealistic position) or 26 U.S.C. § 6695 (which penalizes a return preparer who fails to sign returns),
- b. guaranteed the payment of any tax refund or allowance of any tax credit; or
- c. engaged in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of the internal revenue laws.

If the return preparer's conduct is repeated and the Court finds that a narrower injunction (*i.e.*, prohibiting only the specific enumerated conduct) is insufficient to prevent that person's interference with the proper administration of federal tax laws, the Court may enjoin the person from preparing *any* federal income tax returns.

72. 26 U.S.C. § 6694(a) penalizes a tax return preparer if (1) the preparer prepares a return or claim for refund that includes an understatement of liability due to a position for which there is not a realistic possibility of being sustained on the merits; (2) the preparer knew (or reasonably should have known) of such position; and (3) the position was not disclosed in accordance with IRC § 6662(d)(2)(B)(ii) or was frivolous.

73. 26 U.S.C. § 6694(b) penalizes a tax return preparer who prepares a return or claim with an understatement of liability (1) in a willful attempt to understate the liability or (2) with a reckless and intentional disregard of rules or regulations.

74. 26 U.S.C. § 6695 penalizes a tax return preparer who does not sign his name to tax returns he prepares.

75. Joseph Flickinger's conduct as described above is subject to penalty under §§ 6694(a), 6694(b) and 6695.

76. Joseph Flickinger has prepared income tax returns that include understatements of his customers' liability which had no realistic possibility of being sustained on the merits; Flickinger knew or reasonably should have known about these understatements; Flickinger did not disclose them in accordance with IRC § 6662(d)(2)(B)(ii); and such understatements are frivolous. Flickinger has thus engaged in conduct subject to penalty under § 6694(a).

77. Joseph Flickinger prepares returns for customers with false entries in a willful attempt to understate the customers' liability or with a reckless and intentional disregard of rules and regulations. Flickinger has thus engaged in conduct subject to penalty under § 6694(b).

78. Joseph Flickinger did not sign all of the tax returns he prepared. Flickinger has thus engaged in conduct subject to penalty under § 6695.

79. Joseph Flickinger has continually and repeatedly engaged in conduct that violates §§ 6694 and 6695. An injunction merely prohibiting Flickinger from engaging in conduct subject to penalty under §§ 6694 and 6695 would not be sufficient to prevent his interference with the proper administration of the tax laws. Accordingly, Flickinger should be permanently enjoined from acting as an income tax return preparer.

Count II

(Injunction under 26 U.S.C. § 7408 for Violation of 26 U.S.C. § 6700)

80. The United States incorporates by reference the allegations in paragraphs 1 through 79.

81. 26 U.S.C. § 7408 authorizes a court to enjoin persons who have engaged in any conduct subject to penalty under 26 U.S.C. § 6700 if the court finds that injunctive relief is appropriate to prevent the recurrence of such conduct.

82. 26 U.S.C. § 6700 penalizes any person who organizes or sells a plan or arrangement and, in connection with the organization or sale, makes a statement regarding any tax benefit which the person knows or has reason to know is false or fraudulent as to any material matter.

83. Joseph and Edward Flickinger organized and sold tax-fraud schemes that falsely claimed customers could avoid the assessment and collection of federal taxes.

84. In organizing and selling these tax-fraud schemes, Joseph and Edward Flickinger made false or fraudulent statements regarding the tax consequences of the transaction, including false statements concerning the customers' obligation to pay federal income taxes.

85. Joseph and Edward Flickinger knew or had reason to know that the tax-fraud schemes described above contain false or fraudulent statements within the meaning of 26 U.S.C. § 6700.

86. If they are not enjoined, Joseph and Edward Flickinger are likely to continue to organize and sell tax-fraud schemes.

Count III

Injunction under I.R.C. § 7408 for Violation of I.R.C. § 6701

87. The United States incorporates by reference the allegations in paragraphs 1 through 86.

88. 26 U.S.C. § 7408 authorizes a court to enjoin persons who have engaged in any conduct subject to penalty under 26 U.S.C. § 6701 if the court finds that injunctive relief is appropriate to prevent the recurrence of such conduct.

89. 26 U.S.C. § 6701 penalizes any person (1) who aids or assists in, procures, or advises with respect to, the preparation or presentation of any portion of a return, affidavit, claim or other document; (2) who knows (or has reason to believe) that such portion will be used in connection with any material matter arising under the internal revenue laws; and (3) who knows that such portion (if so used) would result in an understatement of the liability for tax of another person.

90. Joseph Flickinger prepared or assisted in the preparation of federal income tax returns for his customers.

91. Joseph Flickinger knew or had reason to believe that these income tax returns will be filed with the IRS and thus will be used in connection with a material matter arising under the internal revenue laws.

92. Joseph Flickinger knew that the federal tax returns he prepared would result in understatements of other persons' tax liabilities.

93. If Joseph Flickinger is not enjoined, he is likely to continue to engage in conduct which violates § 6701.

94. Joseph and Edward Flickinger prepared or assisted in the preparation of documents for their customers.

95. Joseph and Edward Flickinger knew or had reason to believe that these documents would be used in connection with a material matter arising under the internal revenue laws.

96. Joseph and Edward Flickinger knew that the documents they prepared would result in understatements of other persons' tax liabilities.

97. If Joseph and Edward Flickinger are not enjoined, they are likely to continue to engage in conduct which violates § 6701.

Count IV**(Unlawful Interference with the Enforcement of the Internal Revenue Laws)**

98. The United States incorporates herein as if fully restated, the allegations in paragraphs 1 through 97.

99. Joseph and Edward Flickinger, through the conduct described above, have engaged in conduct that substantially interferes with the administration and enforcement of the internal revenue laws. Unless enjoined by this Court, Joseph and Edward Flickinger are likely to continue to engage in such conduct. Joseph and Edward Flickinger's conduct is causing irreparable injury to the United States, and the United States has no adequate remedy at law.

100. The United States is entitled to injunctive relief under 26 U.S.C. § 7402(a).

WHEREFORE, the plaintiff, United States of America, prays for the following:

A. That the Court find that Joseph Flickinger has continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. §§ 6694 and 6695, and that injunctive relief is appropriate under 26 U.S.C. § 7407 to prevent him and anyone acting in concert with him from acting as income-tax-return preparers;

B. That the Court find that Joseph and Edward Flickinger engaged in conduct subject to penalty under 26 U.S.C. §§ 6700 and 6701, and that injunctive relief is appropriate under 26 U.S.C. § 7408 to prevent them and anyone acting in concert with them from engaging in any further such conduct;

C. That the Court find that Joseph and Edward Flickinger engaged in conduct that interferes with the enforcement of the internal revenue laws, and that injunctive relief against

them and anyone acting in concert with them is appropriate to prevent the recurrence of that conduct under the Court's inherent equity powers and 26 U.S.C. § 7402(a);

D. That the Court, under 26 U.S.C. §§ 7402 and 7408, enter a permanent injunction prohibiting Joseph Flickinger and his representatives, agents, servants, employees, and those persons in active concert or participation with him, from directly or indirectly by means of false, deceptive, or misleading commercial speech:

- (1) Organizing, promoting, marketing, or selling (or assisting therein) any tax shelter, plan, or arrangement, including but not limited to those sold by the American Financial, United American Workforce, and affiliated entities, or any other tax shelter, plan or arrangement that incites or assists customers to attempt to violate the internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities or unlawfully claim improper tax refunds;
- (2) Engaging in any conduct subject to penalty under 26 U.S.C. § 6700, *i.e.*, making or furnishing, in connection with the organization or sale of a tax shelter, plan, or arrangement, a statement he knows or has reason to know is false or fraudulent as to any material matter;
- (3) Engaging in any conduct subject to penalty under 26 U.S.C. § 6701, *i.e.*, assisting others in the preparation of any tax forms or other documents to be used in connection with any material matter arising under the internal revenue laws and which he knows will (if so used) result in the understatement of another person's income tax liability;
- (4) Engaging in any conduct subject to penalty under 26 U.S.C. § 6694, *i.e.*, preparing any part of a return or claim for refund that includes an unrealistic position;
- (5) Engaging in any conduct subject to penalty under 26 U.S.C. § 6695,
- (6) Preparing federal income tax returns for others; and
- (7) Engaging in conduct subject to any penalty under the Internal Revenue Code or engaging in any other conduct that interferes with the administration and enforcement of the internal revenue laws.

E. That this Court, under 26 U.S.C. §§ 7402 and 7408, enter a permanent injunction prohibiting Edward Flickinger and his representatives, agents, servants, employees, and those persons in active concert or participation with him, from directly or indirectly by means of false, deceptive, or misleading commercial speech:

- (1) Organizing, promoting, marketing, or selling (or assisting therein) any tax shelter, plan, or arrangement, including but not limited to those sold by the United American Workforce, Flickinger Enterprises, and affiliated entities, or any other tax shelter, plan or arrangement that incites or assists customers to attempt to violate the internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities or unlawfully claim improper tax refunds;
- (2) engaging in activity subject to penalty under 26 U.S.C. § 6701, including preparing and/or assisting in the preparation of documents related to a matter material to the internal revenue laws that include a position that he knows will result in the understatement of tax liability;
- (3) engaging in any other activity subject to penalty under 26 U.S.C. § 6701; and
- (4) engaging in conduct subject to penalty under the Internal Revenue Code, or any other conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws.

F. That this Court, under 26 U.S.C. §§ 7402, 7407, and 7408, enter an injunction requiring Joseph and Edward Flickinger to contact:

- (1) all persons to whom they gave, sold, or distributed any materials espousing or related to the tax-fraud scheme they promoted and on which the returns Joseph Flickinger prepared were based;
- (2) all persons for whom Joseph Flickinger prepared and/or assisted in the preparation of any federal income tax returns or tax-related documents; and

- (3) all persons who contacted either Flickinger, or whom either Flickinger contacted, regarding the tax-fraud schemes described above (in paper form, via telephone, or through electronic means);

and provide these persons with a copy of any permanent injunction entered.

G. That this Court, under 26 U.S.C. §§ 7402, 7207, and 7408, enter an injunction requiring the Flickingers to turn over to the United States a list of the names, addresses, e-mail addresses, phone numbers, and Social Security numbers of (1) all persons to whom they gave or sold, directly or indirectly, any materials related to the tax-fraud schemes described above, (2) all persons who assisted in the marketing or preparation of materials used by the Flickingers or written materials sent to potential customers, (3) all individuals or entities for whom the Flickingers, or their associates, prepared or assisted in the preparation of any tax-related documents, including claims for refund or tax returns, (4) all individuals or entities who purchased or used any other tax shelter, plan, or arrangement in which the Flickinger have been involved; and (5) all persons who assisted the Flickingers with these schemes.

H. That this Court allow the government full post-judgment discovery to monitor the defendants' compliance with the injunction;

I. For such other and further relief as this Court may deem just and appropriate

under the circumstances.

GREGORY A. WHITE
United States Attorney

A handwritten signature in black ink, appearing to read "Michael R. Pahl", written over a horizontal line.

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