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UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF NEVADA

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.)
)
 JAMES A. DILULLO,)
)
 Defendant.)
 _____)

Case No. 2:07-cv-00321-KJD-PAL
Permanent Injunction Order

Pursuant to the Order issued by this Court on October 23, 2007 (Dkt. No. 33) granting the United States' Motion for Summary Judgment, it is **ORDERED** that Defendant James A. DiLullo, and any person in active participation with him directly or indirectly, is hereby enjoined from:

- (a) Organizing, promoting, marketing, or selling a sham-trust tax-fraud scheme and any other tax shelter, plan or arrangement that advises or assists others to attempt to violate the internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities;
- (b) Causing or assisting other persons and entities to understate their federal tax liabilities and avoid paying federal taxes;
- (c) Making false or fraudulent statements, in connection with the organization or sale of a tax shelter, plan, or other arrangement, about the allowability of any deduction or credit, the excludability of any income, or the securing of any other tax benefit by reason of participating in the tax shelter, plan, or other arrangement;
- (d) Engaging in any other conduct subject to penalty under I.R.C. § 6700, including making or furnishing, in connection with the organization or sale of a shelter, plan,

1 or arrangement, a statement that he knows or has reason to know to be false or
2 fraudulent as to any material federal tax matter, or by making a gross valuation
3 overstatement;

4 (e) Engaging in conduct subject to penalty under I.R.C. § 6701, including preparing or
5 assisting others in the preparation of any tax forms or other documents to be used
6 in connection with any material matter arising under the internal revenue laws and
7 which James A. DiLullo knows will (if so used) result in the understatement of
8 another person's tax liability;

9 (f) Engaging in any conduct subject to penalty under I.R.C. § 6694 and 6695,
10 including preparing tax returns for customers with frivolous or unrealistic
11 positions, failing to sign returns Defendant prepares, failing to provide copies of
12 returns or refund claims prepared for customers to them, and failing to provide a
13 list of customers or copies of customers' returns to the IRS on demand;

14 (g) Engaging in any conduct subject to any penalty under the I.R.C.;

15 (h) Preparing or filing, or helping others to prepare or file, federal income tax returns
16 for anyone other than himself; and

17 (i) Misrepresenting the terms of this injunction to customers.


18 **IT IS FURTHER ORDERED** that Defendant shall mail (using the last known address
19 available to him) a copy of this Order to all persons for whom he prepared and/or assisted in the
20 preparation of any personal or trust federal income tax returns or any other tax-related document
21 for submission to the IRS within the last ten years. Defendant must mail the Order within 20 days
22 of the date of this Order, and must file a sworn certificate stating that he has complied with this
23 requirement and listing the names and addresses of all persons he has notified, within 22 days of
24 the date of this Order.

25 **IT IS FURTHER ORDERED** that Defendant shall produce to counsel for the United
26 States a list identifying the names, addresses, telephone numbers, and Social Security and any
27 other federal tax identification numbers of (1) all individuals and entities for whom within the
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1 past ten years Defendant prepared or helped to prepare trust federal income tax returns or tax-
2 related documents, including claims for refund or tax returns, and (2) all individuals or entities to
3 whom he has furnished or whom have purchased or used trusts sold by James A. DiLullo.
4 Defendant must produce these materials within 20 days of the date of this Order and must, within
5 22 days of the date of this Order, file a sworn certificate stating that he has complied with this
6 requirement.

7 **IT IS FURTHER ORDERED** that the Court retains jurisdiction to enforce this
8 injunction and the United States may engage in post-judgment discovery to monitor Defendant's
9 compliance with this injunction.

10 DATED this 7 day of Nov, 2007.



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KENT J. DAWSON
UNITED STATES DISTRICT JUDGE

13 Submitted by:
14 STEVEN W. MYHRE
United States Attorney

15 /s/ Thomas W. Curteman, Jr.
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