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IN THE UNITED STATES DISTRICT COURT FOR THE  
DISTRICT OF ARIZONA  
PRESCOTT DIVISION

UNITED STATES OF AMERICA, )  
 ) Civil No. CV06-1458-PCT-FJM  
Plaintiff, )  
 )  
v. ) **Default Judgment of**  
 ) **Permanent Injunction**  
JEFFREY R. HUNN, )  
 )  
Defendant. )  
\_\_\_\_\_)

Upon the United States’ Motion for Default Judgment (doc. 13), the Court makes the following findings of fact and conclusions of law and enters default judgment of permanent injunction against defendant Jeffrey R. Hunn:

**I. Findings of Fact**

1. Defendant Jeffrey R. Hunn prepares federal income tax returns (Forms 1040, 1040A, and 1040EZ) and amended federal income tax returns (Forms 1040X) for customers. Compl. ¶ 4; Exs. 1-12.
2. On the returns he prepares, Hunn either reports that his customer received no income or significantly under-reports his customer’s income. Compl. ¶ 5; Exs. 1-12.

1           3. The amounts of income Hunn reports for his customers are false. Compl. ¶ 5.  
 2  
 3 The following examples contrast the amounts Hunn reported with the amounts reported to  
 4 the IRS by the customers' employers and other third parties:

Customer	Year	Income Reported by Hunn	Income Reported by Third Parties	Exs.
Vernon R. De Bilzan	2003	\$0	\$26,025	1, 13
Diedre S. Dickerson	2002	\$0	\$34,485	2, 14
Melissa A. Ebeling	1999	\$0	\$58,571	3, 15
Lilian C. Giles	2003	\$384	\$74,727	4, 16
David E. Hempel	2003	\$0	\$101,928	5, 17
Bryan A. Hester	2000	\$0	\$30,410	6, 18
Owen R. and Violanda E. Kiyono	2003	\$28,112	\$99,333	7, 19-20
William M. McGrath	2002	\$0	\$77,439	8, 21
Valentino and Gwendolyn Oglesby	2003	\$0	\$104,502	9, 22-23
Robert F. Schallmo	2001	\$0	\$123,970	10, 24
Terry W. Starbuck	2004	\$0	\$54,584	11, 25
Danny R. and Florine B. Tsosie	2004	\$42.47	\$69,128	12, 26-27

1           4. Hunn also requests a refund of all federal taxes withheld from his customers’  
2 wages. Compl. ¶ 5; Ex. 2-12.

3  
4           5. Hunn reports on his customers’ returns as “federal income tax withheld” the  
5 Social Security and Medicare taxes withheld from his customers’ wages. Compl. ¶ 12;  
6 *compare Exs. 2 with 14; 3 with 15; 4 with 16; 5 with 17; 6 with 18; 7 with 19-20; 8 with*  
7 *21; 9 with 22-23; 12 with 26-27.*

8  
9           6. Where Form 1040X asks for an explanation of changes to the customer’s  
10 previous return, Hunn cites I.R.C. §§ 3121(a) and 3401(a). Compl. ¶ 25; Exs. 1, 4, 6-8.

11           7. Hunn attaches to the returns he prepares IRS Forms 4852 (Substitute for Form  
12 W-2, Wage and Tax Statement) and/or IRS Forms 1099-MISC (Miscellaneous Income).  
13 Compl. ¶ 6; Exs. 1-8, 10-12.

14  
15           8. On the Forms 4852 he prepares, Hunn claims that his customer received no  
16 wages, while at the same time reporting the amount of federal income tax, Social Security  
17 tax, and Medicare tax withheld from the customer’s wages. Compl. ¶ 7; Exs. 2-8, 10-12.

18  
19           9. In the spaces provided on Form 4852 for an explanation of how the filer  
20 determined the amounts reported on that form, and what efforts the filer made to obtain a  
21 correct Form W-2, Hunn responds “Company provided records and the statutory language  
22 behind I.R.C. sections 3401 and 3121 and others. . . . I honor the Employer’s right to  
23 decline to make any further legal determinations without a license.” Compl. ¶8; Exs. 2-8,  
24 10-12.

25  
26           10. Hunn alters some of the Forms 4852 he prepares by changing the pre-printed  
27 text in box 4 of the form, which states “I have notified” the IRS of the inability to obtain a  
28

1 correct Form W-2 or 1099, to read “I hereby notify.” He makes this alteration using the  
2 same typeface as used in the original IRS form. Compl. ¶ 9; *compare* Exs. 2, 4-8, 11,  
3 *with* Ex. 34-A (blank Form 4852).

4  
5 11. On the Forms 1099-MISC Hunn submits with returns he prepares for  
6 customers, he reports that his customer received no income by inserting “0” into box 7,  
7 which calls for the amount of non-employee compensation. He checks the box on these  
8 forms stating that the form is “corrected.” Compl. ¶ 10; Exs. 1, 3, 5, 7, 11, 28.

9  
10 12. On many of these so-called “corrected” Forms 1099, Hunn inserts the  
11 following oath:

12 This corrected Form 1099-MISC is submitted to rebut a document known to  
13 have been submitted by the party identified above as ‘PAYER’ which  
14 erroneously alleges a payment to the party identified above as the  
15 ‘RECIPIENT’ of “gains, profit or income” made in the course of a “trade or  
16 business”. Under penalty of perjury, I declare that I have examined this  
statement and to the best of my knowledge and belief, it is true, correct, and  
complete.

17 Compl. ¶ 11; Exs. 1, 3, 5, 7, 11, 28. *Cf.* Ex. 34-B (blank Form 1099-MISC). Hunn  
18 generally signs this oath himself, though in a few instances his customers have signed it.  
19 Compl. ¶ 11; *compare* Exs. 1, 3, 5, 11, & 28 (forms signed by Hunn), *with* 7 (form signed  
20 by customer).

21  
22 13. On at least one return Hunn prepared, he claimed the Earned Income Credit  
23 (EIC) on behalf of a couple who were clearly not entitled to it. Compl. ¶ 13. The 2003  
24 amended return (Form 1040X) he prepared for Owen and Violanda Kiyono showed that  
25 the Kiyonos had reported on their original return \$99,333 in income, which comports  
26 with the information returns the IRS received from third parties. *See* Exs. 7, 19-20. On  
27  
28

1 their amended return, however, Hunn reduced their income to only \$28,112. Ex. 7. Hunn  
2 made this reduction by excluding all their wage income and reporting only their gambling  
3 winnings and their income from elimination of debt. Exs. 7, 19-20. He then claimed the  
4 EIC based on this grossly reduced income, notwithstanding that the Kiyonos' actual  
5 income far exceeded the statutory cap for the EIC. Exs. 7 & 34-C (showing 2003 income  
6 cap for EIC).  
7

8  
9 14. Hunn sends the IRS correspondence falsely claiming that his customers have  
10 no federal income tax liabilities and are owed refunds. Compl. ¶ 14; Exs. 1, 2, 4, 6, 8, 29-  
11 31.

12  
13 15. Some of these documents he titles "Statements of Notice" and styles as legal  
14 pleadings against the United States Treasury and the IRS. Exs. 1, 4, 8, 29, 31.

15  
16 16. On behalf of customer John D. Cross, Hunn sent the IRS a packet of papers  
17 measuring one inch thick; only a portion of it is submitted as Exhibit 31.

18  
19 17. The first document in this voluminous packet Hunn prepared for Cross is a  
20 twenty-nine page "Truth Affidavit," arguing that Cross is not liable for federal tax for  
21 years 2001 to 2004 because "there is no known revenue taxable activity that . . .  
22 Cross . . . is involved in." Ex. 31 at 3. Hunn also claimed that the IRS's authority is  
23 "restricted primarily to collection activities pertaining to alcohol, tobacco and firearms."  
24 *Id.* at 26.

25  
26 18. Notwithstanding Hunn's representations that Cross had no taxable income for  
27 2001 to 2004, and his submission in this same packet of "corrected" Forms 1099-MISC  
28 for 2003 and 2004 reflecting \$0 in non-employee compensation, IRS records reveal that

1 Cross received from McGee Real Estate Co., Inc., in West Columbia, South Carolina  
2 \$24,060 in non-employee compensation in 2003 and \$42,250 in 2004. Exs. 31, 32.  
3

4 19. In the same packet Hunn sent the IRS on Cross's behalf was a document titled  
5 "Notice of Pending Legal Action and Demand for Records Correction," in which Hunn  
6 threatened to take legal action against individual IRS employees if they proceeded to levy  
7 Cross's assets. Ex. 31.  
8

9 20. Hunn also included in this packet numerous attachments that he characterized  
10 as "supporting documentation for the Correcting 1099s and for the non-registered  
11 information forms 1040" that he had filed. *Id.* at 5. This documentation, which the  
12 United States has omitted from Exhibit 31, includes the Magna Carta, the United States  
13 Constitution, and various statutes and court decisions. *Id.* at 16-26 (listing attachments to  
14 "Truth Affidavit").  
15

16 21. In one of his "Statements of Notice," Hunn wrote that his customer Vernon R.  
17 De Bilzan was "mistake[n]" in filing a return that reported income because De Bilzan was  
18 not liable for federal tax. Ex. 1. Hunn asserted that unless the IRS responded to his  
19 "Statement of Notice" within ten days, the IRS had conceded to Hunn's position. *Id.*  
20

21 22. In another "Statement of Notice," Hunn claims that for his customer Robert F.  
22 Schallmo "no valid liability to the IRS ever existed, but . . . was accounted for based on  
23 the past mistakes and dishonor which I am now correcting." Ex. 33.  
24

25 23. For Lilian Giles, Hunn argued in a "Statement of Notice" that because the IRS  
26 had failed to respond to his previous correspondence regarding her within ten days, her  
27 "account [was now] settled." Ex. 4.  
28

1           24. Hunn made the same assertion on behalf of customer Tammy Graf, writing in  
2 a “Statement of Notice” that “as of ten . . . days after the receipt by the IRS of the initial  
3 notice to the IRS, according to the terms therein, the absence of any response from the  
4 IRS . . . does establish the agreement of the IRS with my statement and with me.” Ex. 29.

6           25. In another “Statement of Notice,” Hunn claimed that the IRS owes his  
7 customer William McGrath \$14,340. Ex. 8.

9           26. Hunn sometimes includes with these “Statements of Notice” and other  
10 correspondence a money order payable to the United States Treasury in the amount of \$1,  
11 which Hunn argues the IRS must refund to his customer. Compl. ¶ 15; Exs. 4  
12 (referencing in a “Statement of Notice” a \$1 money order previously sent to the IRS and  
13 demanding that it be refunded to his customer, Lilian Giles, along with a \$317.29  
14 payment she made and \$12,518.29 that was withheld from her wages); 31 (attaching  
15 copies of \$1 money orders).

17           27. Hunn’s citation of I.R.C. §§ 3121 and 3401, his use of Forms 4852 and  
18 so-called “corrected” Forms 1099, the alterations he makes to those forms, and his  
19 characterization of Social Security and Medicare taxes as income taxes, all follow a  
20 scheme promoted by Peter Hendrickson of Michigan. Compl. ¶ 26. Hendrickson claims  
21 that under I.R.C. §§ 3121 and 3401, only income received from the federal government is  
22 subject to federal tax. *Id.* Federal courts have uniformly and repeatedly rejected this  
23 argument. *See, e.g., United States v. Latham*, 754 F.2d 747, 750 (7<sup>th</sup> Cir. 1985)  
24 (characterizing the argument “that under 26 U.S.C. § 3401(c) the category of ‘employee’  
25 does not include privately employed wage earners [as] a preposterous reading of the  
26  
27  
28

1 statute.”); *Abdo v. United States*, 234 F. Supp. 2d 553, 563 (M.D.N.C. 2002) (noting at  
2 the claim that wages are not income “has been rejected as many times as it has been  
3 asserted.”), *aff’d* 63 Fed. Appx. 163 (4<sup>th</sup> Cir. 2003).

4  
5 28. IRS records reflect that Hunn has not filed a federal income return for himself  
6 since 1999. Compl. ¶ 24; Ex. 34 ¶ 10.

7  
8 29. On some of the “Statements of Notice” and other documents he files with the  
9 IRS, Hunn claims to be an attorney. Compl. ¶ 16; Exs. 4, 8, 10, 29, 31.

10 30. Hunn is not an attorney. Compl. ¶ 17; Ex. 35 ¶ 2.

11 31. Hunn files some returns for customers without obtaining their signature on the  
12 form. Compl. ¶ 18; Exs. 1, 12.

13  
14 32. Hunn omits his customers’ addresses from most of the returns he prepares,  
15 listing his own address instead. Compl. ¶ 19; Exs. 2-11.

16 33. Hunn charges customers a contingent fee. Compl. ¶ 20. He attached to a  
17 return he filed with the IRS on behalf of customer Vernon R. De Bilzan a copy of a  
18 contingent fee agreement in which De Bilzan agreed to pay him an “advanced payment  
19 of” \$150, plus “upon confirmation [sic] of acceptance by the IRS . . . of a reduced  
20 obligation, 20% of the amount of said reduction over [\$]750.” Ex. 1. In addition, De  
21 Bilzan agreed to pay Hunn 20% of any refund received from the IRS. *Id*; *see also* Ex. 12  
22 (containing a similar agreement with the second paragraph, presumably describing  
23 Hunn’s fee, redacted).

24  
25  
26 34. On December 2, 2005, the IRS issued an Information Document Request to  
27 Hunn requesting copies of all the federal returns he has prepared on behalf of others and a  
28



1 list of all persons for whom he had prepared returns. Compl. ¶ 21; Ex. 36. The IRS also  
2 asked Hunn to meet with an IRS employee to answer questions concerning his return  
3 preparation. Compl. ¶ 22; Ex. 36.  
4

5 35. Hunn has refused the IRS's requests. Compl. ¶ 23; Ex. 36. Instead, he sent  
6 the IRS a letter asserting numerous frivolous arguments and demanding that the IRS pay  
7 him one gold ounce as compensation for his time in drafting the letter. Compl. ¶ 23; Ex.  
8 36.  
9

10 36. The IRS has identified a total of ninety-eight returns prepared by Hunn with  
11 the fraudulent characteristics described above. Compl. ¶ 28; Ex. 34 ¶ 3.  
12

13 37. Hunn's customers are in several states, including Arizona, California,  
14 Washington, Massachusetts, South Carolina, Virginia, Illinois, and Nevada. Compl. ¶ 27;  
15 Ex. 34 ¶ 6.  
16

17 38. The ninety-eight returns the IRS has identified falsely claim refunds totaling  
18 \$529,325.90. Compl. ¶ 29; Ex. 34 ¶ 7.  
19

20 39. Hunn under-reports his customers' tax liabilities by an average of \$10,055 per  
21 return, resulting in total estimated tax deficiencies of \$985,390 for the ninety-eight returns  
22 the IRS has thus far identified. Compl. 30; Ex. 34 ¶¶ 8-9.  
23

24 40. Hunn's fraudulent return preparation has resulted in approximately \$1.5  
25 million in harm and potential harm to the United States. Compl. ¶ 31; Ex. 34 ¶¶ 3, 7, 9.  
26

27 41. The IRS has not found any federal returns that Hunn prepared for customers  
28 that were not fraudulent. Ex. 34 ¶ 5.

## **II. Conclusions of Law**

1           1. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1340 and  
2 1345 and Internal Revenue Code (I.R.C., 26 U.S.C.) §§ 7402(a), 7407, and 7408.

3  
4           2. Venue is proper in this Court pursuant to 28 U.S.C. § 1391 because Hunn  
5 resides within this judicial district in Snowflake, Arizona.

6           3. Hunn is in default; therefore, default judgment is appropriate pursuant to  
7 Federal Rule of Civil Procedure 55(b)(2) and the allegations in the United States'  
8 complaint are taken as true. *Benny v. Pipes*, 799 F.2d 489, 495 (9<sup>th</sup> Cir. 1986).

9  
10          4. I.R.C. § 7407 authorizes a district court to enjoin an income tax return preparer  
11 from:

12           (A) engaging in conduct subject to penalty under I.R.C. §§ 6694 or 6695;

13           (B) misrepresenting his experience or education as an income-tax preparer;

14           (C) guaranteeing the payment of a tax refund or the allowance of a tax  
15 credit; or  
16

17           (D) engaging in any fraudulent or deceptive conduct that substantially interferes  
18 with the proper administration of the internal revenue laws,  
19

20 if the court finds that injunctive relief is appropriate to prevent recurrence of such  
21 conduct.

22          5. If a court finds that the preparer's misconduct is continued or repeated, and that  
23 a narrower injunction prohibiting only the specific conduct would not be sufficient to  
24 prevent his interference with the proper administration of the internal revenue laws, I.R.C.  
25 § 7407 authorizes the court to enjoin him from preparing returns altogether.  
26  
27  
28

1           6. I.R.C. § 6694(a) penalizes a return preparer who understates a customer's  
2 liability based on a position for which there was no realistic possibility of being sustained  
3 on the merits, if the return preparer knew or reasonably should have known of the  
4 unrealistic position and the unrealistic position was frivolous.  
5

6           7. I.R.C. § 6694(b) penalizes a return preparer who understates a taxpayer's  
7 liability due to willfulness, recklessness, or an intentional disregard of rules and  
8 regulations.  
9

10           8. I.R.C. § 6695(g) penalizes a return preparer who fails to exercise due diligence  
11 in determining a customer's eligibility for the EIC.  
12

13           9. Hunn has engaged in conduct subject to penalty under I.R.C. § 6694 by  
14 preparing returns that understate his customers' liabilities based on positions for which  
15 there is no realistic possibility of being sustained on the merits. Specifically, his returns  
16 contain the following frivolous positions:  
17

- 18           • that his customers either had no income or had substantially less income  
19 than they actually did;
- 20           • that his customers' wages are not taxable income;
- 21           • that the Social Security and Medicare taxes withheld from his customers'  
22 wages were federal income taxes; and
- 23           • that a couple who received \$99,333 in income qualified for the Earned  
24 Income Credit.  
25

26           10. Hunn knew of the unrealistic positions taken in the returns he prepared and  
27 filed for customers.  
28

1           11. The unrealistic positions Hunn took were frivolous and without a reasonable  
2 basis.

3  
4           12. Hunn violates I.R.C. § 6694(b) because his understatement of his customers'  
5 liabilities are due to either willfulness, recklessness, or an intentional disregard of rules  
6 and regulations.

7           13. Hunn has engaged in conduct subject to penalty under I.R.C. § 6695(g) by  
8 failing to be diligent in determining his customers' eligibility for the EIC.  
9

10           14. Hunn's false claims that he is an attorney are conduct subject to penalty under  
11 I.R.C. § 7407(b)(1)(B), since he misrepresents his education as a return preparer.

12           15. Hunn engages in fraudulent and deceptive conduct substantially interfering  
13 with the proper administration of the internal revenue laws by:  
14

- 15           • falsely reporting that his customers received either no income or
- 16           substantially less income than they did;
- 17           • excluding his customers' wages from the income he reports on their returns;
- 18           • reporting Social Security and Medicare taxes as federal income taxes
- 19           withheld;
- 20           • claiming refunds for his customers to which they are not entitled;
- 21           • purporting to "rebut" properly filed Forms W-2 and 1099 with his
- 22           fraudulent Forms 4852 and 1099-MISC;
- 23           • altering the preprinted language on Form 4852;
- 24           • inserting a fraudulent oath on Forms 1099-MISC;
- 25           • falsely reporting his own address as his customers' address;
- 26
- 27
- 28

- 1 • filing returns without his customers' signatures;
- 2 • submitting correspondence and other documents to the IRS, including his
- 3 "Statements of Notice," falsely claiming that his customers have no federal
- 4 tax liabilities and are owed tax refunds; and
- 5 • claiming the EIC on behalf of a couple who did not qualify for it.

7 16. Hunn's continual and repeated violations of I.R.C. §§ 6694 and 6695, his  
8 misrepresentation that he is an attorney, and his fraudulent and deceptive conduct fall  
9 within I.R.C. § 7407(b)(1)(A), (B), and (D), and thus are subject to injunction under  
10 I.R.C. § 7407.  
11

12 17. Hunn is likely to continue to prepare fraudulent federal tax returns unless he is  
13 enjoined.  
14

15 18. Hunn's continual and repetitious conduct subject to injunction under I.R.C.  
16 § 7407 and his refusal to cooperate with the IRS's investigation demonstrate that a narrow  
17 injunction prohibiting only specific misconduct would not prevent his continued  
18 interference with the proper administration of the internal revenue laws. An injunction  
19 permanently barring him from acting as a return preparer is warranted.  
20

21 19. I.R.C. § 7408 authorizes a district court to enjoin any person from engaging in  
22 conduct subject to penalty under either I.R.C. § 6700 or § 6701 if injunctive relief is  
23 appropriate to prevent recurrence of that conduct.  
24

25 20. I.R.C. § 6701 imposes a penalty on any person who aids or assists in,  
26 procures, or advises with respect to the preparation or presentation of a federal tax return,  
27 refund claim, or other document knowing (or having a reason to believe) that it will be  
28

1 used in connection with any material matter arising under the internal revenue laws and  
2 that if it is so used it would result in an understatement of another person's tax liability.

3  
4 21. Hunn prepares returns and correspondence such as his "Statements of Notice"  
5 that he knows or has reason to believe would be used in connection with a material matter  
6 arising under the internal revenue laws—the determination of his customers' tax  
7 liabilities—and that, if used, would result in understatements of his customers' tax  
8 liabilities.  
9

10 22. Unless enjoined by this Court, Hunn is likely to continue to engage in such  
11 conduct.

12 23. Injunctive relief is therefore appropriate under I.R.C. § 7408.

13  
14 24. I.R.C. § 7402(a) authorizes a court to issue injunctions as may be necessary or  
15 appropriate for the enforcement of the internal revenue laws, even if the United States has  
16 other remedies available for enforcing the internal revenue laws.

17  
18 25. Hunn has repeatedly interfered with the enforcement of the internal revenue  
19 laws by his conduct listed above in paragraph 15, by refusing to produce a customer list  
20 or copies of his returns and to answer the IRS's questions regarding his return-preparation  
21 business, and by charging his customers a contingent fee.

22  
23 26. If Hunn is not enjoined, he is likely to continue to interfere with the  
24 enforcement of the internal revenue laws.

### 25 **III. Permanent Injunction**

26 Based on the foregoing findings of facts and conclusions of law, the Court enters  
27 the following Permanent Injunction against Hunn:  
28

1           A. Pursuant to I.R.C. §§ 7402(a) and 7407, it is ORDERED that Hunn is  
2 prohibited from preparing or filing, or assisting in the preparation or filing of federal  
3 income tax returns and related documents for any person other than himself;  
4

5           B. Pursuant to I.R.C. §§ 7408 and 7402(a), it is ORDERED that Hunn,  
6 individually and doing business under any other name or using any other entity, is  
7 prohibited from directly or indirectly:  
8

- 9           1.     Preparing or assisting in the preparation or filing of documents relating to a  
10                matter material to the internal revenue laws, including federal tax returns  
11                and related documents, for any person other than himself;
- 12           2.     Preparing or assisting in the preparation or filing of any documents,  
13                including “Statements of Notice,” for submission to the IRS for any person  
14                other than himself;
- 15           3.     Engaging in any other activity subject to penalty under I.R.C. §§ 6694,  
16                6695, 6701 or any other penalty provision of the Internal Revenue Code;  
17                and  
18           4.     Engaging in other conduct interfering with the enforcement of the internal  
19                revenue laws;

20           as are his representatives, agents, servants, employees, attorneys, and those persons in  
21           active concert or participation with him;  
22

23           C. Pursuant to I.R.C. § 7402(a), it is ORDERED that Hunn mail, at his expense, to  
24 all persons for whom he has prepared federal tax returns or any other document for  
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1 submission to the IRS, a copy of this Permanent Injunction preceded by the attached  
2 cover letter, with the customer's name and address inserted at the top where indicated;

3  
4 D. Pursuant to I.R.C. §§ 7402(a), 7407, and 6695, it is ORDERED that Hunn  
5 produce to counsel for the United States a list identifying by name, taxpayer-  
6 identification number, address, e-mail address, and telephone number all persons for  
7 whom he has prepared or assisted in preparing federal tax returns since January 1, 2001;

8  
9 E. Pursuant to I.R.C. §§ 7402(a), 7407, and 6695, it is ORDERED that Hunn  
10 produce to counsel for the United States copies of all federal tax returns he has prepared  
11 or assisted in preparing for any person since January 1, 2001;

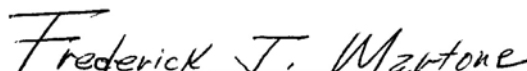
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13 F. It is ORDERED that Hunn complete the requirements of paragraphs C-E within  
14 eleven days of entry of this Permanent Injunction, and file with the Court a certificate of  
15 compliance with those requirements, signed under penalty of perjury, along with evidence  
16 of compliance, within twelve days of entry of this Permanent Injunction;

17  
18 G. It is ORDERED that the United States may conduct discovery for the purpose  
19 of monitoring Hunn's compliance with the terms of this Permanent Injunction; and

20  
21 H. The Court retains jurisdiction over Hunn and this action for the purpose of  
22 enforcing this Permanent Injunction.

23 SO ORDERED.

24 DATED this 18<sup>th</sup> day of August, 2006.

25  
26 

27 Frederick J. Martone  
28 United States District Judge



1 [COVER LETTER TO ACCOMPANY HUNN'S MAILING OF PERMANENT  
2 INJUNCTION TO HIS CUSTOMERS]

3  
4 [INSERT CUSTOMER'S NAME AND ADDRESS]

5 **NOTICE TO CUSTOMERS OF JEFFREY R. HUNN**

6 The United States District Court has entered an order, called a Permanent  
7 Injunction, that prohibits Jeffrey R. Hunn from ever again preparing or filing federal tax  
8 returns, related documents, and correspondence to the IRS for anyone other than himself.  
9 You are receiving a copy of this Permanent Injunction because Mr. Hunn has identified  
10 you as a person for whom he either prepared federal tax returns or correspondence to the  
11 IRS.

12 The United States District Court has determined that the federal tax returns Mr.  
13 Hunn prepared for customers such as you were fraudulent and contained significant  
14 errors. You may owe additional tax and may be liable for penalties because of the returns  
15 Mr. Hunn prepared for you. You should contact a licensed attorney, a certified public  
16 accountant, or your local IRS office to determine what you should do to correct the  
17 returns Mr. Hunn prepared for you.  
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**CERTIFICATE OF SERVICE**

It is hereby certified that a copy of the foregoing PROPOSED DEFAULT JUDGMENT OF PERMANENT INJUNCTION has been served via First Class Mail, postage prepaid, upon the following on this 19<sup>th</sup> day of July, 2006:

Jeffrey R. Hunn  
410 S. Main St., #66  
Snowflake, AZ 85937

*/s/Anne Norris Graham*  
\_\_\_\_\_  
ANNE NORRIS GRAHAM  
Trial Attorney  
U.S. Department of Justice, Tax Division