CIVIL JUSTICE, INC. & MARYLAND CASH CAMPAIGN

It’s No Happy RAC-cident

Raising Public and Legal Awareness of Fraudulent Tax Preparers and Products in Baltimore City and Maryland

July 2013

CIVIL JUSTICE

A Public Interest Legal Association for Solo & Small Firm Attorneys

Maryland CASH CAMPAIGN

Creating Assets, Savings and Hope

This report is a summary of the research that Civil Justice, Inc. and Maryland CASH Campaign undertook to provide policymakers and attorneys with a clearer understanding of the problem, litigation and enforcement actions in other jurisdictions, legal practice tips, and policy recommendations.

It's No Happy RAC-cident: Raising Public and Legal Awareness of Fraudulent Tax Preparers and Products in Baltimore City and Maryland

By: Civil Justice, Inc. and Maryland CASH Campaign

EXECUTIVE SUMMARY

In 2012, the Abell Foundation provided funding to Civil Justice, Inc. and Maryland CASH Campaign for the "Fraudulent Tax Preparers Project." The Fraudulent Tax Preparers Project is an effort to reduce non-compliance with recent Maryland legislation regulating tax preparers through educating consumers, performing community outreach, and pursuing tax fraud litigation in Maryland. This project is in response to the growth of two financial products called Refund Anticipation Loans (RALs) and Refund Anticipation Checks (RACs) that income tax preparation companies have aggressively marketed to Maryland consumers. Research has shown that while anyone can be a target of RALs and RACs, many tax preparers target low income communities where, to recipients of the Earned Income Tax Credit, expedited tax returns may seem especially lucrative and desirable. Consumers, however, often do not realize the high cost of junk fees and the deceptive practices associated with faster returns. In 2010, the Maryland General Assembly passed legislation in response to the rise of RALs and RACs, and Maryland attorneys now have new legal tools designed to assist victims of fraudulent tax preparers. This report is a summary of the research that Civil Justice, Inc. and Maryland CASH Campaign undertook to provide policymakers and attorneys with a clearer understanding of the problem, litigation and enforcement actions in other jurisdictions, legal practice tips, and policy recommendations.

1. Background on the Rise of Fraudulent Tax Products

Each fall, commercial tax preparers begin to market "Rapid Refunds" throughout the state of Maryland. The advertisements are for high-cost loan and deposit products that many low-income and unbanked taxpayers turn to in order to receive their refunds more quickly and to avoid paying the tax preparation fees upfront. Commercial tax preparers partner with national banks (who are generally outside the realm of regulation by state authorities) to offer these products, known as refund anticipation loans (RALs) and refund anticipation checks (RACs).

According to IRS data, 94% of taxpayers who applied for a RAL and 84% who obtained a RAC in 2011 were low-income.[1] Many of these taxpayers received the Earned Income Tax

Credit, a large, refundable tax credit for working families who make less than $50,000 annually. The IRS reports that over 85% of RAL consumers and 50% of RAC consumers were EITC recipients in the same year.[2] In 2011, EITC filers made up only 20% of all tax filers, demonstrating the extreme targeting of RALs and RACs on low-income tax filers.[3] In the same year in Maryland, there were 387,272 EITC filers, 15% of all Maryland filers.[4] In Baltimore City, there were 70,752 EITC filers, who received $165 million in EITC refunds.[5]

Nationally in 2011, taxpayers paid $46 million in RAL fees and $550 million in RAC fees.[6] National research shows that the price of a RAL for a refund of $2,600 can range from $58 to $136. In Maryland, 11,279 EITC recipients purchased RALS in 2011, spending an estimated $1.09 million. An average RAC product cost $30-50 and drained another $5.4 million out of the pockets of 135,131 EITC recipients in the state.[7] The fee for a RAL or a RAC is charged in addition to the basic tax preparation fees, which can cost an average of $250 for EITC recipients. If the taxpayer is unbanked, they will also be charged a check cashing fee. These figures show the profound effect these charges could have on the refund of an EITC recipient.

For Baltimore City, there were 69,885 EITC filers who received a refund; 3,796 EITC filers used a RAL and 32,622 used a RAC.[8] These figures represented 34% of all RALs and 24% of the RACs in the state in 2011. Baltimore City has 23% of all EITC filers in the state, yet is overrepresented in RALs and slightly lower in RACs.

a. How "Rapid Refund" Products Work

These "rapid refund" products are targeted to low-income taxpayers, who often need their funds as quickly as possible or do not have access to a bank account for direct deposit. Refund anticipation loans (RALs) are short term loans that are secured by a taxpayer's expected tax refund. The amount of the loan is determined by the commercial tax preparer based on the expected value of the taxpayer's refund. A check is issued and the loan is repaid when the taxpayer's refund is released by the Internal Revenue Service, which typically takes between 7–14 days. The refund is direct deposited into a one-time use account created by the tax preparer (for a fee) and is closed after the tax payer's refund has been received. If their refund is not released by the IRS for any reason, the taxpayer is responsible for repayment of the loan plus interest. A loan check is usually provided to the taxpayer either the same day or within 3 days of the tax preparation service. Rather than receiving the full refund, however, the cost of the RAL, banking fees, and standard tax preparation fees are deducted from the loan before the check is issued to the taxpayer. Often an additional convenience fee is charged for the "service" of this deduction.

With a refund anticipation check (RAC), the taxpayer does not get their refund any sooner but avoids paying for their tax preparation fees upfront. Similar to the RAL, the commercial tax preparer opens a one-time use bank account, through a national bank, to use for direct deposit of the taxpayer's refund. With a RAC, however, the check is not issued to the taxpayer until their refund has been released and deposited by the IRS. The cost of the RAC and standard tax preparation fees are then deducted from the refund. This practice is called 'fee-netting' and is often packaged as a convenience service on self-tax preparation software. Because of this "convenience," many taxpayers do not realize that they are paying such a high fee just to deduct the cost of tax preparation out of their refund. It also shields the high cost of the tax preparation itself. In Baltimore, the cost to prepare a tax return for an EITC recipient can range from $150-$400. Taxpayer who cannot pay that amount upfront may choose to use a RAC to finance the cost of tax preparation. According to the National Consumer Law Center, using a $30 fee to finance a $200 tax return for 3 weeks would be equivalent to 260% APR.[9]

b. The Recent Rise of RACs over RALs

Refund anticipation loans have been in decline since 2012, when federal regulators finally stepped in to curb the abusive interest rates and underwriting practices. As the RAL market has decreased, commercial tax preparers have turned to RACs to replace their lost revenue. In 2011, the IRS reports that 18 million consumers utilized a RAC. A large growth area for RACs seems to be in self-tax preparation software. The General Accountability Office (GAO) reported that an estimated 40% of RAC users came through self-tax preparation software.[10] For RAC users who prepare their own returns, many of the software companies require them to have a bank account to direct deposit their refund. Therefore, the sole purpose of their RAC is to finance the cost of tax preparation.

c. A Profile of Consumers Who Use These Products

Taxpayers who use RACs fall into several categories. First, low-income taxpayers, including those who receive the Earned Income Tax Credit, use a RAC alone or in tandem with a prepaid debit card to get their refunds back faster. These taxpayers often do not have a bank account or are not actively using an account. Second, consumers who do not want to or cannot pay the costs of tax preparation upfront will use a RAC to finance the cost of tax preparation. This could be the largest segment of the market. State-wide, 81% of taxpayers receiving a refund used direct deposit and almost 88% were located in Baltimore City.[11] Yet 39% of taxpayers state-wide and 52% of taxpayers in Baltimore City used RALs or RACs. This shows that some taxpayers who have an active bank account are still using refund settlement products. Finally, there are some taxpayers who purchased RACs and RALs but did not realize that they have purchased these products.[12] These taxpayers report that they were not offered the product and were not aware of purchasing this product until their return was reviewed by another tax preparer or consumer advocate.

d. How Consumers Can Avoid Harmful Tax Products

Consumers can best avoid RALs and RACs by using their own bank account or prepaid debit card. The IRS does not charge any fees to taxpayers for using direct deposit and, in fact, they encourage it due to the reduction in costs to issue paper checks. Tax preparers should not add on any fees for direct deposits to existing bank accounts or debit cards. It is important for pre-paid debit card users to verify that their card is reloadable, and that they understand any fees that may be associated with direct deposit. There are rarely fees for direct deposit, but some cards may charge a fee if the card is reloaded using cash at third-party storefronts.

Consumers can also avoid RALs and RACs by saving for the cost of tax preparation over the course of the year, so that they are not forced to deduct the amount from their refund. For taxpayers who make less than $50,000 or are over the age of 55, free tax preparation may be available through the IRS' Volunteer Income Tax Assistance (VITA) Program. Volunteer tax preparers are trained using IRS materials and exams on an annual basis. The IRS oversees VITA sites, which are funded through federal government and private foundations. The VITA sites do not charge fees, nor do they offer RALs or RACs. In fact, the VITA sites may also be able to connect taxpayers to low-cost bank accounts, financial education, and/or other services to help improve their financial security.

2. State Laws Aimed at the Regulation of Fraudulent Tax Preparation

Maryland, along with nineteen other states, has implemented laws designed to regulate fraudulent tax preparation.[13] These laws specify certain disclosures that tax preparers must provide to inform consumers of the nature of the RAL or RAC product. Maryland is one of seven states that provide additional legal protections for consumers by prohibiting add-on fees.[14] While these laws are significant steps toward tighter regulation of fraudulent tax preparers, many states encounter issues when attempting to regulate national banks. For instance, a recent regulatory attempt in Connecticut prohibited RAL facilitators from using RALs that cost over 60% APR. However, the federal Court of Appeals for the Second Circuit struck down this provision on the basis that it was preempted by federal banking law.[15]

a. Maryland's Fraudulent Tax Preparation Statute

In 2010, Maryland CASH Campaign worked with legislators and consumer protection advocates to pass legislation addressing the lack of disclosures related to RALs and RACs. The bill language was drafted based on a model law from the National Consumer Law Center and a recently passed law from Arkansas.[16,17] The legislation sought to address the issues of consumers not knowing that they had purchased the product(s) and not understanding the terms of each product. During the development of the bill's language, Maryland's Commissioner of Financial Regulation, was in a legal battle with a subsidiary of H&R Block regarding the ability of the state to require H&R Block to have a credit services business license to provide refund anticipation loans. Due to the on-going litigation, advocates decided to focus the bill on requiring oral and written disclosures to consumers that would clearly outline the product features and fees. Under the leadership of Senator George Della (D-41) and Delegate Bill Frick (D-16), HB 1206 passed both chambers unanimously.[18] The bill remained wholly intact, with a technical amendment to clarify that the disclosures applied to consumer transactions only, not business to business services.

The new law, "Refund Anticipation Loans and Checks" ("RALC") can be found in the Maryland Annotated Code, Commercial Law Article § 14-3801 – § 14-3807. The law requires taxpayers to make written and oral disclosures that provide notice to consumers on the nature of the refund anticipation products. Moreover, it expressly prohibits tax preparers from acting in specific unfair and deceptive ways. A final aspect of the law, the violations provision, is essential because it allows several forms of recovery for a victim of fraudulent tax preparation.

a. Written and Oral Disclosures

The statute contains key requirements for written and oral disclosures. First, it requires tax preparers to include disclosures of fee schedules that must be prominently displayed at each business location.[19] When consumers apply for refund anticipation loans, the tax preparers must disclose the fee for the loan, annual percentage rate payable, the time period for when proceeds will be paid to the consumer, and a legend stating that the product is a loan.[20] Additionally, at the time a consumer applies for a refund anticipation check, the tax preparer must orally inform the consumer of the amount, timing of the RAC in relation to timing of a regular refund, and in a language the consumer can understand.[21]

b. Prohibited Conduct

Maryland law also proscribes certain conduct under this statute. Specifically, the tax preparer cannot require that a consumer take out a refund anticipation loan, check, or charge additional fees other than the creditor’s fee. Further, any fraudulent conduct in connection with the refund anticipation product is prohibited, including oral statements that contradict any of the other disclosures, or misrepresentations of the product. The tax preparer also may not charge third-party fees, including charges for insurance, attorney’s fees, collection costs, or check cashing. Finally, the tax preparer must process applications promptly.[22]

c. Attorney's Fees Provision

The Maryland statute contains strong remedies for consumers who have been victims of violations of the law. In particular, a tax preparer who willfully fails to comply with any provision of the subtitle is liable to the consumer for: (1) actual and consequential damages, (2) statutory damages in the amount of $1,000, and (3) reasonable attorney's fees and costs.[23] Most notably, a violation of this subtitle is an unfair or deceptive practice within the meaning of Title 13 of the Commercial Law Article, the Maryland Consumer Protection Act.

The fact that a violation of this subtitle is a *per se* violation of the Maryland Consumer Protection Act gives the Maryland Attorney General's Office a range of enforcement options under Md. Code Ann., Com. Law § 13-401, *et. seq*. The Attorney General's Office can file a cease and desist order, request an injunction, and obtain civil and criminal penalties.

d. Recent Litigation Efforts in Maryland

Maryland's Refund Anticipation Loans and Checks law ("RALC"), being relatively new, has not been widely tested in court. As of the date of this report, only one published opinion references the law. In Gomez v. Jackson Hewitt, Inc., 427 Md. 128, 141, 46 (2012), the Court mentions the law in dicta in the following passage:

> Finally, "[i]n light of the uncertainty as to whether tax preparers involved in RALs were intended to be covered by § 14–1901 of the CSBA," the court said, "we find consonant with our determination, the fact that the legislature deemed it propitious to enact C.L. § 14–3806(b)," *id.* at 122 n. 8, 16 A.3d at 282 n. 8, part of new subtitle 38 in Section 14 of the Commercial Law Article (the "2010 RAL legislation"), which was "specifically aimed at regulating tax preparers involved in facilitating RALs." *Id.* at 121, 16 A.3d at 281. According to the court, this "clarif[ying]" legislation, enacted by 2010 Md. Laws, ch. 730, "directly addresses both direct *and indirect* payments to the tax preparer" by prohibiting tax preparers from charging fees to their clients who obtain RALs that exceed fees charged to clients who do not obtain RALs. *Id.* at 122 n. 8, 16 A.3d at 282 n. 8.

Although the "Refund Anticipation Loans and Checks" subtitle was not the central issue of

Gomez v. Jackson Hewitt, Inc., this excerpt may be helpful to attorneys who wish to bring suits under this statute. Specifically, the intent is clearly defined, and so the excerpt could serve as a possible reference to the purpose of the statute in future cases before judges who are likely unfamiliar with the statute.

3. National Enforcement and Litigation Actions

According to the National Consumer Law Center, a handful of notable enforcement actions against fraudulent tax preparers have transpired in recent years. These include actions by the United States Department of Justice (USDOJ) and state regulators.

a. United States v. Instant Tax Service

One important action, United States v. Instant Tax Service, involved allegations that the Instant Tax franchisees intentionally prepared fraudulent returns. This enforcement action is significant because it involves widespread allegations against Instant Tax Service for a wide range of deceptive practices and junk fees. As of the date of this report, this matter is still pending in the U.S. District Court for Ohio.

In the Complaint, the USDOJ alleges that Instant Tax Service (ITS) holds itself out to be the "4^{th} largest tax preparation company" in America.[24] The USDOJ further alleges that of its locations in 34 states, five of its six largest franchisees engage in systemic and pervasive tax fraud. Within the past three years, consumers around the country have filed over 900 complaints against ITS Stores, and have posted additional complaints to online consumer protection forums, such as "The Ripoff Report." [25] The complaints focus on ITS stores filing tax returns without the customers' knowledge or consent, making false representations to customers, and charging unconscionably high fees. Junk fees named in the complaint include, "transmission," "technology," "account set up," and "check-print" fees. [26]

In addition to junk fees, ITS allegedly violated other consumer protection laws by targeting a specific set of taxpayers for automatic denials of loans so that they would then pay the tax preparation application fees. Also, in an attempt to circumvent federal and state disclosure laws, the company rebranded their “Refund Anticipation Loans” and “Instant Cash Loans” as “Advances” without changing any other qualities of the loans. To further complicate the list of abuses, Instant Tax also issued bad checks to customers, but made sure to deduct high fees before issuing the bad checks for the remainder to consumers. [27] Alongside the numerous abuses, the USDOJ estimates that the tax loss to the government from the Instant Tax Service franchisees exceeded $16 million in 2011.

b. U.S. Department of Justice (USDOJ) v. Jackson Hewitt

The case of USDOJ v. Jackson Hewitt involves a well-recognized national tax preparation company. In this matter, the USDOJ brought civil enforcement actions against five Jackson Hewitt franchisees for preparing fraudulent tax returns that falsely claimed $70 million in tax refunds. The USDOJ alleged that the businesses encouraged fraudulent tax preparation, including filing false returns based on phony W-2 forms, using fabricated businesses and business expenses to claim deductions, claiming bogus fuel tax credits, and massive EITC frauds.[28] The suit further alleges that Jackson Hewitt managers and employees received illegal kickbacks from customers for helping them file fraudulent tax returns. More information on these suits and copies of the complaints can be accessed at http://www.justice.gov/tax/txdv07215.htm.

c. State Enforcement Actions

In addition to the federal enforcement actions, state agencies have brought recent enforcement actions against fraudulent tax preparers. In 2013, the Chicago Department of

Business Affairs and Consumer Protection led an undercover investigation into hundreds of tax preparers. They found that more than 80 percent violated new City ordinances, including the failure to give consumers proper disclosure forms.[29] Similarly, the New York State Department of Taxation and Finance held a sting operation and discovered evidence of fraud among 40 percent of the tax preparers it visited. According to news reports, in one case, the preparer told the investigator that he did not declare his full gross business income because it would lead to a higher tax payment.[30]

d. Litigation

Alongside enforcement actions, recent litigation demonstrates that individuals and governments can effectively use consumer statutes to stop fraudulent tax preparers. In January of 2013, a California appellate court issued a decision in the case of People v. JTH Tax, Inc. 2013 WL. 177140 (Cal Ct. App. – 1st Dist. Jan. 17, 2013). The defendant, JTH Tax, Inc., did business as Liberty Tax Service and had more than 2,000 franchised stores in California. Liberty offered tax preparation services, e-filing, refund anticipation loans, and electronic refund checks. Liberty benefited substantially from the RAL and RAC products, earning more than $11.6 million in revenue from their sales in 2007.[31] Liberty had a high percentage of lower-income customers, who could not afford to pay for tax preparation out of pocket, and recognized that these products also made Liberty's tax preparation services more affordable. In the proceedings, Liberty's chief financial officer testified, "If we didn't offer bank products, a lot of customers wouldn't come in our doors."[32]

The Attorney General filed a complaint against Liberty alleging that Liberty had violated California's unfair competition law and false advertising law. The court found against Liberty in three areas. First, it concluded that the RAC fee, which was typically $24 to $30.95, was an undisclosed finance charge in violation of the Truth in Lending Act because it was a form of credit that allowed customers to delay payment for tax preparation services.[33] The court also found that failure to disclose violated state laws. Second, the court found that Liberty's collection practices in the course of selling RALs and RACs were unfair and deceptive, in violation of state and federal laws.[34] Third, the court found Liberty liable for certain print and television advertisements that were deceptive in violation of state laws.[35] The appellate court upheld an award of $1.169 million in civil penalties and $135,000 restitution, and permanently enjoined several of Liberty's practices.[36]

4. Issue Spotting and Identifying Claims for Attorneys

Based on research and a review of consumer complaints related to tax preparers that the Maryland CASH Campaign obtained from the Maryland Attorney General, lawyers who seek to bring claims under RALC, Md. Code Ann., Com. Law § 14-3801, *et. seq.* should look for the following fact patterns:

- **Non-bank Lenders:** Clients who have used a non-bank lender who offered a tax-time loan may be more likely than mainstream tax preparation clients to have unknowingly paid more for their refund.

- **"Sell Your Refund" Scams:** Tax companies who offer to "purchase" the refund from the consumer, who may have tacked on extra fees.

- **Extra Fees:** Refund paperwork from the consumer may contain lists of bogus add-on fees, aka, "junk fees."

- **Bait-And-Switch:** The "Phantom" RAL, which is a bait-and-switch scheme to get customers into offices. Preparers advertise refund anticipation loans, but then deny the consumer's application. In the meantime, the consumer has committed to using that tax preparer's services to file their return.

- **Self Tax Preparation, Computer Software Tax Preparation Programs:** Computer programs can include RACs that are sometimes sold to the taxpayer automatically, without the consumer's knowledge, consent, or full understanding.

5. Policy Recommendations

Since passage in 2010 of Maryland's RALC legislation, the federal government has brought needed regulation around refund anticipation loans. Increased oversight and capital requirements have made traditional RALs almost obsolete, but new products are cropping up to fill the market. There are viable solutions for federal and state policymakers to further protect consumers from these expensive refund anticipation products.

Federal Level Recommendations: [37]

- The IRS should make refund lending obsolete by turning around refunds faster.
- Limit RAL, RAC and any other refund loan fees to 36 percent or less APR.
- Prohibit the use of the Earned Income Tax Credit as collateral for RALs, RACs and any other refund loans.
- Prohibit a Community Reinvestment Act grade of Satisfactory or Outstanding for any national bank participating directly or indirectly in RAL, RAC or any other refund lending.
- Allow taxpayers to deduct the cost of tax preparation directly from their refund via the IRS (fee-netting).
- Allow taxpayers to open a bank account directly on their tax return.
- Provide increased funding for free tax preparation.

State Level Recommendations:

- Prohibit tax preparers who are not registered with the state from brokering RALs, RACs and any other refund loans.
- Prohibit tax preparers from charging any fee except for the RAL, RAC or other refund loan fee charged by the lender, *i.e.*, prohibit add-on fees.
- Prohibit businesses whose primary purpose is not tax preparation from offering RALs, RACs and any other refund loans.
- Conduct investigations, including secret shopping, to ensure that tax preparers are effectively disclosing the proper information to taxpayers.

- Ensure the investigation of complaints against paid tax preparers and enforcement of the applicable laws.

- Strip tax preparers of their registration if they violate state RAL laws.

- Provide funding for free tax preparation.

- Provide funding for an educational campaign about using reputable tax preparers and direct deposit for refunds.

Conclusion

To the uninformed consumer, policymaker, or attorney, abusive and aggressive tax preparation practices may fall below the radar. Through this survey paper, Civil Justice and Maryland CASH Campaign have identified key themes and trends with the purpose of educating and informing policymakers and attorneys. By increasing legal and public knowledge of the RAL and RAC products and how they impact consumers, Maryland legislation, and recent enforcement actions and litigation, this work provides a starting point for public education and outreach. Finally, the issue-spotting techniques and policy recommendations will be helpful in future legal and policy work. Overall, by gathering and disseminating this information, Civil Justice and Maryland CASH Campaign lead an ongoing statewide effort to stop fraudulent and deceptive tax preparation in Maryland.

---

[1] *IRS SPEC*, Return Information Database for Tax Year 2010 (Returns Filed in 2011) (Jan. 2013)
[2] IRS reported that 850,000 EITC returns were associated with a RAL application in 2011. *IRS SPEC*, Return Information Database for Tax Year 2010 (Returns Filed in 2011) (Jan. 2013)
[3] There were 26 million EITC returns and 130 million individual tax returns in 2011. *IRS SPEC*, Return Information Database for Tax Year 2010 (Returns Filed in 2011) (Jan. 2013).
[4] *IRS SPEC* via Brookings Institute for Tax Year 2010 (Returns Filed in 2011) (June 2013).
[5] *Id.*
[6] NCLC REPORT, at 4. http://www.nclc.org/images/pdf/high_cost_small_loans/ral/ral-report-2013.pdf.
[7] Disclosures from complaints through AG's office
[8] *IRS SPEC* via Brookings Institute for Tax Year 2010 (Returns Filed in 2011) (June 2013).
[9] NCLC REPORT, at 6.
[10] http://www.gao.gov/assets/660/650962.pdf Page 23
[11] *IRS SPEC* via Brookings Institute for Tax Year 2010 (Returns Filed in 2011) (June 2013).
[12] MD CASH interviews with clients who filed AG complaints (July - December 2012).

[13]Ark., Cal., Colo., Conn., Ill., La., Me., Md., Mich., Minn., Nev., N.J., N.Y., N.C., Or., Tenn., Tex., Va., Wash., and Wis. currently regulate RALs. NCLC REPORT 28.
[14] NCLC REPORT, at 28.
[15] *Id.*
[16] http://www.nclc.org/images/pdf/high_cost_small_loans/ral/model-refund-anticipation-loan-act.pdf, at 6-25.
[17] http://www.arkleg.state.ar.us/assembly/2009/R/Pages/BillInformation.aspx?measureno=HB2203; HB 2203 passed in 2009.
[18] http://mgaleg.maryland.gov/webmga/frmMain.aspx?ys=2010rs/billfile/hb1206.htm
[19] Md. Code Ann., Com. Law § 14-3803 (West)
[20] *Id*. § 14-3804
[21] *Id*. § 14-3805
[22] *Id*. § 14-3806
[23] *Id*. § 14-3807
[24] *Id*. § 14-3807
[24] *U.S. v. Fesum Ogbazion, et. al.*, Ohio Dist Ct., (Case No.: 3:12-cv-00095-TSB), Compl.
[25] *Id.* at 3.
[26] *Id.*
[27] *Id.*, at 18
[28] USCA, (Case #13-5061), (Amicus Br. of the National Consumer Law Center and National Community Tax Coalition),
http://www.natptax.com/TaxKnowledgeCenter/RTRPExam/Documents/National%20Orgs%20Amici%20Brief.pdf
[29] *Id. at* 38.
[30] Tom Herman, *New York Sting Nabs Tax Preparers*, WALL STREET JOURNAL, (Nov. 26, 2008).
[31] *People v. JTH Tax, Inc.*, 212 Cal. Ct. App. 1219, 1225. (4th Cir. 2013), review filed (Feb. 25, 2013)
[32] *Id.*
[33] *Id.*
[34] *Id.*
[35] *Id.*, at 1226
[36] http://www.nclc.org/images/pdf/high_cost_small_loans/ral/ral-report-2013.pdf, at 30
[37] Memorandum to IRS Refund Working Group from Consumer Advocates. (Apr. 7, 2010).