



Robert W. Wood

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Guilty Mo' Money Tax Preparers Could Face 8 Years

Two tax return preparers from [Mo' Money Taxes](#), Erik Pittman and Jeremy Blanchard, both age 35 from Memphis, Tennessee, have [pleaded guilty](#) to conspiracy to defraud the U.S. and of assisting in the preparation of a false tax return. According to court documents, they and others prepared numerous false tax returns for customers of their tax return preparation business. They were preparers at Mo' Money Taxes, which operated three locations in the Richmond, Virginia area.

Blanchard and Pittman admitted that they created and inflated fictitious and fraudulent tax credits, including the Earned Income Credit and the American Opportunity credit, to claim tax refunds that customers were not entitled to receive. As part of their guilty pleas, Blanchard and Pittman admitted that their conduct caused a loss to the IRS of more than \$250,000, but less than \$550,000. Blanchard and Pittman each face a maximum penalty of up to eight years in prison and a \$500,000 fine when sentenced on June 8, 2016.



Mo' Money Taxes

The federal government tries hard to shut down tax preparers the government thinks are breaking the rules, shorting the IRS and hurting innocent taxpayers. The name of the tax preparation firm probably does not have any impact on this issue. Even so, Mo' Money Taxes may not have been the most discreet choice. The feds have gone after this brand for the last few years.

Even before the 2013 civil injunction action, there were troubles. In 2012, Mo' Money franchise owner Jimi Clark of Memphis was [indicted for tax fraud](#). In 2013, he plead guilty and was sentenced to 20 months in prison for falsely claiming educational tax credits on 47 returns. Other defendants also pleaded guilty. In 2013, the [Justice Department kept after Mo' Money Taxes](#).

At that point, it was a civil injunction lawsuit seeking to shut down the Memphis based tax-preparation chain. The chain may have fallen on hard times, but at one time the firm is said to have had nearly 300 offices in 18 states. The federal government alleged that then owners Markey Granberry and Derrick Robinson, along with store manager Eumora Reese, encouraged

the preparation of fraudulent tax returns. As in the case of many other tax preparation shops, the primary targets the feds claim have been abused are tax credits the firm allegedly over-claimed for clients.

It is not only the preparers that can suffer in these situations. Many taxpayers get caught up in in the aftermath when tax preparers have trouble. Indeed, the fallout for innocent taxpayers patronizing a tax preparation shop that is in trouble can be far-reaching. People plan for the tax refund they are promised, and then do not receive it. Some end up having to refile, and they may never get back the sometimes very high fees they paid for the original return preparation work. Mo' Money Taxes has faced those kinds of claims too.

For alerts to future tax articles, email me at Wood@WoodLLP.com. This discussion is not legal advice.