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MADIGAN SUES CHICAGO TAX PREPARER FOR FRAUD***Attorney General Alerts Illinois Consumers to Illegal Tax Preparation Fees Tied to Costly Refund Anticipation Products***

Chicago — Attorney General Lisa Madigan filed a lawsuit today to shut down a Chicago tax preparer for defrauding consumers out of an estimated \$200,000 in outlawed fees.

Madigan filed the lawsuit and a motion for a temporary restraining order earlier today in Cook County Circuit Court to shut down Individual Income Tax Service (IITS) and its operators: Dawit Gebre, Meles Tesfamarime, Frewoini Gebre, and Dwayne Brown.

The lawsuit alleges IITS misled consumers by telling them they could only pay for tax preparation filing fees using a refund anticipation check, which forces consumers to pay for their tax preparation fees out of their refund. Madigan alleges the company also charged higher fees and prohibited fees to those customers – both of which are violations of Illinois' Tax Refund Anticipation Loan Reform Act and the Consumer Fraud and Deceptive Business Practices Act.

"We are asking the court to immediately shut down this company while the lawsuit proceeds so that no additional consumers are charged illegal fees to file their tax returns," Madigan said. "Beware of tax preparers that push or require you to use a tax refund anticipation product, with promises of a faster tax refund because these offers will ultimately be riddled with costly prohibited fees."

IITS primarily serves low-income consumers in Chicago's Uptown neighborhood and on Chicago's south and west sides. The company has had several locations at 4548 N. Broadway Ave.; 141 S. Pulaski Rd.; 242 E. 35th St.; 1959 E. 79th St., 6250 S. Marshfield Ave., and 11 S. Kedzie Ave.

Information obtained by Madigan's office shows that consumers may have paid over \$200,000 in illegal fees to the company. In filing the lawsuit, Madigan also asked the court to grant a temporary restraining order to cease operations during the busy tax filing season to avoid consumers being further victimized by the company's practices.

The Illinois Tax Refund Anticipation Loan Act was enacted in 2013 to combat the high cost of refund anticipation products. Tax preparers pitch these products as a way to receive a tax refund instantly, but in reality these are short-term loans that often saddle consumers with high interest rates and fees that are deducted from their tax refund. Particularly egregious is the fact that consumers who obtain refund anticipation checks and debit cards do not actually receive their returns faster because the business must still wait for the IRS to deposit the refund into the temporary account.

To report a complaint involving a tax refund anticipation product, contact Madigan's Consumer Fraud hotlines:

1-800-386-5438 (Chicago)
1-800-243-0618 (Springfield)
1-800-243-0607 (Carbondale)

Consumers seeking help to prepare and file their taxes free of charge should contact the Center for Economic Progress or visit their [website](#).

Assistant Attorneys General Vijay Raghavan, Gregory Jones and Jacob Gilbert are handling the case for Madigan's Consumer Fraud Bureau.

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