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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 today announced she has filed a lawsuit to shut down a Chicago tax preparer for defrauding consumers out of thousands of dollars in illegal fees. As the first step in the lawsuit, Madigan has obtained a court order preventing the company from charging hidden fees.

Madigan filed the lawsuit in Cook County Circuit Court to shut down Su Familia Income Tax and its operators Michelle Lopez, Melissa Gasca and Vanessa Campos. The lawsuit alleges Su Familia, at 2638 W. 51st St. in Chicago, purports to offer low-cost tax preparation services for a fee of about \$150. In reality, Madigan alleges, Su Familia signs consumers up for unnecessary and expensive tax-related financial products and deducts significant additional fees from consumers' tax refunds without their knowledge. These undisclosed fees are typically \$500 per person but can be over \$1,000 and in some cases account for over 50 percent of a consumer's expected tax refund.

To disguise the undisclosed fees that the company takes from consumers' tax refunds, Madigan alleges Su Familia gave customers fake tax returns showing a lesser tax refund amount. When consumers have discovered this inconsistency and confronted Su Familia, the company has threatened to initiate legal action against the consumers. As a result, customers, many of whom are low-income, do not receive their full tax refund.

Along with the lawsuit, Madigan also filed a motion for a temporary restraining order to halt Su Familia's illegal practices. On Friday, Cook County Circuit Court Judge Sophia Hall issued an order preventing Su Familia from charging hidden fees by prohibiting the company from taking fees out of consumers' tax refunds, and instead requiring it to bill consumers directly.

"The court's order will ensure that no additional consumers are charged illegal fees to file their tax returns," Madigan said. "Beware of tax preparers that require you to use a tax refund anticipation product with promises of a faster tax refund, because these offers are frequently laden with expensive and hidden prohibited fees."

In filing the lawsuit, Madigan asked the court to ban this company from the tax preparation business in Illinois, pay refunds to impacted consumers and impose civil penalties.

With the tax filing season underway, Madigan urged Illinois residents to be aware of the high costs associated with tax refund anticipation products. Tax preparers promote 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, which in some cases are illegal, that are deducted from their tax refund. Particularly egregious is the fact that consumers who obtain refund anticipation checks and refund anticipation debit cards do not actually receive their returns faster because they 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 one of 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 and Gregory Jones are handling the case for Madigan's Consumer Fraud Bureau.

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