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ATTORNEY GENERAL RAOUL SUES TAX PREPARERS FOR FRAUD

Attorney General Alerts Consumers to Illegal Tax Preparation Fees Tied to Costly Refund Anticipation Products

Chicago — Attorney General Kwame Raoul announced a lawsuit to immediately shut down a tax preparation business operating in the south side of Chicago that collected more than \$1 million in fees from consumers as a result of unlawful conduct.

Attorney General Raoul filed the lawsuit in Cook County Circuit Court to shut down Nu Republic, a Georgia-based company, and its Chicago operators. Nu Republic has had several locations including 7900 S. Drexel Avenue, 644 E. 79th Street, and 1703 W. 79th Street. Raoul also filed a motion for a temporary restraining order to require Nu Republic to immediately cease operations and prohibit the company from offering tax preparation services while the lawsuit is ongoing.

The Attorney General's lawsuit alleged Nu Republic and its sister company Refund Republic advertise that by filing their taxes with Nu Republic and paying a fee of approximately \$350, consumers can double their tax refunds or obtain free cash advances. In reality, Raoul alleged, Nu Republic extracts additional high, undisclosed fees from consumers' tax refunds without their knowledge, and the company charges consumers for unnecessary and expensive tax-related financial products. These fees can total over \$1,000 and in some cases account for nearly all of a consumer's expected tax refund.

Additionally, Raoul alleged that Nu Republic's tax preparation work results in a high number of errors in tax filings, inaccurate refund estimates, missed filing deadlines, and unauthorized submissions to the Internal Revenue Service (IRS).

"I am asking the court to immediately shut down Nu Republic so that no other consumers are charged these illegal fees to file tax returns," Raoul said. "People should be wary of tax preparers who offer 'free' incentives and promise big refunds, because these offers can ultimately lead to expensive, and in some cases, prohibited fees."

Information obtained by the Attorney General's Office shows that the company collected more than \$1 million in fees as a result of unlawful conduct. In filing the lawsuit, Raoul asked the court to grant a temporary restraining order to cease Nu Republic's operations during the busy tax filing season in order to prevent individuals from 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, such as those marketed by Nu Republic. Tax preparers pitch these products as a way to receive a tax refund more quickly, but in reality they are short-term loans that often saddle consumers with high interest rates and fees that are deducted from their tax refunds. 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 file a complaint involving a tax refund anticipation product, consumers should visit the [Attorney General's website](#) or call Raoul's Consumer Fraud hotline in Chicago at 1-800-386-5438. Raoul also encouraged people in need of free tax filing and preparation assistance to visit the [IRS' website](#) to find a location.

Assistant Attorneys General Vijay Raghavan and Vivian Saphavee are handling the case for Raoul's Consumer Fraud Bureau.