



Department of Justice

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TAX
(202) 514-2008
TDD (202) 514-1888

FEDERAL COURT BARS MULTISTATE TAX SCAM TARGETING AFRICAN-AMERICAN BUSINESS OWNERS

Federal Court Bars Multistate Tax Scam Targeting African-American Business Owners

WASHINGTON, D.C. - The Justice Department today announced that a federal court in Fort Worth, Texas has permanently barred Sherri L. Harris and her company S-N-K Enterprise, Inc. (also known as S&K Enterprise) from promoting an illegal tax scam that targets African-American business owners. The permanent injunction order, signed by Judge John H. McBryde of the U.S. District Court for the Northern District of Texas also bars Harris and her company from preparing federal income tax returns for others. The order was entered in a civil suit that the Justice Department filed last month.

The government complaint alleged that Harris, of Oklahoma City; Ebony Scott of Arlington, Texas; and Kelvin Bailey of Madison, Tennessee - all doing business as S-N-K Enterprise - had charged customers several hundred dollars to prepare and submit applications for federal minority-owned business grants. Court papers filed in the case alleged that the defendants never filed the grant applications but instead, without the customers' knowledge, filed amended federal income tax returns for the customers seeking refunds ranging from approximately \$44,000 to \$93,000 per return, based on claiming bogus tax credits. The Internal Revenue Service prevented over \$2.7 million in losses to the U.S. Treasury by identifying and disallowing these fraudulent refund claims.

"The Justice Department is working tirelessly to stop illegal tax schemes," said Eileen J. O'Connor, Assistant Attorney General for the Justice Department's Tax Division. "Those who sell these scams can expect to face substantial penalties for their actions, including criminal charges where appropriate."

Judge McBryde also ordered Harris and the company to notify customers of the court's order and to provide the Justice Department with the names, addresses and phone numbers of customers and company salespersons. The suit against Bailey and Scott is still pending.

More information on this case is available at www.usdoj.gov/tax/03_tax_651.htm. The Justice Department has recently obtained injunctions against a number of tax-scam promoters. More information about these cases is available on the Justice Department website at www.usdoj.gov/tax/TEN.htm.

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