UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF KENTUCKY, CENTRAL DIVISION

United States of America v. Brandon Ross Williams and Refund HQ, LLC

Williams · No. 3:24-cv-00075-GFVT-EBA · Decided January 29, 2026

SUMMARY

The United States District Court for the Eastern District of Kentucky considers the United States' motion for a preliminary injunction against Brandon Ross Williams and Refund HQ, LLC. The government alleges that Williams and Refund HQ prepared tax returns containing fraudulent Schedule C deductions, improper filing statuses, inflated earned income tax credits, and incorrect preparer-identification information. The court grants the preliminary injunction in part, finding that injunctive relief is proper under 26 U.S.C. §§ 7402(a) and 7407, while applying Sixth Circuit factors to determine whether the relief is necessary and reasonable.

CASE DETAILS

COURT	United States District Court for the Eastern District of Kentucky, Central Division
WRITING FOR THE COURT	Gregory F. Van Tatenhove
JURISDICTION	United States District Court for the Eastern District of Kentucky, Central Division
DECIDED	January 29, 2026
DOCKET	3:24-cv-00075-GFVT-EBA
DISPOSITION	other
PROCEDURAL POSTURE	The United States sought a preliminary injunction under 26 U.S.C. §§ 7402, 7407, and 7408 against a tax preparer and his business during the pendency of the government's civil action.
STANDARD OF REVIEW	For preliminary injunctive relief under the Internal Revenue Code, the court applied the Sixth Circuit's Gleason totality-of-the-circumstances factors to determine whether injunctive relief was necessary and reasonable, while considering the purposes of the traditional equitable factors without treating them as mandatory.
PRECEDENTIAL VALUE	Unknown; federal district court memorandum opinion and order

PARTIES United States of America v. Brandon Ross Williams, Refund HQ, LLC

TOPICS

tax preparer liability · tax fraud · injunctions · equitable relief · civil procedure

PRACTICE AREAS

Federal tax enforcement · Tax return preparer liability · Preliminary injunctions · Civil procedure

QUESTIONS PRESENTED

1. Whether the United States established grounds for preliminary injunctive relief under 26 U.S.C. § 7402(a).
2. Whether the defendants engaged in conduct subject to penalty under 26 U.S.C. §§ 6694 and 6695 and repeatedly or continuously engaged in that conduct so as to support an injunction under § 7407.
3. Whether the defendants engaged in specified conduct supporting an injunction under 26 U.S.C. § 7408.
4. Whether the Sixth Circuit's Gleason factors apply at the preliminary-injunction stage and, if so, whether those factors support injunctive relief.
5. What scope of preliminary injunction was appropriate, including whether defendants should be permitted to continue tax-preparation activities under third-party monitoring.

HOLDINGS

1. Section 7402(a) independently authorizes a district court to issue an injunction necessary or appropriate to enforce the internal revenue laws, and the United States established that preliminary injunctive relief was proper based on evidence of defendants' repeated tax-law violations.
2. The government established that Williams and Refund HQ engaged in conduct subject to penalty under §§ 6694 and 6695 and that the conduct was continuous and repeated, supporting a preliminary injunction under § 7407, including an injunction against Williams acting as a tax return preparer.
3. The government established grounds for preliminary injunctive relief under § 7408 because the alleged preparation of returns with fictitious business expenses and improper filing statuses constituted repeated conduct involving understatement of tax liability and failures relating to reportable transactions.
4. The court held that the Sixth Circuit's Gleason totality-of-the-circumstances factors are appropriate to consult when determining whether a preliminary tax injunction is reasonable and necessary, even though the Sixth Circuit has not expressly limited those factors to permanent injunctions.
5. Three Gleason factors favored an injunction: the gravity of the harm, defendants' participation and scienter, and the recurrent nature and likelihood of future violations. The remaining two factors did not favor either side at the preliminary stage. Considering the totality of the circumstances, injunctive relief was reasonable and necessary.
6. A blanket prohibition was broader than necessary in light of the traditional equitable considerations, so the court entered a broad preliminary injunction but permitted defendants to continue limited tax-

preparation operations if they retained a neutral, court-approved third-party auditor under specified conditions.

KEY QUOTATIONS

> *"The Sixth Circuit holds that the traditional equity factors are not relevant because 28 U.S.C. §§ 7402(a), 7407, and 7408 expressly authorize the issuance of preliminary injunctions."* (Section II)

> *"District courts must assess the totality of the circumstances surrounding the defendants and their violations by considering five factors:"* (Section II.B)

> *"However, rather than issuing a blanket ban on Williams and his business, the Court is prepared to tailor a more specific remedy that offers Williams the opportunity, should he choose to accept it, to continue acting as a tax return preparer under the supervision of a third-party auditor."* (Section II.C)

> *"Defendants and any individual or entity acting in active concert or participation with them, including representatives, agents, servants, employees, family members and/or any person, are PRELIMINARILY ENJOINED, directly or indirectly, by use of any means or instrumentalities, from operating without a third-party monitoring system to audit the defendants' compliance with the requirements of this Order."* (Order ¶ 5)

FACTUAL BACKGROUND

Brandon Ross Williams operated Refund HQ, LLC, a Kentucky tax-preparation business. The government's IRS investigation indicated that Williams and the business prepared returns containing fabricated or inflated Schedule C expenses, improper filing statuses, inflated earned income tax credits, and preparer-identification irregularities, including use of other preparers' names or identification numbers. Williams had previously incurred tax-return-preparer penalties, and the IRS estimated substantial continuing harm from the alleged conduct. Refund HQ had also been administratively dissolved and was listed as inactive and in bad standing.

PROCEDURAL HISTORY

The United States filed its complaint on December 19, 2024, seeking a permanent injunction and disgorgement. It later moved for a preliminary injunction. Williams opposed the motion, the parties briefed the matter, and the court held a hearing on January 20, 2026. The court granted the motion in part, entering a preliminary injunction through resolution of the merits and allowing operation under specified third-party auditing conditions.

DISPOSITION

other

CASES CITED

- United States v. Allen, 242 F. App'x 303 (6th Cir. 2007)
- Tactical Edge, LLC v. Garland, 696 F. Supp. 3d 460 (M.D. Tenn. 2023)
- Benisek v. Lamone, 585 U.S. 155 (2018)
- County Security Agency v. Ohio Department of Commerce, 296 F.3d 477 (6th Cir. 2002)

- Granny Goose Foods, Inc. v. Brotherhood of Teamsters & Auto Truck Drivers Local No. 70 of Alameda County, 415 U.S. 423 (1974)
- Carpenter's District Council v. Cicci, 261 F.2d 5 (6th Cir. 1958)
- United States v. ITS Financial, LLC, 592 F. App'x 387 (6th Cir. 2014)
- United States v. Elsass, 978 F. Supp. 2d 901 (S.D. Ohio 2013)
- United States v. Wilson, No. 5:08-CV-00474-KKC, 2009 WL 1465878 (E.D. Ky. Apr. 6, 2009)
- United States v. Hinz, 126 F. Supp. 3d 921 (N.D. Ohio 2015)
- Overstreet v. Lexington-Fayette Urban County Government, 305 F.3d 566 (6th Cir. 2002)
- United States v. Ernst & Whinney, 735 F.2d 1296 (11th Cir. 1984)
- United States v. Gleason, 432 F.3d 678 (6th Cir. 2005)
- United States v. Hargrove, No. 3:16-CV-503-DJH, 2017 WL 2198190 (W.D. Ky. Feb. 28, 2017)
- United States v. Powell, No. 21-CV-10622, 2024 WL 1342678 (E.D. Mich. Mar. 29, 2024)
- United States v. Miller, No. CIV.3:09-1030, 2009 WL 4060274 (M.D. Tenn. Nov. 23, 2009)
- United States v. Simmons, No. 222CV11916TGBKGA, 2023 WL 2873358 (E.D. Mich. Apr. 10, 2023)
- University of Texas v. Camenisch, 451 U.S. 390 (1981)
- Basicomputer Corp. v. Scott, 973 F.2d 507 (6th Cir. 1992)
- United States v. Obgazion, et al., No. 3:12-cv-00095-TSB (S.D. Ohio Oct. 29, 2012)

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