

May 13, 2021

ATTORNEY GENERAL RAOUL ANNOUNCES SETTLEMENT WITH TAX PREPARER FOR DEFRAUDING CONSUMERS

Chicago — Attorney General Kwame Raoul today announced a consent order with tax preparer Su Familia Income Tax, requiring the company to pay restitution to Illinois consumers and prohibiting the company from engaging in fraudulent practices related to its tax preparation services.

The [consent decree](#), filed in Cook County Circuit Court, resolves a lawsuit the Attorney General's office initially filed against the Chicago tax preparer in 2018 alleging that Su Familia defrauded consumers out of thousands of dollars in illegal fees for tax preparation services. The consent order requires Su Familia to pay over \$100,000 in restitution to 59 Illinois consumers and prohibits the company from misrepresenting the cost of services or taking payment from consumers' tax refunds.

"Su Familia defrauded low-income residents out of thousands of dollars by charging hidden fees and taking money from their tax returns," Raoul said. "Today's consent order ensures Su Familia does not take advantage of customers by charging people illegal fees to file their tax returns. I will continue working to protect Illinois consumers by holding businesses accountable for deceptive practices, and I encourage people to check the IRS' website when looking for reputable tax filing services."

Su Familia offered low-cost tax preparation services for a fee of around \$150. In reality, the company signed consumers up for unnecessary and expensive tax-related financial products and deducted significant additional fees from consumers' tax refunds without their knowledge. These undisclosed fees were typically \$500 per person but could cost more than \$1,000, and in some cases, accounted for over 50 percent of a consumer's expected tax refund.

To disguise the undisclosed fees that the company took from consumers' tax refunds, Su Familia gave customers fake tax returns showing a lower tax refund amount. When people discovered the inconsistency and confronted Su Familia, the company threatened to initiate legal action. As a result, customers, many of whom were low-income, did not receive their full tax refunds.

Under the consent order, Su Familia is prohibited from advertising or performing tax preparation services where the company is compensated with any proceeds from any refund anticipation check or refund anticipation loan. The company cannot misrepresent the cost of services, the manner by which customers can pay for services, or the amount of the customer's expected IRS tax refund. Su Familia also must give customers an itemized bill that includes the total cost of services prior to or at the time of service and a copy of the finalized, signed tax return prior to filing with the IRS. Additionally, for three years following the entry of the consent order, Su Familia must maintain a log of all tax preparation services the company provides Illinois consumers.

Raoul encourages consumers who need a tax preparer to seek assistance from reputable sources such as the IRS' [Taxpayer Advocate Service](#). Additionally, the IRS offers access to free tax filing services to qualified consumers. Raoul encourages individuals to check their qualifications and browse the [IRS Free File Online Lookup Tool](#). Taxpayers also can search online for free, [in-person tax preparation assistance](#).

Individuals who need to report a complaint involving a tax preparer or tax refund anticipation product should call the Attorney General's Consumer Fraud hotlines:

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

Assistant Attorneys General Greg Jones and Alan Williams handled the case for Raoul's Consumer Fraud Bureau.

A Spanish translation of this press release is [available here](#).