

**BEFORE THE MARYLAND STATE BOARD OF INDIVIDUAL TAX PREPARERS**

MARYLAND STATE BOARD OF INDIVIDUAL \*  
TAX PREPARERS, \*

v. \*

Case no. ITP-CC-2014-02

Laura Payne-Perkins, \*

Respondent. \*

\* \* \* \* \*

**FINAL ORDER**

**I. Procedural Background.**

The above-captioned matter was heard before the Maryland State Board of Individual Tax Preparers ("the Board") on February 10, 2014. The allegations against Respondent Laura Payne-Perkins ("Respondent"), as set forth in the Board's charge letter dated January 27, 2014, were as follows:

On or about March 25, 2013, you pled guilty to a charge of Conspiracy - Theft in the Circuit Court for Charles County, Case No. K-12-963. The charge related to your conduct as a tax preparer in connection with the preparation and filing of separate 2011 Income Tax Returns for Kirby Hall and Kenneth Baylor through your firm CPG & Associates, LLC ("CPG").

Upon the filing of his return, Hall was to receive a refund in the amount of \$7188.00, which was to be deposited into his personal bank account. Likewise, Baylor was supposed to receive a refund in the amount of \$2026.00, to be deposited into his personal bank account. In fact, the funds for both Hall and Baylor were deposited directly into a business account for CPG and were subsequently converted for unauthorized use. Neither Hall nor Baylor received the refund amounts to which they were entitled.

Based on the circumstances described above, you are charged with violating the following laws of the State of Maryland:

**Business Occupations and Professions Article, Ann. Code of Maryland**

**Section 21-311. Denial, suspension, revocation of registration; reprimands; penalties.**

(a) In general.-- Subject to the hearing provisions of § 21-312 of this subtitle, the Board, on the affirmative vote of a majority of its members then serving, may deny a registration to any applicant, reprimand and registered individual, or suspend or revoke a registration if the applicant or registered individual:

(3) under the laws of the United States or of any state, is convicted of a felony or a misdemeanor, either of which is directly related to the fitness and qualification of the applicant or registered individual to provide individual tax preparation services.

In its charge letter, the Board informed Respondent of her right to a hearing on the charges, in accordance with the Business Occupations and Professions Article ("BOP") of the *Annotated Code of Maryland*, §21-312 *et seq.*, the Maryland Administrative Procedure Act as set forth in the State Government Article of the *Annotated Code of Maryland*, Title 10, Subtitle 2, and the Board's hearing rules set forth at COMAR 09.01.02. Respondent was also informed that should the charges be proven, pursuant to BOP §21-311. she would be subject to a possible reprimand, suspension or revocation of her registration, and/or the imposition of a penalty in the amount of \$5,000.00 per violation. At the February 10, 2014, hearing, Respondent appeared *pro se*. Kris King, Assistant Attorney General, presented evidence to the Board in support of the allegations.

**II. Findings of Fact.**

The Board includes in its factual findings the facts set forth in the procedural background of the matter. In addition, after examining all of the evidence, including both

the testimony of witnesses and the documentary evidence submitted at the hearing, and having assessed the demeanor and credibility of those offering testimony, the Board makes the following additional findings of fact:

1) Respondent has been registered with the Board as a individual tax preparer under registration number 3860 since February 5, 2013, and her registration is due to expire on February 5, 2015.

2) On or about March 25, 2013, as a result of her guilty plea in Case No. K-12-963 in the Circuit Court for Charles County, Respondent was sentenced to five years, with five years suspended, and five years unsupervised probation. Respondent made restitution in full prior to her sentence.

### **III. Evaluation of the Evidence.**

It is undisputed that Respondent was convicted, by way of a guilty plea, of a felony. It is also clear that the felony conviction in question, relating to the theft of tax refunds owed to two of Respondent's clients, is directly related to the fitness and qualification of Respondent to provide individual tax preparation services.

The sole remaining issue before the Board is what, if any, sanction it must impose against Respondent under these circumstances. In addition to the authority granted by BOP §21-311(a) to reprimand a registrant or suspend or revoke a registration, the Board also has the authority under BOP §2-311(b) to impose a penalty not exceeding \$5,000.00 per violation. In evaluating whether or nor to impose a civil monetary penalty, BOP §2-311(b) provides that the Board shall consider the following factors: 1) the seriousness of

the violation; 2) the harm caused by the violation; 3) the good faith of the violator; 4) any history of previous violations by the violator.

In this case, the Board considers the Respondent's theft of tax refunds owed to two of her clients to be extremely serious. The members of the public who receive individual tax preparation services from a registered tax preparer should be able to rely on the honesty and trustworthiness of the preparer. The theft of client funds under these circumstances strikes the Board as particularly egregious. Further, the Board did not find Respondent's proffered explanation that the funds were simply incorrectly deposited into Respondent's own business account to be credible.

Further, Respondent's actions caused unnecessary and unjustified delay in her client's receipt of tax refunds duly owed them. Additionally, Respondent's actions harm the reputation of all registered tax preparers in Maryland.

The Board acknowledges that Respondent showed a measure of good faith by making full restitution to her clients prior to her criminal sentencing, but it is also clear that Respondent should have made full restitution to her clients immediately upon being advised by them that they had not received the tax refunds which they were rightfully owed.

Although Respondent does not have any prior disciplinary history in her short period as a registered tax preparer, the seriousness of the violation, the harm caused, and her minimal good faith far outweigh her prior record, and cannot preclude the imposition of serious sanctions by the Board. Respondent's actions leave the Board with little choice but

to take immediate, decisive action to protect the public from any further harm.

### **CONCLUSIONS OF LAW**

Based on the Findings of Fact, and using the specialized knowledge, training, and experience of its members, the Maryland State Board of Individual Tax Preparers hereby concludes as a matter of law that the Respondent, Laura Payne-Perkins, violated Business Occupations and Professions Article, Ann. Code of Maryland, Sections 21-311(a)(3).

### **ORDER**

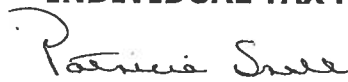
In consideration of the Maryland State Board of Individual Tax Preparer's Findings of Fact and Conclusions of Law in this matter, it is this 19<sup>th</sup> day of May, 2014,

#### **ORDERED:**

- 1) That Laura Payne-Perkins' Registration be and hereby is **REVOKED** is effective thirty (30) days from the date of this order unless the Respondent obtains a judicial stay of enforcement pursuant to Md. State Gov. Code Ann., §10-226;
- 2) That Laura Payne-Perkins shall pay to the Board, within 30 days of the date of this order, a civil monetary penalty in the amount of \$2,500.00, for her violation of BOP §§21-311(a)(3); and
- 3) That the records, files, and documents of the Maryland State Board of Individual Tax Preparers reflect this decision.

#### **MARYLAND STATE BOARD OF INDIVIDUAL TAX PREPARERS**

By:



Patricia Snell, CPA  
Chair