

MARYLAND BOARD OF INDIVIDUAL *
TAX PREPARERS

v.

DARNELL WATSON, *
Respondent *

BEFORE THE MARYLAND BOARD OF
INDIVIDUAL TAX PREPARERS

CASE NO.: MITP-16-0024

* * * * *

CONSENT ORDER

This matter comes before the Maryland Board of Individual Tax Preparers (the "Board") as a result of a complaint filed by the Maryland Office of the Comptroller against Darnell Watson (the "Respondent"), a registered individual tax preparer. Upon review of the complaint and a subsequent investigation, the Board determined that administrative charges against the Respondent were appropriate. On or about April 19, 2017, the Board issued a Notice of Charges and Order for Hearing (incorporated by reference herein) alleging that the Respondent engaged in certain violations of the Maryland Individual Tax Preparers Act. The parties enter into this Consent Order as a full and final resolution of this matter, with terms as follows:

THE PARTIES AGREE AND STIPULATE:

1. At all times relevant to the matters set forth in this Consent Order, the Respondent was registered by the Board as an individual tax preparer and/or the Board had jurisdiction over the subject matter.
2. The Respondent became registered in Maryland as an individual tax preparer on or about March 4, 2015 (Registration No. 5840).
3. On or about February 27, 2017, the Respondent renewed his registration for the period of February 27, 2017 through March 4, 2019 by means of the Board's online registration system.
4. The Respondent was required to pass the Maryland Individual Tax Preparers Examination given by the Board by December 31, 2015 in order to remain qualified to hold a registration. The Respondent did not pass the examination until February 29, 2016.
5. Due to his failure to pass the required examination, the Respondent was not qualified to hold a registration from January 1, 2016 to February 29, 2016.
6. From approximately January 6, 2016 through February 2, 2016, the Respondent filed approximately 73 Maryland individual tax returns (Form 502) as a professional tax preparer on behalf of individual taxpayers.

7. Based on the aforementioned facts, the Respondent admits to violations of Md. Ann. Code, Business Occupations and Professions Article (“BOP”), §§ 21-302(a), 21-302(e), 21-311(a)(5), 21-311(a)(6), COMAR 09.38.01.02(B) and COMAR 09.38.01.05(A)(1) as alleged in the Notice of Charges and Order for Hearing.

8. As a result of his violations, the Respondent agrees to pay a total civil penalty to the Board in the amount of **\$3650.00** in accordance with the following schedule:

<u>Payment Amount</u>	<u>Due Date</u>
i) \$ 250.00	7/1/17
ii) \$ 200.00	8/1/17
iii) \$ 200.00	9/1/17
iv) \$ 200.00	10/1/17
v) \$ 200.00	11/1/17
vi) \$ 200.00	12/1/17
vii) \$ 200.00	1/1/18
viii) \$ 200.00	2/1/18
ix) \$ 200.00	3/1/18
x) \$ 200.00	4/1/18
xi) \$ 200.00	5/1/18
xii) \$ 200.00	6/1/18
xiii) \$ 200.00	7/1/18
xiv) \$ 200.00	8/1/18
xv) \$ 200.00	9/1/18
xvi) \$ 200.00	10/1/18
xvii) \$ 200.00	11/1/18

xviii) \$ 200.00

12/1/18

9. In addition, the Respondent agrees to accept a **Reprimand** against his registration to provide services as an individual tax preparer.

10. The Respondent further agrees to take **4 hours of Continuing Professional Education ("CPE") credits in Ethics** within 30 days from the date of this Consent Order which shall be in addition to, and shall not be credited toward, the normal CPE requirements. The Respondent shall furnish documentary evidence of satisfactory completion of the CPE training to the Board within 30 days of the completion date.

11. The Respondent shall abide by the provisions of the Maryland Individual Tax Preparers Act and applicable regulations in all relevant future activities.

12. The Respondent, by entering into this Consent Order, expressly waives the right to an administrative hearing on the charges and the making of Findings of Fact and Conclusions of Law, any and all further proceedings before the Board to which the Respondent may otherwise be entitled in this matter, and any rights to appeal from this Order.

13. The Respondent enters into this Consent Order freely, knowingly and voluntarily, and with the opportunity to seek advice of counsel.

BASED ON THESE STIPULATIONS, IT IS, THIS 22nd DAY OF May, 2017, BY THE MARYLAND BOARD OF INDIVIDUAL TAX PREPARERS:

ORDERED that the Respondent has violated BOP, §§ 21-302(a), 21-302(e), 21-311(a)(5), 21-311(a)(6), COMAR 09.38.01.02(B) and COMAR 09.38.01.05(A)(1) ;

AND IT IS FURTHER ORDERED that the Respondent shall pay a civil penalty in the amount of **\$3650.00** to the Board in accordance with the provisions of Paragraph 8 of this Consent Order;

AND IT IS FURTHER ORDERED that a **Reprimand** shall be placed against the Respondent's registration to provide services as an individual tax preparer;

AND IT IS FURTHER ORDERED that the Respondent shall take **4 hours of CPE credits in Ethics** within 30 days of the date of this Consent Order which shall be in addition to, and shall not be credited toward, the normal CPE requirements;

AND IT IS FURTHER ORDERED that, if the Respondent fails to comply with the terms of this Consent Order, including the failure to make a required payment or complete the required CPE training, the Respondent's registration shall be immediately and automatically suspended until such time as compliance occurs;

AND IT IS FURTHER ORDERED that this matter shall be resolved in accordance with the terms of this Consent Order, and that the same shall be reflected among the records of the Board;

AND IT IS FURTHER ORDERED that this Consent Order shall constitute a Final Order of the Maryland Board of Individual Tax Preparers.

Signature of File

Darnell Watson
Respondent

5-22-17

Date

Signature of File

Kay D. Riddle, Vice Chair
Maryland Board of Individual
Tax Preparers

5/22/17

Date

KDR/kmk