

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

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

v. \*

Case no. MITP-16-0037

Raissa Sangwa, \*

Respondent. \*

\* \* \* \* \*

**FINAL ORDER**

**I. Procedural Background.**

The above-captioned matter was heard before the Maryland State Board of Individual Tax Preparers ("the Board") on April 24, 2017. The allegations against Respondent Raissa Sangwa, as set forth in the Board's charge letter dated March 31, 2017, were as follows:

You have never obtained a registration to provide services as an individual tax preparer. On or about February 10, 2017, a complaint was filed with the Board by the Maryland Office of the Comptroller ("Comptroller") stating that it had identified questionable returns prepared by you and various other tax preparers in the State and inquiring about your registration status. The Comptroller's complaint further advised that, as a professional tax preparer, you began filing Maryland individual tax returns for 2016 on behalf of taxpayers on or about January 28, 2017.

Upon receipt of the Comptroller's complaint and a subsequent Board investigation, it was determined that you provided individual tax preparation services to Maryland taxpayers during 2016 and 2017 while not registered by the Board. From approximately January 28, 2017, through approximately February 8, 2017, you filed at least 15 Maryland individual tax returns (Form 502) for the 2016 tax year. In addition, from approximately January 26,

2016 through August 8, 2016, you filed at least 127 Maryland Individual tax returns (Form 502) for the 2015 tax year. At the times of filing of these returns, you were not registered by the Board to provide individual tax preparation services in Maryland, and thereby, you were in violation of the Maryland Individual Tax Preparers Act, Title 21-Business Occupations and Professions Article ("BOP"), Annotated Code of Maryland.

Based on the above described circumstances, you are charged with violating the following laws of the State of Maryland and provisions of the Code of Maryland Regulations (COMAR):

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

**Section 21-301. Registration required**

An individual shall be registered by the Board before the individual may provide individual tax preparation services in the State.

**Section 21-401. Practice without registration prohibited.**

Except as otherwise provided in this title, a person may not provide, attempt to provide, or offer to provide individual tax preparation services in the State unless registered by the Board.

In its charge letter, the Board informed Ms. Sangwa 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. Ms. Sangwa was also informed that should the charges be proven, pursuant to BOP § 21-405(a), she would be subject to the imposition of a penalty not to exceed \$5,000.00 per violation. At the April 24, 2017, hearing, Ms. Sangwa appeared on her own behalf. 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) Ms. Sangwa is not a Certified Public Accountant, an attorney, an enrolled agent or otherwise exempt from the requirements of the Maryland Individual Tax Preparers Act pursuant to BOP § 21-102(b).

2) Ms. Sangwa prepared the individual tax returns described above while employed by OVF Consulting, LLLC, owned by Jean Mayaka. During that time, Mr. Mayaka was not registered with the Board. Ms. Sangwa typically worked from 12:00 p.m. to 4:00 p.m., Monday, Wednesday, and Friday, during tax season. During these hours, Ms. Sangwa would meet with clients, receive documents, enter information into the Value Pak software used for tax return preparation, and file returns. The owner, Mr. Mayaka, would not come to the office until after 4:00 p.m. when he had finished working his full-time government job. Ms. Sangwa earned an hourly rate of between \$12.00-\$15.00 per hour depending on the complexity of the return, and averaged approximately \$300.00 weekly during the tax season.

3) Ms. Sangwa took the Maryland Registered Tax Return Preparer Examination on January 14, 2016, and again on March 3, 2017, but did not achieve a passing score.

4) In 2009, Ms. Sangwa received a bachelor's degree in business administration from Northlake College in Dallas, Texas.

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

The Board believes that the charges in this case are supported. At the hearing in this matter, the evidence demonstrated that, on at least 142 occasions, Ms. Sangwa provided individual tax preparation services, as defined in BOP § 21-101(f), without a registration issued by the Board and that Ms. Sangwa is not exempt from the registration requirement pursuant to BOP § 21-102(b).

The Board found Ms. Sangwa's testimony that she did not actually file returns, but that Mr. Mayaka filed returns under her name not credible. Ms. Sangwa admitted that she met with clients and received tax related documents at times when Mr. Mayaka was not in the office. Ms. Sangwa claimed that clients that arrived while she was in the office would wait until Mr. Mayaka arrived before any tax return would be filed, sometimes for hours. The Board simply does not believe this testimony.

Accordingly, the sole remaining issue before the Board is what, if any, sanction it must impose against Ms. Sangwa under these circumstances. The Board has the authority under BOP § 21-405 (a) to impose a penalty not exceeding \$5,000.00 per violation. In evaluating whether or nor to impose a civil monetary penalty, BOP § 21-405(a) 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.

With respect to the seriousness of and harm caused by the violation, Ms. Sangwa ignored the fundamental obligation of any non-exempt individual who provides individual tax preparation services in Maryland: being registered with the Board. Ms. Sangwa essentially took opportunities away from individuals who have complied with the registration requirement.

With respect to good faith on the part of Ms. Sangwa, she did appear at the hearing to present her explanation for her conduct. However, Ms. Sangwa argued that she was unaware of the registration requirement. While ignorance of the law is no excuse, the Board was confused by this assertion, since Ms. Sangwa continued to provide individual tax preparation services after her first unsuccessful attempt to pass the Maryland Registered Tax Return Preparer Examination. In order to apply to take the examination, Ms. Sangwa had to submit an application through the Board's website, which specifies the registration requirement in no uncertain terms.

Finally, while Ms. Sangwa does not have a prior disciplinary history with the Board, the Board finds that, after weighing all the factors, a significant sanction is warranted.

### **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 Raissa Sangwa violated Business Occupations and Professions Article, Ann. Code of Maryland, Sections 21-301 and 21-401.

### **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 22<sup>nd</sup> day of MAY,

**2017 ORDERED:**

1) That Raissa Sangwa pay to the Board, within 30 days of the date of this order, a total civil monetary penalty in the amount of \$5,000.00 for her 142 violations of Business Occupations and Professions Article, Ann. Code of Maryland, Sections 21-301 and 21-401;


2) That this sanction 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., § 10-222; 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**

**Signature on File**

By:

  
Kay Riddle  
Vice Chair