

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	No.
v.)	
)	Violation: Title 26, United States
LILLIE INGRAM)	Code, Section 7206(2)

COUNT ONE

The SPECIAL FEBRUARY 2011-1 GRAND JURY charges:

1. At times material to this indictment:

(a) The Internal Revenue Service (“IRS”) provided that taxpayers who were entitled to a refund of federal individual income taxes could claim that refund either by signing and filing in person, by mailing a U.S. Individual Form 1040, 1040A, 1040EZ (collectively referred to hereinafter as “Form 1040”), or by participating in the “Electronic Filing” program.

(b) The information which the Form 1040 required the taxpayer to provide included, but was not limited to, the taxpayer’s name and address, social security number, filing status, number of dependants, total income for the tax year, the amount of federal income tax withheld during the tax year, the amount of federal income tax, and the amount of tax due or refund claimed. Depending on the circumstances and submissions of the particular taxpayer, various schedules and forms were also required to be attached to the Form 1040,

(c) Taxpayers were permitted to deduct from their taxable income certain of their expenses, including but not limited to expenses related to medical

treatment under some circumstances, interest paid on home mortgage loans, charitable contributions, state and local taxes, and certain unreimbursed employee expenditures such as union dues, uniforms and supplies. Any such deductions claimed were to be set forth in a Schedule A form attached to the taxpayer's Form 1040. Certain employee business expenses, including vehicle expenses, were also required to be set forth separately on Form 2106, which was to be attached to the taxpayer's Form 1040.

(d) Taxpayers who qualified and incurred eligible educational expenses could claim the Hope Credit by completing Form 8863, which was to be attached to the Form 1040.

(e) Taxpayers were also required to list profit or loss from businesses on Schedule C; supplemental income and loss, including from rental real estate, on Schedule E; and to complete other applicable Forms; all of which were to be attached to Form 1040.

(f) The IRS relied upon information from the Form 1040, including but not limited to the attached schedules and forms, in determining and issuing taxpayer refunds under the internal revenue law. After receiving this information, the IRS would issue a refund to the taxpayer if warranted and if there were no outstanding tax liabilities or other federally authorized deductions on record with the IRS.

2. Beginning not later than 2004, defendant LILLIE INGRAM presented herself as an income tax preparer associated with a business commonly known as Hossman Tax Services, operating in the Northern District of Illinois, including at

5632 South Honore St., Chicago, Illinois. Defendant's services included preparing federal income tax returns and filing those returns on behalf of individual taxpayers.

3. While preparing federal income tax returns at Hossman Tax Services, defendant LILLIE INGRAM held herself out to clients as a person trained in and knowledgeable about the preparation and filing of federal income tax returns. Defendant prepared federal income tax returns in exchange for a fee.

4. Defendant LILLIE INGRAM inflated certain clients' tax refunds by purposefully overstating or misrepresenting expenses on Schedule A, which expenses decreased the clients' taxable income; by fraudulently claiming tax credits; and by entering false information on various Schedules and Forms, including on Form 1040; thereby reducing their client's apparent tax liability and purporting to qualify them for refunds to which they were not in fact entitled.

5. On or about February 18, 2005, in the Northern District of Illinois, Eastern Division,

LILLIE INGRAM,

defendant herein, willfully did aid and assist in, procure, and counsel the preparation and presentation to the Internal Revenue Service, a United States Individual Income Tax Return (Form 1040 and attachments) for the calendar year 2004, on behalf of Taxpayers WJ/PJ, which was false and fraudulent as to material matters, in that defendant stated and caused to be stated in that return:

(a) On Schedule A, line 18, that Taxpayers WJ/PJ made charitable gifts of \$10,250;

(b) On Schedule A, line 20, that Taxpayers WJ/PJ had unreimbursed employee expenses for uniforms of \$5000;

(c) On Schedule A, line 20, that Taxpayers WJ/PJ had unreimbursed employee expenses for job supplies of \$2500;

(d) On Schedule Form 2106, line 6, that Taxpayer WJ had vehicle and transportation expenses of \$4875;

(e) On Schedule A, line 20, that Taxpayers WJ/PJ had total unreimbursed employee expenses of \$18,845; and

(f) On Form 1040, line 71, that Taxpayers WJ/PJ had overpaid their federal taxes in the amount of \$6868 and were entitled to a refund in that amount;

Whereas, in fact, as the defendant knew, such statements were false;

In violation of Title 26, United States Code, Section 7206(2).

COUNT TWO

The SPECIAL FEBRUARY 2011-1 GRAND JURY further charges:

1. Paragraphs 1 through 4 of Count One are realleged and incorporated.
2. On or about March 7, 2007, in the Northern District of Illinois, Eastern Division,

LILLIE INGRAM,

defendant herein, willfully did aid and assist in, procure, and counsel the preparation and presentation to the Internal Revenue Service, a United States Individual Income Tax Return (Form 1040 and attachments) for the calendar year 2006, on behalf of Taxpayers GB/MB, which was false and fraudulent as to material matters, in that defendant stated and caused to be stated in that return:

(a) On Form 8863, line 1(c), that Taxpayer MB had qualified educational expenses of \$2,200;

(b) On Schedule A, line 15, that Taxpayers GB/MB made gifts to charity in the amount of \$4000;

(c) On Schedule A, line 20, that Taxpayers GB/MB had unreimbursed employee expenses for uniforms of \$4500;

(d) On Schedule A, line 20, that Taxpayers GB/MB had unreimbursed employee expenses for job supplies of \$375;

(e) On Form 2106, line 1, that Taxpayer GB had employee vehicle expenses of \$9790;

(f) On Form 2106, line 1, that Taxpayer MB had employee vehicle expenses of \$5785; and

(g) On Form 1040, line 73, that Taxpayers GB/MB had overpaid their federal taxes in the amount of \$7739 and were entitled to a refund in that amount;

Whereas, in fact, as the defendant knew, such statements were false;

In violation of Title 26, United States Code, Section 7206(2).

COUNT THREE

The SPECIAL FEBRUARY 2011-1 GRAND JURY further charges:

1. Paragraphs 1 through 4 of Count One are realleged and incorporated.

2. On or about February 15, 2005, in the Northern District of Illinois,
Eastern Division,

LILLIE INGRAM,

defendant herein, willfully did aid and assist in, procure, and counsel the preparation and presentation to the Internal Revenue Service, a United States Individual Income Tax Return (Form 1040 and attachments) for the calendar year 2004, on behalf of Taxpayer KR, which was false and fraudulent as to material matters, in that defendant stated and caused to be stated in that return:

(a) On Form 8863, line 1, that Taxpayer KR had qualified educational expenses of \$2000;

(b) On Schedule A, line 15, that Taxpayers KR made gifts to charity by cash or check in the amount of \$4600;

(c) On Schedule A, line 20, that Taxpayer KR had unreimbursed employee expenses for job supplies of \$250;

(d) On Form 2106, line 1, that Taxpayer KR had employee vehicle expenses of \$1875;

(e) On Form 8859, that Taxpayer KR purchased a home qualifying for the District of Columbia First-Time Homebuyer Credit; and

(f) On Form 1040, line 71, that Taxpayers KR had overpaid her federal taxes in the amount of \$6963 and was entitled to a refund in that amount;

Whereas, in fact, as the defendant knew, such statements were false;

In violation of Title 26, United States Code, Section 7206(2).

COUNT FOUR

The SPECIAL FEBRUARY 2011-1 GRAND JURY further charges:

1. Paragraphs 1 through 5 of Count One are realleged as if fully restated herein.
2. On or about February 8, 2006, in the Northern District of Illinois, Eastern Division,

LILLIE INGRAM,

defendant herein, willfully did aid and assist in, procure, and counsel the preparation and presentation to the Internal Revenue Service, a United States Individual Income Tax Return (Form 1040 and attachments) for the calendar year 2005, on behalf of Taxpayer KR, which was false and fraudulent as to material matters, in that defendant stated and caused to be stated in that return:

- (a) On Form 8863, line 1, that Taxpayer KR had qualified educational expenses of \$2000;
- (b) On Schedule A, line 15, that Taxpayers KR made gifts to charity by cash or check in the amount of \$4800;
- (c) On Schedule A, line 20, that Taxpayer KR had unreimbursed employee expenses for job supplies of \$175;
- (d) On Form 2106, line 1, that Taxpayer KR had employee vehicle expenses of \$5440; and
- (e) On Form 1040, line 72, that Taxpayer KR had overpaid her federal taxes in the amount of \$5939 and was entitled to a refund in that amount;

Whereas, in fact, as the defendant knew, such statements were false;
In violation of Title 26, United States Code, Section 7206(2).

COUNT FIVE

The SPECIAL FEBRUARY 2011-1 GRAND JURY further charges:

1. Paragraphs 1 through 4 of Count One are realleged and incorporated.
2. On or about January 29, 2007, in the Northern District of Illinois, Eastern Division,

LILLIE INGRAM,

defendant herein, willfully did aid and assist in, procure, and counsel the preparation and presentation to the Internal Revenue Service, a United States Individual Income Tax Return (Form 1040 and attachments) for the calendar year 2006, on behalf of Taxpayer NJ, which was false and fraudulent as to material matters, in that defendant stated and caused to be stated in that return:

(a) On Schedule A, line 15, that Taxpayer NJ made gifts to charity by cash or check in the amount of \$5000;

(b) On Schedule A, line 20, that Taxpayer NJ had unreimbursed employee expenses for job supplies of \$260;

(c) On Schedule A, line 20, that Taxpayer NJ had unreimbursed employee expenses for uniforms of \$3300;

(d) On Form 2106, line 1, that Taxpayer NJ had employee vehicle expenses of \$7832; and

(e) On Form 1040, line 73, that Taxpayer NJ had overpaid her federal taxes in the amount of \$4961 and was entitled to a refund in that amount;

Whereas, in fact, as the defendant knew, such statements were false;

In violation of Title 26, United States Code, Section 7206(2).

COUNT SIX

The SPECIAL FEBRUARY 2011-1 GRAND JURY further charges:

1. Paragraphs 1 through 4 of Count One are realleged and incorporated.

2. On or about January 31, 2005, in the Northern District of Illinois, Eastern Division,

LILLIE INGRAM,

defendant herein, willfully did aid and assist in, procure, and counsel the preparation and presentation to the Internal Revenue Service, a United States Individual Income Tax Return (Form 1040 and attachments) for the calendar year 2004, on behalf of Taxpayer LP, which was false and fraudulent as to material matters, in that defendant stated and caused to be stated in that return:

(a) On Form 8863, line 1, that Taxpayer LP had \$2000 in qualified education expenses;

(b) On Schedule A, line 15, that Taxpayer LP had made gifts by cash or check to charity of \$3000; and

(c) On Form 1040, line 71, that Taxpayer LP had overpaid her federal taxes in the amount of \$2283 and was entitled to a refund in that amount;

Whereas, in fact, as the defendant knew, such statements were false;

In violation of Title 26, United States Code, Section 7206(2).

COUNT SEVEN

The SPECIAL FEBRUARY 2011-1 GRAND JURY further charges:

1. Paragraphs 1 through 4 of Count One are realleged and incorporated.
2. On or about January 19, 2006, in the Northern District of Illinois, Eastern Division,

LILLIE INGRAM,

defendant herein, willfully did aid and assist in, procure, and counsel the preparation and presentation to the Internal Revenue Service, a United States Individual Income Tax Return (Form 1040 and attachments) for the calendar year 2005, on behalf of Taxpayer LP, which was false and fraudulent as to material matters, in that defendant stated and caused to be stated in that return:

(a) On Schedule A, line 15, that Taxpayer LP had made gifts by cash or check to charity of \$2500;

(b) On Schedule A, line 20, that Taxpayer LP had unreimbursed employee expenses for uniforms of \$850;

(c) On Schedule A, line 20, that Taxpayer LP had unreimbursed employee expenses for job supplies of \$250;

(d) On Form 2106, line 1, that Taxpayer LP had employee vehicle expenses of \$6395; and

(e) On Form 1040, line 72, that Taxpayer LP had overpaid her federal taxes in the amount of \$4702 and was entitled to a refund in that amount;

Whereas, in fact, as the defendant knew, such statements were false;

In violation of Title 26, United States Code, Section 7206(2).

COUNT EIGHT

The SPECIAL FEBRUARY 2011-1 GRAND JURY further charges:

1. Paragraphs 1 through 4 of Count One are realleged and incorporated.
2. On or about January 28, 2007, in the Northern District of Illinois, Eastern Division,

LILLIE INGRAM,

defendant herein, willfully did aid and assist in, procure, and counsel the preparation and presentation to the Internal Revenue Service, a United States Individual Income Tax Return (Form 1040 and attachments) for the calendar year 2006, on behalf of Taxpayer LP, which was false and fraudulent as to material matters, in that defendant stated and caused to be stated in that return:

(a) On Schedule A, line 15, that Taxpayer LP had made gifts by cash or check to charity of \$2500;

(b) On Schedule A, line 20, that Taxpayer LP had unreimbursed employee expenses for uniforms of \$850;

(c) On Schedule A, line 20, that Taxpayer LP had unreimbursed employee expenses for job supplies of \$150;

(d) On Form 2106, line 1, that Taxpayer LP had employee vehicle expenses of \$6675; and

(e) On Form 1040, line 73, that Taxpayer LP had overpaid her federal taxes in the amount of \$7915 and was entitled to a refund in that amount;

Whereas, in fact, as the defendant knew, such statements were false;

In violation of Title 26, United States Code, Section 7206(2).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY