

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	No.
v.)	
)	Violation: Title 26, United States
HORACE INGRAM SR.)	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 2000, defendant HORACE INGRAM SR. presented himself as an income tax preparer associated with a business he operated, 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 HORACE INGRAM SR. held himself out to clients as a person trained in and knowledgeable about the preparation and filing of federal income tax returns. Defendant attempted to and did attract customers by agreeing to prepare their federal income tax returns in exchange for a fee and to obtain large tax refunds for his customers.

4. Defendant HORACE INGRAM SR. 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 7, 2006, in the Northern District of Illinois, Eastern Division,

HORACE INGRAM, SR.,

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 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 20, that Taxpayers WJ/PJ had uniform expenses of \$2300;

(b) On Schedule Form 2106, line 6, that Taxpayers WJ/PJ had vehicle and transportation expenses of \$17,345;

(c) On Schedule A, line 20, that Taxpayers WJ/PJ had total unreimbursed employee expenses of \$22,717;

(d) On Schedule E, line 26, that Taxpayers WJ/PJ had a total rental real estate loss of \$19,555; and

(e) On Form 1040, line 72, that Taxpayers WJ/PJ had overpaid their federal taxes in the amount of \$6917 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 January 30, 2007, in the Northern District of Illinois, Eastern Division,

HORACE INGRAM, SR.,

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 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 20, that Taxpayers WJ/PJ had uniform expenses of \$2500;

(b) On Schedule Form 2106, line 6, that Taxpayers WJ/PJ had vehicle and transportation expenses of \$12,170;

(c) On Schedule A, line 20, that Taxpayers WJ/PJ had total unreimbursed employee expenses of \$14,670;

(d) On Schedule E, line 26, that Taxpayers WJ/PJ had a total rental real estate loss of \$22,265; and

(e) On Form 1040, line 73, that Taxpayers WJ/PJ had overpaid their federal taxes in the amount of \$4853 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 March 5, 2005, in the Northern District of Illinois, Eastern Division,

HORACE INGRAM, SR.,

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 TM/DM, 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 TM had \$2000 in qualified educational expenses;

(b) On Schedule A, line 15, that Taxpayers TM/DM made gifts to charity by cash or check of \$8500;

(c) On Schedule A, line 20, that Taxpayers TM/DM had unreimbursed employee expenses for uniforms of \$7500;

(d) On Schedule A, line 20, that Taxpayers TM/DM had unreimbursed employee expenses for job supplies of \$250;

(e) On Schedule A, line 20, that Taxpayers TM/DM had unreimbursed employee expenses for vehicles of \$5625 and \$5625; and

(f) On Form 1040, line 71, that Taxpayers TM/DM had overpaid their federal taxes in the amount of \$2423 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 FOUR

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 30, 2006, in the Northern District of Illinois, Eastern Division,

HORACE INGRAM, SR.,

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 Taxpayers TM/DM, 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 TM/DM made gifts to charity totaling \$8800;

(b) On Schedule A, line 20, that Taxpayers TM/DM had unreimbursed employee expenses for uniforms of \$4300;

(c) On Schedule A, line 20, that Taxpayers TM/DM had unreimbursed employee expenses for job supplies of \$500;

(d) On Schedule A, line 20, that Taxpayers TM/DM had unreimbursed employee expenses for vehicles of \$8936 and \$3318; and

(e) On Form 1040, line 72, that Taxpayers TM/DM had overpaid their federal taxes in the amount of \$1548 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 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 February 26, 2007, in the Northern District of Illinois, Eastern Division,

HORACE INGRAM, SR.,

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 TM/DM, 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 Taxpayers TM/DM made gifts to charity in the amount of \$8000;

(c) On Schedule A, line 20, that Taxpayers TM/DM had unreimbursed employee expenses for uniforms of \$3300;

(d) On Schedule A, line 20, that Taxpayers TM/DM had unreimbursed employee expenses for job supplies of \$400;

(e) On Schedule A, line 20, that Taxpayers TM/DM had unreimbursed employee expenses for vehicles of \$11,014 and \$6230; and

(f) On Form 1040, line 73, that Taxpayers TM/DM had overpaid their federal taxes in the amount of \$2101 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 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 February 14, 2005, in the Northern District of Illinois, Eastern Division,

HORACE INGRAM, SR.,

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 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 \$2,000;

(b) On Schedule A, line 18, that Taxpayers GB/MB made gifts to charity in the amount of \$5350;

(c) On Schedule A, line 20, that Taxpayers GB/MB had unreimbursed employee expenses for uniforms of \$3300;

(d) On Schedule A, line 20, that Taxpayers GB/MB had unreimbursed employee expenses for job supplies of \$250;

(e) On Form 2106, line 1, that Taxpayer GB had employee vehicle expenses of \$5213;

(f) On Form 2106, line 1, that Taxpayer MB had employee vehicle expenses of \$4500; and

(g) On Form 1040, line 71, that Taxpayers GB/MB had overpaid their federal taxes in the amount of \$7559 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 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 February 8, 2006, in the Northern District of Illinois, Eastern Division,

HORACE INGRAM, SR.,

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 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 \$2,000;

(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 \$4300;

(d) On Schedule A, line 20, that Taxpayers GB/MB had unreimbursed employee expenses for job supplies of \$350;

(e) On Form 2106, line 1, that Taxpayer GB had employee vehicle expenses of \$8255;

(f) On Form 2106, line 1, that Taxpayer MB had employee vehicle expenses of \$6393; and

(g) On Form 1040, line 72, that Taxpayers GB/MB had overpaid their federal taxes in the amount of \$8373 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 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 February 8, 2005, in the Northern District of Illinois, Eastern Division,

HORACE 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 DM/VM, 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 DM/VM made gifts to charity in the amount of \$9200;

(b) On Schedule A, line 20, that Taxpayers DM/VM had unreimbursed employee expenses for job supplies of \$300;

(c) On Schedule A, line 20, that Taxpayers DM/VM had unreimbursed employee expenses for uniforms of \$5500;

(d) On Form 2106, line 1, that Taxpayer DM had employee vehicle expenses of \$4500;

(e) On Form 2106, line 1, that Taxpayer VM had employee vehicle expenses of \$5250;

(f) On Form 8863, line 18, that Taxpayers DM/VM had an allowable education credit of \$1025; and

(g) On Form 1040, line 71, that Taxpayers DM/VM had overpaid their federal taxes in the amount of \$5681 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 NINE

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 9, 2006, in the Northern District of Illinois,

Eastern Division,

HORACE 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 Taxpayers DM/VM, 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 Taxpayers DM/VM made gifts to charity by cash or check in the amount of \$4500;

(b) On Schedule A, line 20, that Taxpayers DM/VM had unreimbursed employee expenses for job supplies of \$200;

(c) On Schedule A, line 20, that Taxpayers DM/VM had unreimbursed employee expenses for uniforms of \$3800;

(d) On Form 2106, line 1, that Taxpayer DM had employee vehicle expenses of \$6150;

(e) On Form 2106, line 1, that Taxpayer VM had employee vehicle expenses of \$3318;

(f) On Form 8863, line 17, that Taxpayers DM/VM had an allowable education credit of \$1500; and

(g) On Form 1040, line 72, that Taxpayers DM/VM had overpaid their federal taxes in the amount of \$6305 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 TEN

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 30, 2007, in the Northern District of Illinois, Eastern Division,

HORACE 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 DM/VM, 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 Taxpayers DM/VM made gifts to charity by cash or check in the amount of \$6000;

(b) On Schedule A, line 20, that Taxpayers DM/VM had unreimbursed employee expenses for job supplies of \$300;

(c) On Schedule A, line 20, that Taxpayers DM/VM had unreimbursed employee expenses for job search expenses of \$300;

(d) On Schedule A, line 20, that Taxpayers DM/VM had unreimbursed employee expenses for uniforms of \$3200;

(d) On Form 2106, line 1, that Taxpayer DM had employee vehicle expenses of \$6230;

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

(f) On Form 1040, line 73, that Taxpayers DM/VM had overpaid their federal taxes in the amount of \$3415 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 ELEVEN

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 4, 2005, in the Northern District of Illinois, Eastern Division,

HORACE INGRAM, SR.,

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 CL/GL, 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 Taxpayers CL/GL had made gifts to charity by cash or check in the amount of 10,000;

(b) On Form 2106, line 6, that Taxpayers CL/GL had employee business expenses of \$4163;

(c) On Form 1040, line 71, that Taxpayers CL/GL had overpaid their federal taxes in the amount of \$1621 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 TWELVE

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 14, 2005 in the Northern District of Illinois, Eastern Division,

HORACE 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 MH, 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 MH had \$2000 in qualified education expenses;

(b) On Schedule A, line 20, that Taxpayer MH had unreimbursed employee expenses for uniforms of \$3200;

(c) On Form 2106, line 1, that Taxpayer MH had employee vehicle expenses of \$4500; and

(d) On Form 1040, line 71, that Taxpayer MH had overpaid her federal taxes in the amount of \$4,402 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 THIRTEEN

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 9, 2006, in the Northern District of Illinois, Eastern Division,

HORACE 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 MH, 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 MH had \$2000 in qualified education expenses;

(b) On Schedule A, line 20, that Taxpayer MH had unreimbursed employee expenses for uniforms of \$3200; and

(c) On Form 1040, line 72, that Taxpayer MH had overpaid her federal taxes in the amount of \$4,098, and that she 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 FOURTEEN

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 3, 2007, in the Northern District of Illinois, Eastern Division,

HORACE 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 MH, 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 MH had \$2000 in qualified education expenses;

(b) On Schedule A, line 20, that Taxpayer MH had unreimbursed employee expenses for uniforms of \$3500;

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

(d) On Form 1040, line 73, that Taxpayer MH had overpaid her federal taxes in the amount of \$4415 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