IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	**CRIMINAL NO. 08-__________**
	:	**DATE FILED: ______________**
v.	:	**VIOLATION:**
HOWARD J. CAIN	:	**26 U.S.C. § 7201 (tax evasion - 1 count)**

INFORMATION

COUNT ONE

(Tax Evasion)

THE UNITED STATES ATTORNEY CHARGES THAT:

I. BACKGROUND

At all times material to this Information:

1. Defendant HOWARD J. CAIN was a political campaign strategist and media consultant who, in a career spanning approximately 30 years, has overseen all areas of political campaigns including strategic planning, development and placement of advertising, field organization, and volunteer coordination. Overall, defendant CAIN has been involved in more than eighty campaigns including races for the United States Senate, state legislatures, county executive posts, and township supervisor positions.

2. Venture Analysis, Inc. ("VAI") was a Pennsylvania corporation formed on or or about August 15, 1978, by defendant HOWARD J. CAIN, its only shareholder. VAI's principal business office was located at the residence of defendant CAIN in Wayne, Pennsylvania, and its primary business activities were political campaign consulting and management, and media and press relations.

II. DEFENDANT'S SOURCES OF INCOME

3. During the years relevant to this Information, the single largest source of income of defendant HOWARD J. CAIN and of his corporation, VAI, derived from contracts to provide services to the Senate Democratic Appropriations Committee ("SDAC"). Beginning in 1985, the chairman of the SDAC was Senator Vincent J. Fumo, charged elsewhere. In approximately 1985, after assisting Senator Vincent J. Fumo in a successful reelection campaign, defendant HOWARD J. CAIN was awarded his first contract from the SDAC, and he continued to receive annual SDAC contracts through 2006. Defendant HOWARD J. CAIN's SDAC contracts provided him with substantial annual compensation of between approximately $73,500 and $88,000 during the years 2000 through 2006.

4. During the years 1997 through 2006, defendant HOWARD J. CAIN also received income from a variety of other public and private sources, including a municipal parking authority, a labor union, political action committees, and a number of corporations and lobbyists. Defendant CAIN'S total personal income during the years 1997 through 2006 is summarized as follows:

YEAR	AMOUNT
1997	$156,939
1998	$139,690
1999	$130,470
2000	$172,868
2001	$155,385
2002	$146,000
2003	$181,000

2004	$196,000
2005	$199,439
2006	$141,135
TOTAL INCOME:	**$1,618,926**

III. THE TAX EVASION SCHEME

5. Despite having received substantial amounts of income for his services as a political campaign and media consultant, defendant HOWARD J. CAIN has not filed a Form 1040 individual income tax return with the Internal Revenue Service since at least 1991. In addition, during that period of time, defendant CAIN did not pay any federal income taxes on any of his income.

6. Defendant HOWARD J. CAIN opened and utilized corporate bank accounts at Wachovia Bank (formerly First Union National Bank), PNC Bank, and Commerce Bank in the name of VAI, and directed the clients with whom he contracted to make payments for his services directly to VAI rather than to defendant CAIN individually. Defendant CAIN utilized the VAI corporate bank accounts to pay both personal and business expenditures.

7. Although he used the funds deposited into VAI's corporate bank accounts to compensate himself for his consulting work and to pay for all of his personal expenses, defendant HOWARD J. CAIN deliberately failed to cause VAI to submit to the Internal Revenue Service either a Form 1099 or Form W-2 to reflect the personal income that he received from VAI. In addition, defendant CAIN failed to withhold any federal taxes on any of his income, and paid no payroll or self-employment taxes on any of his income.

8. As a result of the tax evasion scheme in which defendant HOWARD J. CAIN participated, and the substantial amounts of unreported income that he received during the years 1997 through 2006, he and his spouse incurred a substantial unpaid federal income tax liability, which is summarized as follows:

YEAR	AMOUNT
1997	$44,375
1998	$33,852
1999	$35,524
2000	$45,526
2001	$34,361
2002	$31,853
2003	$46,335
2004	$50,718
2005	$53,673
2006	$35,086
TOTAL TAX DUE AND OWING:	$411,303

9. From in or about 1991 through on or about April 15, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

HOWARD J. CAIN,

a resident of Wayne, Pennsylvania, who during calendar years 1991 through 2006 was married, willfully attempted to evade and defeat an income tax due and owing by him and his spouse to the United States of America for the calendar years 1991 through 2006 by failing to make a joint individual income tax return on or about April 15 of the year following each tax year, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal

Revenue Service this individual income tax, and by concealing and attempting to conceal from all proper officers of the United States of America his true and correct income through various means, including, among other things:

(a) By opening bank accounts at Wachovia Bank (formerly First Union National Bank), PNC Bank, and Commerce Bank in the name of VAI, which he then used to receive income from the clients with whom he contracted, and to pay both personal and business expenditures;

(b) by willfully causing VAI to fail to report to the Internal Revenue Service on a Form 1099 or a Form W-2 the annual amounts of compensation that he received from VAI;

(c) by willfully failing to cause VAI to withhold and pay to the Internal Revenue Service any payroll or self-employment taxes on his income;

(d) by willfully failing to file any individual federal income tax returns for the tax years 1991 through 2006, willfully failing to report any income during the tax years 1991 through 2006, and by willfully failing to pay any federal income taxes during the tax years 1991 through 2006.

In violation of Title 26, United States Code, Section 7201.

For PATRICK L. MEEHAN
United States Attorney

No. ....

UNITED STATES DISTRICT COURT

Eastern District of Pennsylvania

Criminal Division

THE UNITED STATES OF AMERICA

vs.

HOWARD CAIN

INFORMATION

Counts
26 U.S.C. § 7201 (tax evasion - 1 count)

A true bill.

....

Foreman

Filed in open court this .... ***day,***

of .... ***A.D. 20*** ....

....

Clerk

Bail, $ ....

....