

returns prepared by VONTY. Many of the Taxpayers resided in the Des Moines metro area and other towns in Central Iowa.

4. VONTY arranged for Taxpayers to provide him with income documentation such as W-2s, personal identifiers, names, and identifiers of dependents, and select other information pertinent to the preparation of tax returns.

5. VONTY prepared the Taxpayers' returns but did not explain the contents of the return to the Taxpayers, review the returns with the Taxpayers, or provide copies of the returns to the Taxpayers before VONTY electronically filed the returns with the IRS. Instead, VONTY would typically simply inform the Taxpayer of the amount of their anticipated refund. VONTY rarely provided copies of the returns to the Taxpayers, even after VONTY filed the returns with the IRS.

6. VONTY left blank the section of the tax return where the paid preparer's name and contact information was supposed to be provided to the IRS. In the section of the tax return reserved for the phone number and email address for the Taxpayer, VONTY sometimes included a phone number and email address belonging to VONTY.

7. VONTY included information that VONTY knew and believed to be false, fabricated, and fraudulent in tax returns that VONTY prepared for Taxpayers. The false, fabricated, and fraudulent items VONTY included on Taxpayers' returns, schedules, and forms resulted in the fraudulent reduction of the Taxpayers' tax liabilities and the issuance of fraudulently inflated refunds from the IRS.

8. VONTY fraudulently inflated refunds primarily by two means. VONTY included false information in Schedules C. VONTY also included false information in Forms 8863.

9. First, VONTY commonly included false information in Schedules C. Schedule C is titled "Profit or Loss from Business." A Schedule C is supposed to be used to report income or loss from a business that a taxpayer operated or a profession a taxpayer practiced as a sole proprietor. An activity qualifies as a business if the taxpayer's primary purpose for the activity is for income or profit and the taxpayer is involved in the activity with continuity and regularity. The net profit or net loss of the business as reflected in the Schedule C then flows from the Schedule C to the Form 1040 where it increases or decreases the total income and taxable income of the taxpayer.

10. VONTY included a Schedule C for some of the Taxpayers despite the Taxpayers not operating a business and the Taxpayers providing VONTY with no information that would lead VONTY to believe they operated a business or engaged in a profession as a sole proprietor or that they incurred expenses in relation to the business or professional endeavor. In the Schedules C, VONTY purported that the Taxpayers earned zero income from their purported business but incurred large expenses for their business. The result was a large net loss that fraudulently reduced the Taxpayers' tax liabilities and fraudulently inflated the Taxpayers' refunds. In reality, the Taxpayers were not engaged in a business or activity that should be reflected on a Schedule C and did not incur the expenses reflected on the

Schedule C. The Taxpayers instead were employed at various employers where they received paychecks as employees.

11. Second, VONTY commonly included false information in Forms 8863. Form 8863 is supposed to be used to figure and claim education credits, which are based on adjusted qualified education expenses paid to an eligible educational institution (postsecondary). One education credit that is calculated based on the information in the Form 8863 is the American opportunity credit. The American opportunity credit, if claimed, either increases the refund of the taxpayer or decreases the amount the taxpayer owes to the IRS. On the Form 8863, certain information must be included for each student, including: the name of the student; the name of the educational institution; representation that the student was enrolled at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential; and the amount of adjusted qualified education expenses. Generally, qualified education expenses are amounts paid during the year for tuition and fees required for the student's enrollment or attendance at an eligible educational institution—that is, an institution providing postsecondary education.

12. VONTY included false information on Forms 8863 for some of the Taxpayers. Specifically, VONTY often falsely reported on the Form 8863 that the Taxpayer and/or some of the Taxpayer's dependents were students who were enrolled during the year at educational institutions in programs leading toward postsecondary degrees or credentials and that they incurred qualified education expenses that year. The result of this false information was to fraudulently increase the American

opportunity credit for the Taxpayer. In reality, the Taxpayers were not students during the year and their dependents were not pursuing postsecondary education. Instead, the Taxpayers' dependents were typically children who were in daycare or public elementary, middle, or high schools. VONTY included this false information for some of the Taxpayers despite the Taxpayers providing VONTY with no information that would lead him to believe they were students, their dependents were pursuing postsecondary education, or information about the amounts of education expenses incurred by the Taxpayer.

COUNTS 1 THROUGH 36
(Preparing and Presenting a False Tax Return)

13. Paragraphs 1 through 12 of this Indictment are realleged and incorporated as if set forth fully herein.

14. On or about the dates set forth in the following table, in the Southern District of Iowa, the defendant, BAKOU KEES VONTY, also known as Bob Kees Vonty, also known as Bakou Bob Kees Vonty, also known as Bob Vonty, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service of U.S. Individual Income Tax Returns, Forms 1040, along with the accompanying schedules and forms, for the taxpayers and tax years specified in the following table. The returns were false and fraudulent as to material matters, in that they contained one or more of the following false material items: (1) Schedule C expenses and net business losses; and (2) Form 8863 adjusted qualified educational expenses, whereas, as the defendant then and there knew, the information on each return was false as to one or more material matters.

| Count | Taxpayer | Tax Year | Approximate Date Return Submitted | False Matters |
|--------------|-----------------|-----------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | R.S. | 2016 | February 13, 2017 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 2 | R.S. | 2017 | March 12, 2018 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 3 | R.S. | 2018 | February 2, 2019 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 4 | R.S. | 2019 | February 17, 2020 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 5 | C.D. | 2017 | February 17, 2018 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 6 | C.D. | 2018 | February 17, 2019 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 7 | C.D. | 2019 | March 14, 2020 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |

| Count | Taxpayer | Tax Year | Approximate Date Return Submitted | False Matters |
|-------|----------|----------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8 | J.V. | 2016 | February 18, 2017 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) |
| 9 | J.V. | 2017 | February 5, 2018 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) |
| 10 | B.B. | 2016 | February 14, 2017 | <ul style="list-style-type: none"> • Form 8863 (adjusted qualified education expenses) |
| 11 | B.B. | 2017 | March 4, 2018 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 12 | B.B. | 2018 | February 21, 2019 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 13 | B.B. | 2019 | February 6, 2020 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 14 | B.B. | 2020 | February 14, 2021 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 15 | B.B. | 2021 | February 21, 2022 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 16 | Z.J. | 2016 | March 5, 2017 | <ul style="list-style-type: none"> • Form 8863 (adjusted qualified education expenses) |

| Count | Taxpayer | Tax Year | Approximate Date Return Submitted | False Matters |
|--------------|-----------------|-----------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 17 | Z.J. | 2018 | February 16, 2019 | <ul style="list-style-type: none"> • Form 8863 (adjusted qualified education expenses) |
| 18 | Z.J. | 2019 | February 4, 2020 | <ul style="list-style-type: none"> • Form 8863 (adjusted qualified education expenses) |
| 19 | P.D. | 2016 | February 6, 2017 | <ul style="list-style-type: none"> • Form 8863 (adjusted qualified education expenses) |
| 20 | P.D. | 2017 | April 3, 2018 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 21 | P.D. | 2018 | February 25, 2019 | <ul style="list-style-type: none"> • Form 8863 (adjusted qualified education expenses) |
| 22 | P.D. | 2019 | February 26, 2020 | <ul style="list-style-type: none"> • Form 8863 (adjusted qualified education expenses) |
| 23 | A.G. | 2017 | February 3, 2018 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 24 | A.G. | 2018 | March 3, 2019 | <ul style="list-style-type: none"> • Form 8863 (adjusted qualified education expenses) |
| 25 | A.G. | 2019 | February 22, 2020 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 26 | C.G. | 2017 | January 30, 2018 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |

| Count | Taxpayer | Tax Year | Approximate Date Return Submitted | False Matters |
|--------------|-----------------|-----------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 27 | C.G. | 2018 | January 29, 2019 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 28 | C.G. | 2019 | February 20, 2020 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 29 | C.G. | 2020 | February 13, 2021 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 30 | B.S. & T.Y. | 2018 | February 7, 2019 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) |
| 31 | B.S. & T.Y. | 2019 | March 7, 2020 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 32 | B.S. & T.Y. | 2020 | February 20, 2021 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 33 | M.K. | 2018 | February 24, 2019 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |

| Count | Taxpayer | Tax Year | Approximate Date Return Submitted | False Matters |
|-------|----------|----------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 34 | M.K. | 2019 | February 15, 2020 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 35 | M.K. | 2020 | February 14, 2021 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |
| 36 | C.A. | 2017 | February 15, 2018 | <ul style="list-style-type: none"> • Schedule C (total expenses and net loss) • Form 8863 (adjusted qualified education expenses) |

Each of the above counts is a violation of Title 26, United States Code, Section 7206(2).

THE GRAND JURY FURTHER CHARGES:

COUNTS 37 THROUGH 39
(Making and Subscribing a False Tax Return)

15. Paragraphs 1 through 14 of this Indictment are realleged and incorporated as if set forth fully herein.

16. On or about the dates set forth in the following table, in the Southern District of Iowa, the defendant, BAKOU KEES VONTY, also known as Bob Kees Vonty, also known as Bakou Bob Kees Vonty, also known as Bob Vonty, did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040, in the name of himself for each of the tax years specified in the following table, each of which was verified by a written declaration that it was made under penalties of perjury and was

filed with the Internal Revenue Service. Each of the returns contained information that the defendant did not believe to be true and correct as to one or more material matters.

| Count | Taxpayer | Tax Year | Approximate Date Return Submitted | False Matters |
|-------|-------------|----------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| 37 | Bakou Vonty | 2016 | April 26, 2017 | <ul style="list-style-type: none"> Schedule C (total expenses and net loss) Form 8863 (adjusted qualified education expenses) |
| 38 | Bakou Vonty | 2018 | March 23, 2019 | <ul style="list-style-type: none"> Form 8863 (adjusted qualified education expenses) |
| 39 | Bakou Vonty | 2019 | January 28, 2020 | <ul style="list-style-type: none"> Form 8863 (adjusted qualified education expenses) |

Each of the above counts is a violation of Title 26, United States Code, Section 7206(1).

A TRUE BILL.

FOREPERSON

Richard D. Westphal
United States Attorney

By: 

Adam J. Kerndt
Assistant United States Attorney