

MEDIA RELEASE



**Attention: News Director
For Immediate Release
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**U.S. DEPARTMENT OF JUSTICE
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Western District of Kentucky**

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**CRESTWOOD BUSINESSMAN CONVICTED OF DEFRAUDING THE IRS
THROUGH DEDUCTIONS FOR BOGUS INSURANCE POLICIES**

David L. Huber, United States Attorney for the Western District of Kentucky, announced today that a jury in Louisville, following a three-day trial, **returned a verdict of guilty** against **JAY H. BRODER**, age 59, of Crestwood, Kentucky, for the offense of engaging in a conspiracy to impede the Internal Revenue Service in carrying out the agency's lawful function of collecting taxes, in violation of Title 18, United States Code, Section 371.

Broder was convicted by the jury of engaging in a conspiracy with co-defendant, Bruce Cohen, to defraud the IRS by including on tax returns filed by **Broder** for tax years 1999, 2001, 2002, and 2003 business expenses purportedly associated with the purchase of a "loss of income" insurance policy. The premiums paid by **Broder** to purchase and renew the policy were returned to **Broder** in the form of bogus loans, less fees collected by Cohen and other co-conspirators. The scheme resulted in a loss of taxes due and owing to the Internal Revenue Service of approximately \$54,000 .

Prior to trial, on March 20, 2007, Cohen entered a guilty plea to engaging in a conspiracy with **Broder**, and, pursuant to the terms of his plea agreement with the United States, testified in **Broder's** trial, explaining to the jury the details of the fraudulent scheme.

The maximum potential penalties facing **Broder** are 5 years imprisonment, a \$250,000 fine, and supervised release for a period of 3 years.

Sentencing for both **Broder** and Cohen is set for June 18, 2007, at 10:30 a.m. in United States District Court, in Louisville, Kentucky.

The case is being prosecuted by Assistant United States Attorney Jim Lesousky, and it was investigated by the Internal Revenue Service, Criminal Investigation.

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