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FOR IMMEDIATE RELEASE

DETROIT, MICHIGAN

Craig Morford, United States Attorney, and Sandi Carter, Acting Special Agent in Charge, Internal Revenue Service Criminal Investigation, announced that on September 9, 2004, Jason Lynn Hollady, 49, formerly of Lake Angelus, Michigan, a physician who practices in Durand, Michigan, was sentenced to 15 months imprisonment, followed by one year of supervised release and a \$25,000 fine. Dr. Hollady also made a initial payment of over \$108,000 to the Internal Revenue Service. This sentence was imposed after an April 3, 2004 guilty plea to a superseding information charging him of willfully signing and filing a false individual 1996 income tax return. This sentence was handed down by United States District Court Judge Paul V. Gadola.

According to court records, during 1996 and 1997, Dr. Hollady practiced medicine under the corporate name of Durand Clinic, P.C. His accountant instructed him to deposit all payments for his medical practice into the corporate bank account, so that the accountant could accurately determine the business's taxable income. However, Dr. Hollady deliberately diverted selected cash payments and checks from his business and deposited them into his personal credit card account with MBNA America or into a personal investment account with Janus Funds. Some of the diverted funds were later used by Dr. Hollady for personal purchases and were not declared as income on either the corporate tax returns or his personal federal tax returns. Dr. Hollady signed these returns under penalty of perjury, knowing that

they were not true and correct, thereby failing to declare over \$280,000 in taxable income during the 1996 and 1997 tax years.

Ms. Carter stated, "Tax compliance should be shared among all Americans by everyone paying their fair share. When a person decides to deliberately underreport or omit income, they can create some serious consequences for themselves, which may include jail time. Remember, no one is above the law.

Mr. Morford commended the special agents of the Internal Revenue Service Criminal Investigation for their work in this investigation. Assistant United States Attorney Robert W. Haviland prosecuted the case.