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ATLANTA BUSINESSMAN CONVICTED FOR TAX FRAUD CONSPIRACY

-Concealed Business Income in Offshore Accounts-

RENO - An Atlanta businessman has pleaded guilty to conspiring to defraud the IRS, a felony, announced Daniel G. Bogden, United States Attorney for the District of Nevada, Eileen J. O'Connor, Assistant Attorney General for the Department of Justice Tax Division, and Nancy Jardini, Chief of Internal Revenue Service Criminal Investigation. **ROBERT F. HOLLIDAY**, entered his guilty plea this afternoon before United States District Judge David W. Hagen. He faces up to five years in prison and a \$250,000 fine.

"People who promise to eliminate taxes by hiding income and assets from the IRS are offering a sure path to trouble," said Assistant Attorney General Eileen J. O'Connor. "Those who participate in such schemes risk criminal prosecution by the Department of Justice and a lengthy stay in federal prison. In the end, they will still owe the taxes, plus interest and possible penalties."

"The government will not tolerate abusive tax schemes that promote the use of offshore accounts to illegally escape taxes," said Nancy Jardini, IRS Chief, Criminal Investigation. "Those Americans who file accurate, honest and timely returns can be assured that the government will hold accountable those who don't."

In his plea agreement, Holliday admitted that he sought assistance from financial consultant Lawrence Turpen in illegally reducing and defeating the assessment and collection of his taxes. Holliday and Turpen created domestic and offshore corporations and devised and conducted sham transactions, with no economic substance, between these corporations. These transactions were designed to move income to the untaxed offshore entity and to reduce or eliminate the corporate tax liabilities of the domestic entity. Holliday repatriated the untaxed money from his offshore corporation through bogus loans.

To create the appearance of legitimacy, Holliday documented these transactions as research, consulting, or management expenses. He provided his domestic corporation's tax return preparer with false information that included the sham transactions. Based in part on this information, the return preparer prepared false corporate income tax returns for tax years 1996 through 2003, resulting in a total tax loss greater than \$200,000.

HOLLIDAY is scheduled to be sentenced on -----, 200--, whereupon Judge Hagen will formally accept his guilty plea. He is released on bond pending sentencing. Lawrence Turpen pleaded guilty to conspiracy on July 14, 2004 and is scheduled to be sentenced on October 18, 2004.

Assistant Attorney General O'Connor thanked Tax Division Trial Attorneys Caryn D. Mark and Edmund P. Power who prosecuted the case. She also thanked the special agents of Internal Revenue Service Criminal Investigation, whose assistance was essential to the successful investigation and prosecution of the case.

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