



Department of Justice



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LOUISVILLE BUSINESS MAN SENTENCED TO 2 YEARS AND 6 MONTHS IMPRISONMENT FOR PROMOTING FRAUDULENT TAX SCHEME

– Cohen also ordered to pay \$50,000 fine

LOUISVILLE, KY - Bruce M. Cohen, age 62, of Louisville, Kentucky, in Jefferson County, was sentenced to 2 years and 6 months imprisonment, followed by 3 years supervised release, following his guilty plea in March 2007 to one count of engaging in a conspiracy to defraud the Internal Revenue Service. The Court also ordered the defendant to pay a \$50,000.00 fine.

On March 20, 2007, Cohen plead guilty to engaging in a conspiracy with Jay Broder, d/b/a Card Service Mid-South, to defraud the IRS by including on Broder's tax returns for 1999, 2001, 2002 and 2003 fraudulent tax deductions related to an insurance policy Cohen sold to Broder. The total tax loss caused by the fraudulent deductions included in Broder's tax returns equaled approximately \$53,000.

In March 2007, Broder went to trial and was thereafter convicted by the jury of engaging in a conspiracy to defraud the IRS. Cohen testified during this trial on behalf of the United States. He testified that he sold Broder a loss of income insurance policy for the years 1999, 2001, 2002 and 2003. He further testified that the premiums received from Broder on this policy were returned to Broder, less small handling fees he retained, in the form of fictitious loans which Broder was never required to repay. Despite the return of substantial portions of premiums Broder paid Cohen, Broder took deductions on his business income tax returns for the amounts he paid in the form of premiums. This caused Broder's tax returns to have understated net earnings for each of the aforementioned years.

On June 18, 2007, Broder was sentenced to 10 months community confinement and ordered to pay \$32,000 in restitution to the Internal Revenue Service.

The case was prosecuted by Assistant United States Attorney James R. Lesousky, Jr., and it was investigated by the Internal Revenue Service, Criminal Investigations.

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