



U.S. Department of Justice

United States Attorney Eastern District of Arkansas

FOR IMMEDIATE RELEASE
November 25, 2008

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McGEHEE LAWYER PLEADS GUILTY TO THEFT OF CLIENT FUNDS

Little Rock - Jane W. Duke, United States Attorney for the Eastern District of Arkansas, announced that attorney Billy Ray Holloway, age 68, waived indictment and pleaded guilty to two counts of mail fraud on Friday, November 21, 2008, before United States District Judge Susan Webber Wright. Holloway formerly maintained a solo law practice in McGehee, Arkansas. He currently resides in a Missouri nursing home.

On each of the two counts, Holloway faces a statutory penalty of not more than 30 years imprisonment and a fine of up to \$1,000,000. A sentencing date will be set after completion of the customary pre-sentence investigation report by the United States Probation Office.

According to the Information, Holloway embezzled the settlement proceeds in two different personal injury cases he handled during 2007. In each case, Holloway had negotiated a settlement with Wal-Mart Stores, Inc. on behalf of the clients. In each case, Wal-Mart Stores, Inc. mailed a \$7,000 settlement check to Holloway's McGehee law office. Holloway then deposited the checks into his law firm's business account. In one instance, Holloway never disclosed the receipt of the settlement funds to his clients. In the other instance, Holloway falsely told the client that he was required to retain the settlement proceeds in his client trust account for 30 days before he could disburse the monies to the client. In both cases, Holloway diverted the money for his own use and benefit and the clients were never paid.

"A productive and successful attorney/client relationship requires that a special bond of trust exist between the two parties. The client relies upon the attorney to advocate in the client's best interest; to keep the client advised of material issues; to exercise professional judgment on the client's behalf; and to safeguard any funds the client has entrusted to the attorney," stated Duke. She added, "A breach of that trust by the attorney can be devastating to the client. It is also detrimental to the legal profession and the judicial system as a whole."

Under the terms of the plea agreement, Holloway agreed to immediately surrender his license to practice law. That surrender has already occurred, according to Stark Ligon, Executive Director of the Arkansas Supreme Court Committee on Professional Conduct. Because of the potential that other clients have incurred similar losses, the United States reserved the right to argue at sentencing for restitution in an amount higher than the actual losses charged in the Information.

This case was investigated by the Little Rock Field Office of the Federal Bureau of Investigation and the Arkansas State Police. It is being prosecuted by Criminal Chief Patrick C. Harris and Assistant United States Attorney Laura G. Hoey.

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