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UPTOWN BAR OWNER SENTENCED TO YEAR AND A DAY IN FEDERAL PRISON FOR CHEATING ON INCOME AND PAYROLL TAXES

CHICAGO — The owner of a bar on the city's north side who failed to report all of his income for over five years, as well as to collect and pay his employees' payroll taxes, was sentenced to a year and a day in federal prison, Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago, announced today. The defendant, **Timothy Juliusson**, the sole owner of the Holiday Club, located at 4000 N. Sheridan Rd., since at least 2002, had pleaded guilty, admitting that he under-reported a total of \$321,300 in income and failed to collect and pay employment withholdings totaling \$82,537, resulting in a total tax loss of \$153,275 to the United States.

Juliusson, 49, of Chicago, was sentenced yesterday by U.S. District Judge Robert M. Dow, Jr., to serve 12 months and one day in prison, followed by one year of supervised release. He is to begin serving his sentence on May 24. Juliusson was also ordered to pay restitution of \$153,275 and has paid approximately half that amount so far. He also remains liable to the United States for any and all back taxes, penalties and interest owed.

In imposing the sentence, Judge Dow noted that the tax system relies on people to voluntarily pay the taxes they owe, and he added that a primary consideration of federal sentencing guidelines for tax offenses is to deter others from violating tax laws. The judge also noted that while Juliusson thought that he could get away with the crime because he believed that the IRS had “bigger fish to fry,” the judge found the sentence was necessary to discourage others in the bar industry from doing the same thing.

“With tax preparation season upon us, we encourage all taxpayers to honor their civic duty and legal obligation to report all of their income and pay all of they taxes they owe,” Mr. Patton said.

In pleading guilty to filing a false federal income tax return, Juliusson admitted that he maintained two sets of books, one of which recorded the Holiday Club’s true income and loss, and one which only purported to do so. Between 2002 and 2006, he provided the false set of records and bank statements to his accountants, who used them to prepare tax returns for Juliusson and his closely-held business.

Filing a false federal income tax return carries a maximum penalty of three years in prison.

The government was represented by Assistant U.S. Attorney Lisa Noller.

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