

FOR FURTHER INFORMATION CONTACT**AUSA VICKIE E. LEDUC or
MARCIA MURPHY at 410-209-4885****October 8, 2009****FOR IMMEDIATE RELEASE**<http://www.usdoj.gov/usao/md>

**MARYLAND CARDIOLOGIST CONVICTED OF EVADING
MORE THAN \$16 MILLION IN INCOME TAXES**

Did Not Report More Than \$40 Million in Profits from Stock Trading

GREENBELT, Maryland - A federal jury today convicted Pradeep Srivastava, age 50, of Potomac, Maryland, a cardiologist who maintained offices in Greenbelt and Oxon Hill, of evading more than \$16 million dollars in income taxes for the 1998 and 1999 tax years, and filing a false tax return for 2000, announced United States Attorney for the District of Maryland Rod J. Rosenstein and Acting Assistant Attorney General John DiCicco of the Department of Justice Tax Division.

United States Attorney Rod J. Rosenstein said, "Anyone who thinks it is safe to evade taxes should think again, because the IRS and the Department of Justice are working to find tax cheats and send them to federal prison."

"We should not forget that the ultimate victim of tax fraud is the honest taxpayer and the numerous programs funded by the government," stated C. André Martin, Internal Revenue Service-Criminal Investigation Special Agent in Charge. "While taxpayers have the right to contest their tax liabilities in the courts, taxpayers do not have the right to violate tax laws."

According to evidence presented at the six day trial, Srivastava conducted a huge volume of trading in stocks and stock options. During the "bull market" of the late 1990s, the evidence showed that he earned more than \$40 million in short-term capital gains, much of them from trading in stock options involving high-technology stocks such as America Online, Dell Computer, Yahoo, Qualcomm and Inktomi. In preparation for filing his tax returns for 1998 and 1999, Srivastava provided his accountant with information about those trades that generated capital losses, but omitted providing information relating to the vast majority of his short-term capital gains. Srivastava then filed tax returns which omitted those capital gains and, according to trial testimony, understated his tax due by \$164,756 in 1998 and \$16,179,567 in 1999.

The evidence proved that in 2000, the value of Srivastava's portfolio collapsed and he incurred massive capital losses. Disclosure of the full extent of those losses, however, would have potentially alerted the Internal Revenue Service to his massive, undisclosed short-term capital gains for 1998 and 1999, therefore, trial testimony showed that Srivastava filed a false tax return which understated his capital losses for 2000.

Srivastava faces a maximum penalty of five years imprisonment and a \$250,000 fine for each of two counts of tax evasion and a maximum sentence is three years in prison, and a \$250,000 fine for filing a false income tax return. U.S. District Judge Roger W. Titus has scheduled sentencing for January 11, 2010 at 10:00 a.m. and placed Srivastava on home detention pending sentencing. Judge Titus also ordered Srivastava to pledge two parcels of real estate in Potomac, Maryland as security for his appearance.

In a related investigation, in August 2007, Srivastava agreed to pay the United States \$476,000 to settle claims that he fraudulently billed Medicare and the Federal Health Employees Health Benefits Program ("FEHBP") over a three and a half year period. According to the settlement agreement, the government contended that Srivastava committed multiple billing abuses from November 1, 1999 to May 31, 2003, including billing for services not rendered; "unbundling," a practice where a provider bills for multiple component parts of a procedure as opposed to billing one comprehensive CPT code; and upcoding, or billing for a service at a higher level than that which was furnished. Assistant U.S. Attorney Thomas F. Corcoran, handled the case.

United States Attorney Rod J. Rosenstein commended the Internal Revenue Service's Criminal Investigation Division, the Department of Health and Human Services - Office of Inspector General, the Federal Bureau of Investigation and the Office of Personnel Management - Office of Inspector General for their investigative work in this case. Mr. Rosenstein and Mr. DiCicco thanked Assistant U.S. Attorney Stuart A. Berman and Trial Attorney John E. Sullivan, of the Department of Justice Tax Division, who are prosecuting the case.

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