



# Department of Justice

United States Attorney Donald J. Cazayoux, Jr.  
Middle District of Louisiana

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## MAN PLEADS GUILTY IN MOTION PICTURE TAX CREDIT SCAM

BATON ROUGE, LA - United States Attorney Donald J. Cazayoux, Jr., announced that **DANIEL GARCIA**, age 36, pled guilty today before United States District Court Judge James Brady to one count of conspiracy to commit wire fraud in connection with a scheme to defraud the State of Louisiana's Motion Picture Industry Development Tax Credit Program ("Tax Credit Program.") **GARCIA** faces a sentence of up to five (5) years imprisonment, three (3) years of supervised release following imprisonment, and a fine of \$250,000. The sentencing date has yet to be scheduled.

At today's hearing, **GARCIA** admitted that he owned and operated DMG Holdings, LLC and Louisiana Film Finishers, LLC, companies that provided technical services for the production of motion pictures. **GARCIA** admitted, within a nine-day period beginning on June 10, 2009, he conspired with at least one other individual to transfer \$1,000,000 he received from an investor through four separate film production companies. These transfers created cancelled checks which he later used as false documentation for \$3,000,000 of motion picture productions.

The Louisiana Economic Development Office ("LED") is a state entity which mission is to lead economic development for the state of Louisiana. LED operated the Motion Picture Industry Development Tax Credit Program ("Tax Credit Program") which was designed to entice production companies to shoot films and video productions in Louisiana. The Tax Credit Program provided a 30% tax credit on qualified expenditures for the production of films in Louisiana. Once issued by LED, the tax credits were fully transferable.

Between February 10, 2009 and March 31, 2010, **GARCIA** applied for, and received, tax credits from the LED for various movies. In total, \$3,000,000 of the purported expenditures related to films were based upon the false expenditures created in the scheme described above. **GARCIA** admitted that he was not entitled to \$900,000 of the tax credits he received for these films.

U.S. Attorney Donald J. Cazayoux, Jr., stated, "We will continue our commitment to prosecuting anyone abusing the Tax Credit Program. Those who misuse this program, through fraud and deceit, undermine the purpose of the Tax Credit Program and will be investigated and prosecuted to the fullest extent of the law. We appreciate the work of the FBI and the Louisiana State Inspector General's Office in this case and the cooperation of the LED."

Louisiana State Inspector General Stephen Street commented, "This sort of blatant thievery unfairly mars the whole Tax Credit Program, and cannot be tolerated. We are committed to working with the FBI and United States Attorney to root this sort of corruption out wherever it may exist."

This investigation was conducted by the FBI and the Louisiana State Inspector General's Office and is being prosecuted by Assistant United States Attorney Frederick A. Menner, Jr.

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