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Man Sentenced to Prison for Motion Picture Tax Credit Scam

U.S. Attorney's Office
September 30, 2015

Middle District of Louisiana
(225) 389-0443

BATON ROUGE, LA—United States Attorney Walt Green announced that DANIEL GARCIA, age 38, was sentenced today by Senior United States District Court Judge James J. Brady to 6 months in federal prison and 6 months in a halfway house. GARCIA was also ordered to pay \$900,000 in restitution to the State of Louisiana.

GARCIA previously pled guilty 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"). At his guilty plea, 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.

Between February 10, 2009 and March 31, 2010, GARCIA applied for, and received, tax credits from the Louisiana Economic Development Office ("LED") for various movies. The LED is a state entity with the mission to lead economic development for the State of Louisiana. LED operated the 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. In this case, however, GARCIA admitted that he conspired with at least one other individual to make a series of financial transfers, which created cancelled checks, which were later used to falsely reflect \$3,000,000 of expenditures that had purportedly been incurred in motion picture productions. These false expenditures allowed GARCIA to be awarded tax credits, and GARCIA admitted that he was not entitled to \$900,000 of the tax credits he received.

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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