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# Mandeville man enters guilty plea in film tax credit case

BY BILL LODGE  
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May 15, 2013

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Print article

A Mandeville man pleaded guilty Tuesday in Baton Rouge federal court to a charge of conspiracy to commit wire fraud in connection with his receipt of \$900,000 in state film tax credits.

Daniel Garcia, 36, admitted to U.S. District Judge James J. Brady that he used canceled checks as false documentation for expenses that were supposed to have been paid on movie production in Louisiana to qualify for \$900,000 in tax credits.

For his guilty plea, Garcia could be sentenced to as many as five years in federal prison, fined \$250,000 and ordered by Brady to pay \$900,000 in restitution, the judge said prior to Garcia's guilty plea.

"I will order you to make restitution," Brady advised Garcia. "Are you pleading guilty because you are in fact guilty?"

"Yes, your honor," Garcia replied.

In a plea agreement signed by Garcia, defense attorney Richard W. Westling, and Assistant U.S. Attorney Frederick A. Menner Jr., Garcia promised to cooperate with prosecutors and state and federal investigators.

In return, prosecutors agreed not to pursue any additional charges in the case against Garcia. They also promised not to pursue any possible charges against Garcia's wife, Maddeson Garcia. Maddeson Garcia has not been charged with any offense involving her husband's case.

Menner told the judge that Daniel Garcia and his attorney signed a stipulation that Garcia owned two Baton Rouge firms, DMG Holdings LLC and Louisiana Film Finishers LLC.

Under rules of the Louisiana Department of Economic Development, Menner explained, 30 percent of the money spent by Garcia's firms on

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production of movies and videos in Louisiana could be recovered from the department in the form of tax credits.

In June 2009, according to Garcia's admission, Garcia transferred \$1 million he received from an investor. The transfer of that money was to four film production companies — two owned by Garcia, a third owned by a person identified only as "J.T." and a fourth owned by a person identified only as "M.K."

"The shuffling of funds created cancelled checks which Garcia later used as false documentation for \$3 million of (film) production expenditures," according to the Garcia admission filed by Menner. "Garcia was not entitled to \$900,000 of the tax credits received for these films."

"That's the way it happened?" Brady asked Garcia.

"Yes, your honor," Garcia replied.

The judge then accepted Garcia's guilty plea and ruled that he was convicted.

Garcia's case was investigated by the FBI and Louisiana Office of Inspector General, U.S. Attorney Donald J. Cazayoux Jr. said Tuesday.

Louisiana Inspector General Stephen Street, in a written statement, said: "This sort of blatant thievery unfairly mars the whole tax credit program and cannot be tolerated."

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