

# News Release

**U.S. Department of Justice**

*United States Attorney  
Northern District of Ohio*

**For Release:**

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William J. Edwards, United States Attorney for the Northern District of Ohio, announced today that a federal grand jury returned a five-count Indictment against Daniel L. French, charging him with three counts of attempting to evade his personal income taxes and two counts filing false income tax returns for a solely-owned corporation he operated in Macedonia, Ohio. According to court records, French resides in Akron, Ohio.

The first two counts charge that French filed false S Corporation returns (Form 1120S) on behalf of D.L. French Co., Inc., for the years 2002 and 2003, which claimed cost of goods sold deductions for purported corporate payments for “shop supplies and parts” and “subcontract labor,” which were actually disbursements for his personal benefit. Part of these disbursements are alleged to be checks payable to a fictitious entity, NRB Co., which were deposited into a nominee bank account French controlled under that name. As a result of the overstatement of costs, the corporate returns also understated the corporations’s income, which was reportable on French’s personal returns as distributive (flow-through) income. Count 3 and 4 of the Indictment charge that French attempted to evade his personal income taxes for those years by filing false personal tax returns on which he understated his income and tax liabilities by reporting his falsely understated business income from the D.L. French Co. corporate returns.

Finally, Count 5 charges French with attempting to evade his taxes for 2004, by failing to file an income tax return and by concealing his income through the D.L. French Co. disbursements to NRB Co. and to a person with whom he had an outside business venture, disguised on the corporate books as sales costs.

If convicted, the defendant's sentence will be determined by the Court after review of factors unique to this case, including the defendant's prior criminal record, if any, the defendant's role in the offense and the characteristics of the violation. In all cases the sentence will not exceed the statutory maximum and in most cases it will be less than the maximum.

The government's case is being prosecuted by Assistant United States Attorney John M. Siegel, following an investigation by the Internal Revenue Service, Criminal Investigation Division, Cleveland, Ohio.

An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

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