



*United States Attorney
Southern District of New York*

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**U.S. ACCEPTS GUILTY PLEA IN MILLION-DOLLAR
PERSONAL INCOME TAX AND EMPLOYMENT TAX EVASION SCHEME**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that TEDDY DICHNE and ROBERT NAHAS pled guilty in Manhattan federal court late Tuesday to tax evasion and conspiracy charges in connection with a scheme to take phony deductions and to evade paying employment taxes for off-the-books employees.

DICHNE and NAHAS were the co-owners of the T & B Group, Inc. ("T & B"), a commercial printing business formerly located in Manhattan. T & B is no longer in business.

During their guilty pleas, DICHNE and NAHAS admitted that they generated cash to pay their employees and themselves unreported income by writing T & B checks to shell companies owned by a co-conspirator, and in return receiving cash (minus a small commission for the co-conspirator) and false invoices purporting to show that payments were for purchases of supplies.

In fact, DICHNE and NAHAS admitted, the co-conspirator provided no goods or services to T & B other than cashing checks and providing phony invoices.

DICHNE and NAHAS admitted that they took business deductions on T & B's tax returns for the full amount of the checks and phony invoices. DICHNE and NAHAS stated that they used a portion of the cash to pay their employees, and failed accurately to report these cash wages to the IRS. DICHNE and NAHAS also kept a portion of the cash for themselves as their own unreported income. NAHAS stated in his plea that during the period of the conspiracy, which ran from 1995 through 1998, NAHAS and his co-conspirators, including DICHNE, generated approximately \$1.6 million in cash, and that only approximately \$304,000 of this cash was reported to the IRS and taxed.

DICHNE and NAHAS are scheduled for sentencing on September 19, 2003, at 2:30 p.m. before United States District Court JUDGE WILLIAM H. PAULEY III. DICHNE and NAHAS both face a maximum term of 5 years in prison for conspiracy and 5 years for tax evasion as well as a maximum fine on each count of \$250,000 or twice the gross gain or loss resulting from the offense.

DICHNE, 59, resides in Manhattan.

NAHAS, 59, resides in Staten Island, New York.

Mr. COMEY praised the efforts of the New York Criminal Investigation field office of the Internal Revenue Service.

Assistant United States Attorney JUSTIN S. WEDDLE is in charge of the prosecution.

