



## State of California Franchise Tax Board

### **Long Beach Woman Gets Lengthy Prison Term in Embezzlement, Tax Fraud Case**

A Long Beach woman today was sentenced to 10 years and 8 months in state prison after pleading guilty to one count of grand theft, 11 counts of forgery and three counts of filing false California personal income tax returns, according to the Franchise Tax Board (FTB).

Nancy C. Deano, 43, was employed by a Diamond Bar plastics manufacturing company from 1997-1999. During that period of time, authorities say Deano embezzled nearly \$1.7 million from her employer. In her capacity as accounts payable manager, Deano deposited company checks into her personal bank account. Deano created fictitious invoices to cover these amounts.

An audit of the employer's banking records showed that Deano used embezzled company funds to pay for her lavish personal expenses such as jewelry, new automobiles, a racing boat and clothing.

The embezzled funds were not reported as income on her state income tax returns for the 1997 through 1999 tax years, resulting in \$160,391 in delinquent state income taxes. All income is taxable, including income from illegal activities.

Los Angeles County Deputy District Attorney Michael Kraut prosecuted the case. This was a joint investigation by the Los Angeles County Sheriff's Dept. and the FTB.

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