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FOR IMMEDIATE RELEASE:

United States Attorney Saul A. Green announced that the Cor-Bon Custom Bullet Company, of Sturgis, South Dakota, and formerly of Detroit Michigan, was sentenced on November 16, 2000, in federal court to three years probation, a \$240,000 fine, and \$200,000 restitution to the Bureau of Alcohol, Tobacco and Firearms for unpaid taxes. Cor-Bon was convicted of 13 counts of tax fraud.

Assistant United States Attorney Krishna S. Dighe, who prosecuted the case, stated that "A jury convicted the Cor-Bon Custom Bullet Company on April 5, 2000, of 13 counts of tax fraud in a case tried before the Honorable Bernard A. Friedman. Cor-Bon is a manufacturer of ammunition that produced ammunition in Detroit from the mid-1980s through approximately April 1995, when it moved to Sturgis, South Dakota. As a manufacturer of ammunition, Cor-Bon was required to pay an 11% excise tax on the ammunition it made and sold. However, Cor-Bon under reported to the Bureau of Alcohol, Tobacco and Firearms, which administers the federal ammunition excise tax program, its total by about one-half. Thus, it ended up paying only about one-half of the tax it actually owed.

The evidence at trial demonstrated that the Cor-Bon Custom Bullet Company retained sales invoices for the one-half of the sales it reported, and threw away the balance. However, when the Bureau of Alcohol, Tobacco and Firearms executed a search warrant at Cor-Bon's headquarters, it found the missing invoices on Cor-Bon's computer system.

Judge Friedman sentenced the Cor-Bon Custom Bullet Company to three years probation and ordered it to pay a fine of \$240,000, restitution of the taxes of \$200,000, a special assessment of \$2,600, and \$5,019.45 toward the costs of prosecution. He also ordered Cor-Bon to develop an in-company program to detect violations of all laws by the company or its employees. Judge Friedman denied the company's motion to stay the judgment."

Mr. Green commended the Bureau of Alcohol, Tobacco and Firearms for its investigation.