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March 27th, 2008

**Milan Resident Sentenced on Bank Fraud and Income Tax Evasion Charges**

**Memphis, TN** – Donna L. Hardy, 49, of Milan, Tennessee, was sentenced today by U.S. District Judge James D. Todd to serve 44 months in prison followed by 4 years of supervised release announced David Kustoff, United States Attorney for the Western District of Tennessee. Judge Todd also ordered Hardy to pay restitution of \$254,892.09. After a three day trial in October 2007, Hardy was convicted on 12 counts of bank fraud and 5 counts of income tax evasion.

Hardy, former plant accountant for Milan Box Corporation (Milan Box), was charged in March 2007 with devising a scheme to defraud Union Planter's National Bank (now Regions Bank) and with income tax evasion for years 2000 through 2004. Testimony and evidence presented during the trial revealed that from approximately March 25, 2002 until around December 17, 2004, Hardy did not close bank accounts belonging to The Dedmon Company (Dedmon) upon its merger with Milan Box. Instead, Hardy transferred funds from Milan Box accounts into the bank accounts belonging to Dedmon that were supposed to have been closed. Hardy then transferred funds from this account to her personal bank accounts. Hardy made over \$232,000 in fraudulent transfers from Milan Box accounts to Dedmon accounts. Additionally, Hardy did not report over \$250,000 in income on her federal income tax returns filed for 2000 through 2004. This resulted in a tax loss to the government of over \$58,000.

This investigation was conducted by the United States Secret Service and IRS Criminal Investigation. Assistant U.S. Attorney R. Leigh Grinalds represented the government.

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