

U.S. Department of Justice
United States Attorney
Western District of New York

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PRESS RELEASE

January 29, 2004

RE: UNITED STATES v. KENNETH NIGRO

United States Attorney Michael A. Battle announced today the sentencing of Kenneth Nigro, 63, of Orchard Park, New York, by United States Chief District Judge Richard J. Arcara. Nigro pled guilty on October 10, 2003, to filing a false tax return. Nigro was sentenced to one year of probation with six months home confinement.

Assistant U.S. Attorney MaryEllen Kresse said that Nigro filed personal income tax returns for the 1995, 1996 and 1997 tax years which substantially understated his taxable income by failing to report rental income, and by obtaining "constructive dividends" as a result of having personal living expenses funded by his corporations. Nigro also filed corporate income tax returns for his corporation Chestnut Ridge Village, Inc. for the tax years ending April 1996 and April 1997, which falsely claimed, as ordinary and necessary business expenses, amounts that, in fact, were depreciation on personally-owned rental property and his personal residence. The combined tax loss resulting from Nigro's unreported income and deduction of personal expenses, was approximately \$39,000, which Nigro has repaid to the Internal Revenue Service as required under the plea

agreement. In addition, approximately \$126,000 in civil penalties have been assessed against Nigro.

Nigro's conviction grew out of an investigation conducted by the Internal Revenue Service, under the direction of Special Agent in Charge Anne Marie Coons.

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