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PITTSFIELD BUSINESSMAN PLEADS GUILTY TO TAX EVASION

Springfield, MA - A Pittsfield businessman was convicted yesterday in federal court of tax evasion.

United States Attorney Michael J. Sullivan and Douglas A. Bricker, Special Agent in Charge of the Internal Revenue Service - Criminal Investigation, Boston Field office, announced that ERMINO S. BARBALUNGA, Jr., age 58, of 1 Deer Run Road, Dalton, MA, pleaded guilty to tax evasion.

At today's plea hearing, the prosecutor told the Court that had the case proceeded to trial the Government's evidence would have proven that from 1999 to 2003 BARBALUNGA used over \$440,000 in business income to pay for personal expenditures on behalf of himself and his family. Furthermore, BARBALUNGA failed to declare these payments as income on his personal federal tax returns. BARBALUNGA'S total unpaid federal income tax, plus penalties and interest for 1999 to 2003 was \$622,355.14. According to the prosecutor, BARBALUNGA already has repaid the IRS.

Sentencing is scheduled for December 20, 2007. BARBALUNGA faces up to five years imprisonment, to be followed by three years of supervised release, and a \$250,000 fine.

The case was investigated by the Internal Revenue Service - Criminal Investigation, Boston Field Office. It is being prosecuted by Assistant U.S. Attorney Kevin O'Regan of Sullivan's Springfield Office.