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THREE MODESTO BROTHERS PLEAD GUILTY TO FILING FALSE TAX RETURNS

FRESNO-- United States Attorney McGregor W. Scott announced that GREGORY BARZAN, 51, pleaded guilty to five counts of filing false tax returns. RICHARD BARZAN, 48, pleaded guilty to four counts of filing false tax returns and JOHN BARZAN, 50, pleaded guilty to three counts of filing false tax returns. All three brothers pleaded guilty yesterday before the Honorable Judge Andrew W Ishii.

This case is the product of an investigation by the Internal Revenue Service Criminal Investigation.

According to court documents, GREGORY BARZAN, RICHARD BARZAN and JOHN BARZAN operated residential construction businesses individually. They also operated residential construction businesses with each other through informal partnerships known as BARZAN CONSTRUCTION (JOHN and RICHARD) and BARZAN DEVELOPMENT (JOHN, RICHARD AND GREGORY). The BARZAN BROTHERS knowingly failed to report the proceeds from the construction and sale of specific residences in addition to overstating expenses associated with their respective businesses.

According to Assistant United States Attorney Sherrill A. Carvalho, who is prosecuting the case, the BARZAN BROTHERS face a maximum prison term of three years for each count, along with a maximum fine of \$250,000, per count. However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables, and any applicable statutory sentencing factors. Sentencing is set for May 7, 2007, at 11:00 a.m. before Judge Ishii.

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