

Department of Justice

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Western District of New York

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FINANCIAL ADVISOR PLEADS GUILTY TO FAILING TO PAY TAXES

BUFFALO, N.Y.--U.S. Attorney William J. Hochul, Jr. announced today that financial advisor Eric J. Justin, of Lancaster, N.Y., pleaded guilty to attempting to evade and defeat the payment of tax before Chief U.S. District Court Judge William M. Skretny. for his failure to pay more than \$250,000 in federal individual income taxes. The charge carries a maximum penalty of five years in prison, a \$250,000 fine or both.

Assistant U.S. Attorney Russell T. Ippolito, Jr., who is handling the case, stated that Justin employed several schemes to evade the payment of an individual federal tax liability, including interest, penalties and fees, totaling \$258,403.70. Between April 15, 2002, and October 13, 2010, the defendant redirected income to his wife as a nominee to hide his business interests, real estate, and personal car; by failing to use any typical record-keeping or accounting method; by failing to differentiate personal and business bank accounts and by transferring funds between various personal and business accounts.

In addition, the defendant failed to disclose to the Internal Revenue Service, or his accountant, the receipt of more than \$98,000 in life insurance proceeds. Justin also falsely claimed to the IRS that his real property was encumbered in order to deflate his asset equity numbers.

The plea is the culmination of an investigation on the part of Special Agents of the Internal Revenue Service, under the direction of Acting Special Agent in Charge Toni Weirauch.

Sentencing is scheduled for September 20, 2012, at 9:00 AM before Judge Skretny.

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