

# Department of Justice

Acting United States Attorney Kathleen Mehlretter  
Western District of New York

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## SENTENCING IN TAX FRAUD CASE

BUFFALO, N.Y.-- Victor Liberatore, Sr., 75, a real estate developer from Orchard Park, New York, was sentenced today to one year of home confinement with electronic monitoring and two years probation, acting United States Attorney Kathleen M. Mehlretter announced. Chief U.S. District Judge Richard J. Arcara also imposed a fine of \$10,000 and restitution to the IRS in the amount of \$169,849.00.

Assistant U.S. Attorney Paul J. Campana, who prosecuted the case, said Liberatore pled guilty May 4, 2009, to conspiring to defraud the United States by altering documents and submitting \$885,000 in false invoices to the IRS. Campana said Liberatore, who owns a construction business, admitted to providing the IRS with false information and documentation and caused others to do so during an IRS audit between December 2001 and February 2004. In court today, Chief Judge Arcara sharply criticized the defendant for trying to mislead the IRS and for involving others in his crime but noted that the defendant had a serious illness and still had civil matters pending with the IRS.

The prosecutor said that during the tax years 1999 through 2001, Liberatore was a partner in two partnerships - Terra Capital Associates, whose principal location was Monroeville, Pennsylvania, and Terra Erie Associates, which owned a Harbor Creek, Pennsylvania strip mall called the Eastway Plaza. Liberatore admitted in his plea agreement that for the 2001 tax year, he caused deductions to be claimed on the Terra Capital federal tax return relating to expenses that in fact were for work done on property not connected to the Terra Capital partnership, and for which deductions also were claimed on Liberatore's personal tax return. Liberatore also had admitted in the plea agreement that during the IRS audit he at times caused false documents to be provided to the IRS, and caused or attempted to cause other persons to do so. The defendant further admitted to asking a local

electrical contractor to supply the IRS with an altered version of the contractor's invoice, but the contractor refused to do so.

The conviction was the result of an investigation by the Internal Revenue Service, Criminal Investigation Division, under the direction of Special Agent In-Charge Patricia J. Haynes.