

The United States Attorney's Office

District of Massachusetts

Press Releases

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FORMER SPRINGFIELD BAR OWNER PLEADS GUILTY TO CONSPIRACY,
FALSE PERSONAL INCOME TAX RETURNS AND WITNESS TAMPERING

SPRINGFIELD, MA – A private real estate developer and bar owner pleaded guilty yesterday in federal court before U.S. District Judge Michael A. Ponsor to one count of Conspiracy to Defraud the United States, four counts of Filing False Personal Income Tax Returns and two counts of witness tampering, announced U.S. Attorney Michael J. Sullivan; Eileen J. O'Connor, Assistant Attorney General of the U.S. Department of Justice's Tax Division; Douglas A. Bricker, Special Agent in Charge of the U.S. Internal Revenue Service, Criminal Investigation; Warren T. Bamford, Special Agent in Charge of the Federal Bureau of Investigation in New England; and Peter C. Emerzian, Special Agent in Charge of the U.S. Department of Housing and Urban Development's Office of Inspector General.

In October 2005, MATTHEW CAMPAGNARI, 40, of 395 Porter Lake Drive, Longmeadow, Massachusetts, was charged in a sixteen-count Indictment, together with Anthony Ardolino, the former Chief of Staff for former Springfield Mayor Michael Albano, and his brother, Chester Ardolino, formerly a police officer for the Springfield Police.

At yesterday's plea hearing CAMPAGNARI admitted that he conspired with co-defendants and others to under-report and conceal income and expenses of the bars they owned as well as filed false personal income tax returns in order to avoid paying federal taxes. As a result of their tax fraud conspiracy, the defendants collectively did not report approximately \$725,000 in additional income and employee wages and failed to pay approximately \$300,000 in additional federal taxes.

CAMPAGNARI also admitted that in the summer of 2004, he attempted to corruptly persuade a witness before the federal grand jury by asking the witness to falsely claim ownership of illegal poker machines CAMPAGNARI maintained at his bars and offered to pay the witness' legal fees and outstanding tax liabilities the witness owed from unreported income received from the machines.

CAMPAGNARI also admitted that in the summer of 2002, he attempted to influence, prevent or delay the testimony of another witness in the federal grand jury investigation. According to the indictment, CAMPAGNARI showed the witness a pistol and told him to keep his mouth shut. At the plea hearing, CAMPAGNARI admitted threatening the witness but denied showing him a pistol. A third witness tampering charge will be dismissed by the government as part of a plea agreement with CAMPAGNARI.

CAMPAGNARI owned several bars in the Springfield area. In the summer of 1997, CAMPAGNARI, and the Ardolinos decided to open a bar together, which later became known as The Civic Pub, located at 1248-1252 Main Street in Springfield. CAMPAGNARI admitted that he and his co-defendants, however, decided to keep the ARDOLINOS' ownership interests hidden due to their positions with the City of Springfield. CAMPAGNARI and the Ardolinos owned The Civic Pub until February 2000 when they sold the bar for \$150,000. CAMPAGNARI and the Ardolinos, however, reported the sale price as only \$40,000.

Shortly after the sale of The Civic Pub, CAMPAGNARI and the Ardolinos decided to open another bar together, which later became known as The Pour House, located at 280 Worthington Street in Springfield. CAMPAGNARI and Chester Ardolino owned the bar publicly, but in reality shared the

ownership with three other individuals, including Anthony Ardolino. Anthony Ardolino's ownership interest again remained hidden due to his position with the City of Springfield.

As part of the tax fraud, CAMPAGNARI admitted that he and the Ardolinos paid employees of both The Civic Pub and The Pour House in cash and distributed cash payments to themselves while failing to pay federal employment, Social Security, Medicare and income taxes due on those cash payments. CAMPAGNARI further admitted that he paid employees of both the Yellow Jacket and Tilly's in cash and distributed cash payments to themselves while failing to pay federal employment, Social Security, Medicare and income taxes due on those cash payments. CAMPAGNARI further admitted that in or about April 2001, in his official position as Mayoral Chief of Staff, Anthony Ardolino attempted to have the Springfield City Council cause \$62,000 in public funds to be used to pay for the infrastructure costs of the Lemnos Lane subdivision, a private real estate development owned by CAMPAGNARI, without disclosing his past or present hidden business interests with CAMPAGNARI. CAMPAGNARI ultimately withdrew this request in May 2001, after a public outcry.

Judge Ponsor has not yet scheduled sentencing. CAMPAGNARI faces a maximum term of imprisonment of 5 years for the Conspiracy charge, a maximum term of imprisonment of 3 years for each of the False Personal Income Tax Returns and a maximum term of imprisonment of 10 years for each of the Witness Tampering Charges.

Co-defendant Anthony Ardolino pled guilty on March 19, 2007 and is scheduled to be sentenced on June 18, 2007 at 2:00 p.m. Co-defendant Chester Ardolino pled guilty on March 22, 2007, and is scheduled to be sentenced on June 19, 2007 at 2:00 p.m.

This case is the result of a joint investigation by the U.S. Internal Revenue Service, Criminal Investigation, the Federal Bureau of Investigation and the U.S. Department of Housing and Urban Development's Office of Inspector General. The case is being prosecuted by Trial Attorneys John P. McAdams and Jorge Almonte of the U.S. Department of Justice's Tax Division on behalf of Sullivan's Springfield Office.

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