



The United States Attorney's Office

District of Massachusetts

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WWW.USDOJ.GOV/USAO/MA

CONTACT: CHRISTINA DIORIO-STERLING
PHONE: (617)748-3356
E-MAIL: USAMA.MEDIA@USDOJ.GOV

TWO FORMER PITTSFIELD RESIDENTS AND FORMER PITTSFIELD COMPANY CHARGED WITH CONSPIRACY, WIRE FRAUD, FALSE STATEMENTS, OBSTRUCTION

BOSTON, MA - Two former Pittsfield men and a former Pittsfield company were charged today in federal court with a wide variety of federal crimes, including conspiracy to defraud the Federal Transit Administration, to commit wire fraud, and to endeavor to obstruct a federal audit; wire fraud; false claims conspiracy; false claims; endeavoring to obstruct a federal audit; false statements to a federal official; and engaging in monetary transactions in property derived from specified unlawful activity. One of the men was also charged with tax evasion, false statements to a federal official, and failure to file income tax returns.

United States Attorney Michael J. Sullivan and Susan Dukes, Special Agent in Charge of the Internal Revenue Service, Criminal Investigation - Boston Field Office, Theodore L. Doherty III, Special Agent in Charge of the New England Regional Office of the U.S. Department of Transportation, Office of Inspector General, and Warren T. Bamford, Special Agent in Charge of the Federal Bureau of Investigation - Boston Field Office, announced today that MICHAEL J. ARMITAGE, age 55, CHRISTOPHER D. WILLSON, age 40 and EV WORLDWIDE, LLC, all formerly of Pittsfield, Massachusetts were charged in a superseding indictment charging them with one count of conspiracy to defraud the United States, to commit wire fraud, and to endeavor to obstruct a federal audit; eight counts of wire fraud; one count of false claims conspiracy; seven counts of false claims; four counts of endeavors to obstruct a Department of Transportation, Office of Inspector General audit; four counts of false statements to a Department of Transportation, Office of Inspector General official; and thirteen counts of engaging in monetary transactions in property derived from specified unlawful activity. The superseding indictment also charges ARMITAGE with three counts of tax evasion, two counts of false statements to an IRS Revenue Officer, and five counts of willful failure to file a tax return.

On May 29, 2008, ARMITAGE was charged in an initial indictment with three counts of false statements to a financial institution, three counts of bank fraud, and one count of engaging in a monetary transaction in property derived from specified unlawful activity. The initial indictment alleged that between February 2001 through April 24, 2006, ARMITAGE had executed a scheme to defraud United Bank, located in West Springfield, Massachusetts in connection with three separate loans. According to the indictment, ARMITAGE accomplished these schemes to defraud by executing or submitting various false or fraudulent documents, including a 2001 personal financial statement that omitted any debts owed to the IRS and claimed that his taxes were settled through 1999 and a 2001 personal federal income tax return that ARMITAGE signed and dated but never filed with the IRS.

The superseding indictment alleges that between approximately August 20, 2001 and October 18 2006 ARMITAGE attempted to evade the payment of taxes due and owing that

had been previously assessed for three separate years: 1995, 1996, and 1998. According to the superseding indictment, ARMITAGE attempted to evade the payment of these taxes by a number of measures, including: (a) withholding material information from his tax representative; (b) directing his tax representative to contact an IRS Revenue Officer and claim that delinquent returns would be filed, when he did not intend to provide the tax representative with the information to prepare the returns; (c) making materially false statements to an IRS Revenue Officer; (d) when depositing payments into his own bank account, purposely withdrawing those funds soon after to maintain a low account balance; (e) diverting payments due to himself to other accounts, including his wife's bank account, EV WORLDWIDE's bank account, and an escrow account, to conceal income and avoid collection; and (f) using funds from EV WORLDWIDE to pay credit cards issued in his name, to conceal income and avoid collection.

The superseding indictment also alleges that on two separate occasions, April 15, 2005 and April 20, 2005, ARMITAGE lied to an IRS Revenue Officer by telling him that his tax representative had completed his tax returns, when in fact the tax representative had previously closed his account based upon Armitage's failure to provide sufficient information to complete the returns. The superseding indictment also alleges that for the years 2002 through 2006, ARMITAGE willfully failed to file tax returns even though he received substantial amounts of gross income for each of these years.

The superseding indictment also alleges that between approximately November 30, 2004, through at least July 5, 2006, ARMITAGE, WILLSON, and EV WORLDWIDE conspired to defraud the Federal Transit Administration by submitting false, fraudulent, and fictitious invoices for payment through the Pioneer Valley Transit Authority as part of a federal research grant into an electric bus and battery project. These invoices falsely claimed that the Federal Transit Administration's share of the project costs did not exceed the maximum 50%, sought reimbursement for fictitious, inflated, or ineligible expenses, and/or falsely claimed that certain milestone achievements warranted payment of EV WORLDWIDE's claimed expenses. Through the fraudulent invoices, ARMITAGE, WILLSON, and EV WORLDWIDE received wire transfers of approximately \$703,097.45 to which they were not entitled, and they used this money for their own benefit as well as the benefit of another company that ARMITAGE and WILLSON founded in Canada called HSM Systems, Inc. After the Department of Transportation, Office of Inspector General commenced an audit in 2006, ARMITAGE and WILLSON repeatedly lied to and attempted to obstruct the auditors by telling them, among other things, that EV WORLDWIDE had sufficient matching funds, that officials at the Pioneer Valley Transit Authority and the Federal Transit Administration had refused their offers to restate their finances, and that an office manager had prepared certain of the fraudulent invoices.

If convicted on the new charges, ARMITAGE and WILLSON face up to twenty years imprisonment, to be followed by three years of supervised release and a \$250,000.00 fine.

The case was investigated by the Internal Revenue Service, Criminal Investigation, the U.S. Department of Transportation, Office of Inspector General and the Federal Bureau of Investigation, with assistance from the Defense Contract Audit Agency. It is being prosecuted by Assistant U.S. Attorney Steven H. Breslow of Sullivan's Springfield Branch Office.

The details contained in the Indictment are allegations. The defendants are presumed to be innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

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