

Department of Justice

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Wednesday, March 13, 2019

**Bergen County, New Jersey, Man Charged With
Embezzlement And Failure To File Annual Report For
Employee Benefit Plan**

NEWARK, N.J. – The trustee of a pension fund has been indicted for embezzling from an employee benefits plan and failing to file annual reports for the plan, U.S. Attorney Craig Carpenito announced today.

Howard Preschel, 62, of Teaneck, New Jersey, is charged by indictment with 10 counts of embezzlement from an employee benefit plan and three counts of failure to file an annual report. He surrendered on March 12, 2019, and made his initial appearance before U.S. Magistrate Judge James C. Clark III. Preschel was released on \$100,000 unsecured bond.

According to documents filed in this case and statements made in court:

Preschel served as a trustee for the CMG Vending Inc. Pension Trust Fund. CMG Vending operated, leased, and rented vending machines throughout New Jersey and New York. Preschel, by law, was a fiduciary and therefore required to act solely in the interest of the participants and beneficiaries. From at least October 2013, Preschel embezzled \$186,123 from company's pension trust fund.

Preschel was also required to publish and file annual reports with the Secretary of Labor. In order to conceal the ongoing embezzlement, Preschel failed to inform the participants and beneficiaries that insufficient funds were being forwarded to the pension trust and failed to file required annual reports for the plan.

The embezzlement charges each carry a maximum penalty of five years in prison and a fine of up to \$250,000. The failure to file an annual report charges each carry a maximum penalty of 10 years in prison and a fine of up to \$100,000.

U.S. Attorney Carpenito credited special agents of the U.S. Department of Labor, Office of Inspector General, under the direction of Special Agent in Charge Michael Mikulka; and the U.S. Department of Labor, Employee Benefits Security Administration, under the direction of Acting Regional Director of the New York Regional Office, Thomas Licetti, with the investigation leading to the indictment.

The government is represented by Assistant U.S. Attorney Thomas S. Kearney of the U.S. Attorney's Office Criminal Division in Newark.

The charges and allegations contained in the indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.