



*United States Attorney
District of New Jersey*



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FORMER SENIOR VP OF SALES OF HUDSON COUNTY, NEW JERSEY, SCRAP METAL COMPANY ADMITS 17-YEAR CONSPIRACY TO DEFRAUD CUSTOMERS

NEWARK, N.J. – The former senior vice president of sales at Cinelli Iron & Metal Co. (CIMCO) today admitted participating in a 17-year conspiracy that defrauded customers out of millions of dollars, Acting U.S. Attorney William E. Fitzpatrick announced.

Michael A. Valenti III, 43, of Hasbrouck Heights, New Jersey, pleaded guilty before U.S. District Judge Susan D. Wigenton in Newark federal court to an information charging him with conspiracy to commit wire fraud.

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

CIMCO, which was headquartered in Secaucus, New Jersey, purchased scrap metal for resale and operated three scrap metal recycling facilities in New Jersey. CIMCO trucks would deliver scrap metal containers to customer jobsites and remove them after they were filled. CIMCO then purportedly paid customers based on the type and net weight of the scrap material.

From 1999 through March of 2016, Valenti, Craig Cinelli, Joseph Cinelli Sr., David Barteck and others allegedly used a variety of fraudulent business practices to buy scrap metal from CIMCO's customers for less than CIMCO should have paid. The company then resold the scrap metal at a profit.

Instead of paying the proper, agreed-upon amounts for the actual weight, members of the conspiracy used a variety of techniques to misrepresent the true weight and type of the scrap metal, including altering documents to reflect a lower weight, removing scrap metal from a haul before it was weighed and misrepresenting the types of scrap metal contained in a haul.

The wire fraud conspiracy count carries a maximum potential penalty of up to 20 years in prison and a \$250,000 fine, or twice the gross gain or loss from the offense.

During his plea hearing, Valenti admitted that the loss caused by the conspiracy that was reasonably foreseeable to him was more than \$9.5 million, but less than \$25 million. His sentencing is scheduled for Nov. 21, 2017.

Acting U.S. Attorney Fitzpatrick credited special agents with the U.S. Department of Labor, Office of Inspector General, under the direction of Special Agent in Charge Michael Mikulka in New York; special agents with the U.S. Department of Transportation, Office of Inspector General, under the direction of Special Agent in Charge Douglas Shoemaker in New York; and special agents of the FBI, under the direction of Special Agent in Charge Timothy Gallagher in Newark, with the investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorney Daniel Shapiro of the U.S. Attorney's Office Economic Crimes Unit in Newark.

This case is part of efforts underway by the Financial Fraud Enforcement Task Force. The task force was established to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys' offices, and state and local partners, it's the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing discrimination in the lending and financial markets; and conducting outreach to the public, victims, financial institutions and other organizations. Since fiscal year 2009, the Justice Department has filed over 18,000 financial fraud cases against more than 25,000 defendants. For more information on the task force, please visit www.StopFraud.gov.

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Defense counsel: Linda George Esq. Hackensack, New Jersey