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**Department of Justice**

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Monday, July 24, 2017

## **Former Employee Of Commercial Supply Company Admits Fraud, False Testimony Before Grand Jury**

TRENTON, N.J. – A former salesman at Bayway Lumber, a Linden, New Jersey, company that sold commercial and industrial products to numerous public and private entities, today admitted his role in a scheme to defraud customers and lying to a federal grand jury, Acting U.S. Attorney William E. Fitzpatrick announced.

Adam Martignetti, 43, of South River, New Jersey, pleaded guilty before U.S. District Judge Peter G. Sheridan in Trenton federal court to Counts 1 and 6 of an indictment charging him with conspiracy to commit wire fraud and making false declarations before a grand jury.

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

Martignetti admitted that from 2011 through 2013 he conspired with others to defraud certain Bayway Lumber customers by providing free items to customers' employees and then recouping the cost of the items (plus additional revenue for Bayway Lumber) by overbilling and fraudulently billing the customers. Martignetti also admitted to supplying lower-quality, less expensive plywood to a customer, but charging for the more expensive, higher-quality plywood the customer had ordered.

Martignetti gave a variety of personal items to employees of some of Bayway Lumber's customers, including Amtrak, the City of Elizabeth, and the Plainfield Board of Education. These items included a laptop, several iPads, a camera and sound system, patio furniture, and other merchandise. Under the supervision of Robert Dattilo, president and partial owner of Bayway Lumber, Martignetti then overbilled and fraudulently billed those customers. Dattilo kept a running tally of how much Martignetti and others overbilled and fraudulently billed customers, which many at Bayway Lumber referred to as the "Bank," to ensure that Bayway Lumber recovered the full cost of the free items. Dattilo previously pleaded guilty to conspiracy to commit mail and wire

fraud and was sentenced in July 2016 to 48 months in prison and ordered to pay \$708,386 in restitution.

Martignetti also conspired to provide one Bayway Lumber customer, Consolidated Edison Co. of New York Inc. (Con Edison), with lower-quality wood than it ordered and paid for. When Con Edison ordered graded plywood, a type of plywood graded by mills that had met a certain set of specifications, Martignetti, at Dattilo's instruction, routinely sent plywood that was of a lower grade or not graded at all, including "reject" plywood, but charged Con Edison for the higher-quality plywood that it ordered.

Martignetti also pleaded guilty to falsely testifying before a federal grand jury while appearing as a witness under oath in March 2013 that he had never given Bayway Lumber items to City of Elizabeth employees for free, and that Elizabeth was never charged for items that were for Elizabeth employees' personal use.

The conspiracy to commit wire fraud charge to which Martignetti pleaded guilty carries a maximum penalty of 20 years in prison. The charge of knowingly making false statements before a grand jury guilty carries a maximum penalty of five years in prison. Each count also carries a maximum fine of \$250,000 or twice the gross gain or loss associated with the offense, whichever is greatest. Sentencing is scheduled for Sept. 28, 2017.

Acting U.S. Attorney Fitzpatrick credited special agents with the Office of Inspector General, U.S. Department of Housing and Urban Development, under the direction of Special Agent in Charge Christina Scaringi; the Office of Inspector General, Amtrak, under the direction of Special Agent in Charge Michael Waters; and the FBI, under the direction of Special Agent in Charge Timothy Gallagher, with the investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorney Cari Fais of the U.S. Attorney's Office Special Prosecutions Division, and Assistant U.S. Attorney Barbara R. Llanes, Chief, General Crimes Unit, of the U.S. Attorney's Criminal Division, in Newark.

Defense Counsel: Michael Armstrong Esq., Willingboro, New Jersey

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**Attachment(s):**

[Download martignetti\\_adam\\_indictment.pdf](#)

**Topic(s):**

Public Corruption

**Component(s):**

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