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Department of Justice

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Thursday, October 12, 2017

Former Employee Of Commercial Supply Company Gets A Year In Prison For 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, was sentenced today to 12 months in prison for conspiring to defraud customers and lying to a federal grand jury, Acting U.S. Attorney William E. Fitzpatrick announced.

Adam Martignetti, 44, of South River, New Jersey, previously pleaded guilty before U.S. District Judge Peter G. Sheridan to Counts 1 and 6 of an indictment charging him with conspiracy to commit wire fraud and making false declarations before a grand jury. Judge Sheridan imposed the sentence today in Trenton federal court.

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 the customers' employees and then recouping the cost of the items – plus additional revenue for Bayway Lumber – by overbilling the customers. Martignetti also admitted supplying lower-quality, less expensive plywood to a customer while still charging it for the more expensive, higher-quality plywood that it had ordered.

Martignetti gave a variety of personal items to employees 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 those customers. Dattilo kept a running tally of how much Martignetti and others 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.

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 plywood that had been graded to meet 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, all while still charging Con Edison for the higher-quality plywood.

Martignetti also admitted giving false testimony before a federal grand jury while appearing as a witness under oath in March 2013, including stating 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.

In addition to the prison term, Judge Sheridan sentenced Martignetti to three years of supervised release.

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.

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.

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 of the General Crimes Unit in Newark.

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

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