



*United States Attorney
District of New Jersey*

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**FORMER COMMERCIAL SUPPLY COMPANY EMPLOYEE CHARGED WITH
FRAUD, CORRUPTION, AND GIVING FALSE TESTIMONY**

NEWARK, 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 charged today with defrauding Bayway Lumber customers and knowingly making false statements before a federal grand jury, Acting U.S. Attorney William E. Fitzpatrick announced.

Adam Martignetti, 43, of South River, New Jersey, is charged by indictment with one count of conspiracy to commit wire fraud, four counts of corruptly giving valuable items to agents of entities receiving federal funds, and one count of providing false testimony to a federal grand jury. He was arrested this morning by federal agents and is scheduled to appear this afternoon before U.S. Magistrate Judge Mark Falk in Newark federal court.

According to the indictment:

From 2011 through 2013, Martignetti allegedly conspired with others to defraud certain customers by fraudulently billing them for free items given to the customers' employees and by fraudulently providing lower-quality products than what was actually purchased.

Martignetti gave a variety of valuable items to employees of 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 overbilled those customer entities to recover the gifts' costs and generate additional revenue. Dattilo even kept a running tally of how much Martignetti and others fraudulently billed those customer entities – 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 participated in a product substitution fraud in which Bayway Lumber supplied lower quality products than what was actually ordered and paid for. When Consolidated Edison Company of New York Inc. (ConEdison) ordered plywood that was graded to meet certain specifications, Martignetti, at Dattilo's instruction, routinely sent lower grade or ungraded plywood, all while still charging ConEdison for the higher quality plywood.

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

The conspiracy to commit wire fraud count carries a maximum potential penalty of 20 years in prison. Each charge of corruptly giving valuable items to agents of federally-funded entities carries a maximum potential penalty of 10 years in prison. The knowingly making false statements before a grand jury count carries a maximum penalty of five years in prison. Each count also carries a maximum \$250,000 fine, or twice the gross gain or loss from the offense.

Dattilo previously pleaded guilty to conspiracy to commit mail and wire fraud and was sentenced to 48 months in prison and ordered to pay restitution of \$708,386 in July 2016.

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 Inspector General Thomas Howard; and the FBI, under the direction of Special Agent in Charge Timothy Gallagher, with the investigation leading to today's arrest. He also thanked the Department of Education Office of Inspector General, under the direction of Special Agent in Charge Brian Hickey, for its assistance in the investigation.

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

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

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Defense counsel: Michael A. Armstrong Esq., Willingboro