

NEWS

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FOR IMMEDIATE RELEASE
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Teaneck Businessman Indicted for Alleged Defense Procurement Fraud

(More)

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NEWARK – A Teaneck man was arrested today on an Indictment charging him with military contract procurement fraud involving his company and the sale of replacement parts, primarily automotive and ground support tractor-trailer parts for military vehicles, Acting U.S. Attorney Ralph J. Marra, Jr., announced.

H. Galip Dedekarginoglu, 55, whose business, New York Machinery LLC, was located in Little Ferry (since relocated to Leonia), was named in a six-count Indictment charging a multi-year defense procurement fraud scheme.

Dedekarginoglu was arrested earlier today at his office in Leonia by Special Agents of the Defense Criminal Investigative Service. He made an initial appearance before U.S. Magistrate Judge Patty Shwartz, who allowed him to be released on a \$500,000 secured bond. Dedekarginoglu would next appear in court for arraignment on Oct. 14 before U.S. District Judge Susan D. Wigenton, to whom the case has been assigned.

The Indictment, which was returned on Sept. 21, 2009, and unsealed with the arrest, charges Dedekarginoglu, a Turkish national who is a permanent legal resident of the United States, with one count of conspiracy to commit wire fraud, and five counts of wire fraud.

From approximately 2001 through 2005, Dedekarginoglu, through his company, entered into contracts with the U.S. Department of Defense (DoD) to provide replacement parts for use in military operations. The parts to be supplied under DoD contracts were to be an “exact product” manufactured by or under the direction of an original equipment manufacturer (OEM).

The Indictment alleges that, to increase profits, Dedekarginoglu substituted cheaper parts that were not “exact products” manufactured or purchased in accordance with DoD specifications. The defendant and co-conspirators would also allegedly re-label packaging for the substitute parts to make them appear to be OEM-manufactured parts.

Some of the parts provided by Dedekarginoglu’s company in Little Ferry were “reverse-engineered” copies of OEM parts and were manufactured in Turkey at another company owned by the defendant. Those reverse-engineered parts were also cheaper to make, thus increasing the defendant’s profit, according to the Indictment. The total value of the DoD contracts fulfilled by Dedekarginoglu’s company exceeded \$1 million.

The single conspiracy count and the five wire fraud counts each carry a maximum statutory penalty of 20 years in prison and a maximum fine of \$250,000.

Dedekarginoglu’s former employee and co-conspirator, Atilla Kan, previously pleaded guilty to a one-count information charging him with conspiracy to commit wire fraud for

his role in the scheme.

Despite indictment, all defendants are presumed innocent unless proven guilty beyond a reasonable doubt.

Marra credited Special Agents of the Defense Criminal Investigative Service, under the direction of Resident Agent in Charge Christopher Fair, in Edison, with the investigation leading to Dedekarginoglu's indictment and arrest.

The case is being prosecuted by Assistant U.S. Attorney Christine Magdo of the U.S. Attorney's office in Newark.

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Defense Counsel for Dedekarginoglu: Chester Keller, Esq., Federal Public Defender's Office, for purposes of today's appearance only.