



***United States Attorney
District of New Jersey***

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**NEW JERSEY MEMBER OF GAMBINO CRIME FAMILY SENTENCED
TO 11 YEARS IN PRISON FOR RACKETEERING CONSPIRACY**

NEWARK, N.J. – A man whom federal court documents call one of the Gambino Crime Family’s highest ranking members in New Jersey was sentenced today to 132 months in prison on a federal racketeering conspiracy charge arising from his role in an illegal gambling operation and multiple fraud schemes, U.S. Attorney Paul J. Fishman announced.

Andrew Merola, a/k/a “Andrew Knapik,” 43, of East Hanover and Toms River, N.J., previously pleaded guilty before United States District Judge Stanley R. Chesler. Judge Chesler also imposed the sentence today in Newark federal court.

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

Merola admitted that between February 2002 and March 2008, he was associated with other individuals in a criminal enterprise that operated principally in New Jersey and New York. He also admitted that he conducted the affairs of the enterprise through a pattern of illegal activity that included the commission of racketeering acts, and that the purpose of the enterprise was to make money for its associates through participation in criminal activity.

As part of his guilty plea, Merola admitted to several specific racketeering acts, including: running an illegal gambling operation; the extortionate collection of payments due on extended credit; conspiracy to commit wire fraud involving a bar code scheme to defraud stores such as Lowe’s Home Improvement, Home Depot, Circuit City, Best Buy and Walmart; conspiracy to commit wire fraud involving a credit card and identity theft scheme; conspiracy to extort lunch truck vendors; conspiracy to commit wire fraud involving no show or low show jobs; and receiving unlawful labor payments or bribes.

Merola had more than five gambling agents working for him in the illegal gambling operation. Bets on sporting events and casino-style games were placed over an Internet website that operated overseas and by telephone calls placed to a toll-free telephone number. Gambling agents who were delinquent in making their payments to Merola and his co-conspirators faced threats of violence to ensure collection of their gambling debts to the enterprise.

In the bar code scheme, Merola and his co-conspirators went to stores to find and record the bar code numbers of items with significantly lower prices than similar items in the same store. They then created a bar code label with the bar code number of the lower priced item. Later, Merola and his co-conspirators would return to the stores, place the fake bar code label

over the original label on the more expensive merchandise, and then purchase the item at the reduced price. On various occasions, Merola and his co-conspirators would remove the phony bar code and return the merchandise for a refund or in-store credit based on the item's true price.

In addition to the prison term, Judge Chesler sentenced Merola to three years of supervised release and ordered him to forfeit \$100,000 and pay \$161,481 in restitution.

In sentencing Merola, Judge Chesler said, "The record you have compiled to date is not anything anyone would be proud of," and described the defendant's conduct as "totally unacceptable."

Judge Chesler has sentenced 14 other defendants to date who were charged in the Indictment to which Merola pleaded guilty:

Ralph Cicalese, 57, of West Orange, N.J., was sentenced on October 12, 2010, to 59 months in prison for his involvement in the racketeering conspiracy.

Gennaro Forte, 36, of Caldwell, N.J., was sentenced on October 12, 2010, to six months of home confinement, two years of supervised release and a \$2,000 fine for his involvement in the illegal gambling operation.

Edward Deak, 66, of Secaucus, N.J., was sentenced on October 14, 2010, to six months of home confinement and two years of supervised release for his involvement in the illegal gambling operation.

Justin Cerrato, 31, of East Hanover, N.J., was sentenced on October 14, 2010, to 10 months of home confinement, two years of supervised release and a \$3,000 fine for his involvement in the illegal gambling operation.

India Fugate, 31, of Irvington, N.J., was sentenced on October 18, 2010, to six months in prison and six months of home confinement for her involvement in the bar code and credit card schemes.

Charles Russo, 77, of Mahwah, N.J., was sentenced on October 18, 2010, to six months of home confinement, two years of supervised release and a \$2,000 fine for his involvement in the illegal gambling operation.

Vincent Derogatis, 46, of East Hanover, was sentenced on October 18, 2010, to six months of home confinement and two years of supervised release for his involvement in the illegal gambling operation.

Jonathan Lanza, 27, of Florham Park, N.J., was sentenced on October 19, 2010, to 12 months of home confinement and three years of supervised release for his involvement in the

conspiracy to embezzle from union benefit funds.

Paul Lanza, 56, of Kenilworth, N.J., was sentenced on October 19, 2010, to six months of home confinement and three years of supervised release for his involvement in the conspiracy to embezzle from union benefit funds.

Joseph Schepisi, 41, of Scarsdale, N.Y., was sentenced on October 19, 2010, to a year of supervised release for misprision of a felony.

Carmine Maione, 66, of Brooklyn, N.Y., was sentenced on October 20, 2010, to 12 months of home confinement and three years of supervised release for his involvement in the illegal gambling operation.

Christopher Doscher, 31, of East Hanover, was sentenced on October 21, 2010, to six months of home confinement, two years of supervised release and a \$2,000 fine for his involvement in the illegal gambling operation.

Anthony Marra, 27, of East Hanover, was sentenced on October 21, 2010, to six months of home confinement, two years of supervised release and a \$2,000 fine for his involvement in the illegal gambling operation.

Vincent Fichera, 50, of Toms River, N.J., was sentenced on October 22, 2010, to a year and a day in prison and a \$15,000 fine for his involvement in the bar code scheme.

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The government is represented by Assistant U.S. Attorney Bohdan Vitvitsky of the United States Attorney's Office Criminal Division in Newark.

U.S. Attorney Fishman credited special agents with the FBI, under the direction of Special Agent in Charge Michael B. Ward, and special agents of the New York Regional Office of the U.S. Department of Labor, Office of Inspector General, under the direction of Special Agent in Charge Marjorie Franzman, with the investigation leading to today's sentences. Fishman also thanked special agents with IRS – Criminal Investigation, under the direction of Special Agent in Charge Victor W. Lessoff; troopers with the N.J. State Police, under the direction of Colonel Rick Fuentes, Superintendent; and the Union County Prosecutor's Office, under the direction of Prosecutor Theodore J. Romankow, for their participation in the investigation.

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Defense counsel: Salvatore T. Alfano, Esq., Bloomfield, N.J.