

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



Christopher J. Christie, U.S. Attorney

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Assistant U.S. Attorney:
ADAM S. LURIE
973-645-2749

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FOR IMMEDIATE RELEASE
Nov. 30, 2007

Former Bookkeeper at Paramus Heating Oil Company
Admits Embezzling More Than \$1.5 Million

(More)

Public Affairs Office
Michael Drewniak, PAO

973-645-2888

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NEWARK – The former bookkeeper for a Paramus heating oil company pleaded guilty today to embezzling more than \$1.5 million from the company and to filing false tax returns, U.S. Attorney Christopher J. Christie announced.

James Grey, 51, of Ridgewood, pleaded guilty before U.S. District Judge Joseph A. Greenaway, Jr. to one count each of mail fraud and filing a false income tax return in connection with his fraud against the Bonded Oil Company. Judge Greenaway released the defendant on a \$250,000 unsecured bond pending sentencing, which is scheduled for March 17.

At his plea hearing, Grey admitted that between January 2001 and December 2003, he issued more than 150 fraudulent Bonded Oil checks to embezzle more than \$1.5 million from the company. Grey admitted that he used the money to pay for various personal expenses, which included credit card expenses, financial support for a girlfriend, mortgage payments on two valuable properties in New Jersey, expensive vehicle leases for his family members, and to maintain a horse named "Nike," valued at approximately \$30,000.

In addition, Grey admitted that he attempted to conceal his illegal activities by, among other things, creating phony invoices from Bonded Oil vendors in the amounts corresponding to the Bonded Oil checks to make it appear as though the checks that he wrote were used to pay for legitimate company expenses.

Grey also admitted that he knew he should have paid federal income taxes on the money he embezzled from PPGI, and that he filed a false 2003 tax return that failed to report the income he received in 2003 from his illegal activities. In addition, Grey's plea agreement with the United States acknowledges that he also filed false tax returns for the tax years of 2001 and 2002.

Christie credited Special Agents with the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, and Postal Inspectors of the U.S. Postal Inspection Service, under the direction of Postal Inspector in Charge David L. Collins, for investigation of the case.

The case is being prosecuted by Assistant U.S. Attorney Adam S. Lurie of the U.S. Attorney's Special Prosecutions Division.

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Defense Attorney: Brian Neary, Esq. Hackensack