

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
402 East State Street, Room 430
Trenton, New Jersey 08608



Paul J. Fishman, U.S. Attorney

More Information? Contact the Assistant U.S. Attorney or other contact listed below to see if more information is available.

News on the Internet: News Releases, related documents and advisories are posted short-term at our website, along with links to our archived releases at the Department of Justice in Washington, D.C. ***Go to:*** <http://www.njusao.org/break.html>

Assistant U.S. Attorney
JAMES T. KITCHEN
609-989-2258

sina1112.rel
FOR IMMEDIATE RELEASE
Nov. 12, 2009

Former General Manager Sentenced to 36 months in Prison for
Embezzling Over \$1 Million from Local Oil and Gas Company

(More)

Greg Reinert, PAO
Public Affairs Office
<http://www.njusao.org>

856-757-5233
973-645-2888

Breaking News (NJ) <http://www.usdoj.gov/usao/nj/press/index.html>

TRENTON – The former general manager and minority owner of an oil and gas company was sentenced to 36 months in federal prison for his scheme to defraud the business of over \$1 million, U.S. Attorney Paul J. Fishman announced.

U.S. District Judge Mary L. Cooper also ordered Mark Sinibaldi, 41, of Bridgewater, to serve three years of supervised release upon the completion of his prison term. Judge Cooper scheduled a restitution hearing for Jan. 28, and continued Sinibaldi's release on a \$50,000 bond pending his surrender to officials with the U.S. Bureau of Prisons on a date to be determined by prison authorities.

On July 21, 2009, Sinibaldi made his first appearance in federal court and pleaded guilty before Judge Cooper to a one-count Information that charged him with mail fraud.

At his plea hearing, Sinibaldi stated that from February 2003 through February 2007, he was the general manager and a minority owner of Allied Oil, LLC. and Allied Gas, LLC., ("Allied Oil and Gas") separate but related companies that routinely transact business with each other and are based in Somerset County . Sinibaldi admitted that he operated a scheme to defraud the companies and its owners of over \$1 million by siphoning off company funds for his own personal expenses as well as for a side business that he operating without the knowledge of his superiors at Allied Oil and Gas.

Sinibaldi admitted that during the time period covered in the Information, he was under a contract with Allied Oil and Gas that stipulated he was to have no other employment or conflicting business interests. However, Sinibaldi admitted he violated the outside employment provisions of the contract by operating, as an executive officer, Allied Environmental Solutions, Inc., ("Allied Environmental") a corporation that sold fuel tanks, pumps and other similar hardware related to the oil industry.

Furthermore, Sinibaldi admitted that as general manager of Allied Oil and Gas, he had check writing authority on bank accounts maintained by Allied Oil and Allied Gas. Sinibaldi admitted that he wrote checks from the bank account of Allied Gas and made them payable to "Allied," for product that was purportedly supplied to Allied Gas from Allied Oil; and vice versa. Sinibaldi then endorsed these checks and instead deposited them into Allied Environmental's bank account to pay business expenses, he admitted.

During this time period, Sinibaldi also wrote checks from Allied Oil and Gas bank accounts to vendors that had provided services to Allied Environmental, Sinibaldi admitted. Furthermore, Sinibaldi instructed outside parties that owed money to Allied Oil and Gas to make their checks payable to "Allied," and upon receipt, he endorsed the checks and deposit them into Allied Environmental's bank account. Sinibaldi also took cash generated from the day to day business operations of Allied Oil and Gas, and used it

to pay for Allied Environmental's expenses, he admitted. Furthermore, Sinibaldi admitted he used a business credit card issued to him by Allied Oil to buy personal items and services.

Sinibaldi also admitted that he instructed others, who he had authority over, within Allied Oil and Gas to conceal the diverted funds from Allied Oil and Gas accounting logs.

In determining the actual sentence, Judge Cooper consulted the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Fishman credited Special Agents with the FBI, under the direction of Special Agent in Charge Weysan Dun in Newark, and Investigators with the Somerset County Prosecutor's Office, under the direction of Prosecutor Wayne J. Forrest, with the investigation leading to the guilty plea.

The government is represented by Assistant U.S. Attorney James T. Kitchen of the Criminal Division in Trenton.

– end –

Defense Attorney: Michael J. Rogers, Esq. Somerville