

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
v. : Criminal No. 2010-
CARMINE COVIELLO : 18 U.S.C. § 1349

I N F O R M A T I O N

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:

Entities

a. Tara Technology Corp. ("Tara Technology") was an aircraft parts broker and seller located in Ridgefield, New Jersey.

b. Tara Aviation Ltd. ("Tara Aviation") was purportedly an aircraft parts broker and seller incorporated in Tortola, British Virgin Islands, and located in Guernsey, United Kingdom.

c. Shelby Enterprises was an aircraft parts broker and seller located in Suffern, New York.

d. Q.M. was a metal shop located in Haverstraw, New York.

e. Defendant CARMINE COVIELLO ("defendant COVIELLO") was the sole owner and operator of Shelby Enterprises, the

general manager of Tara Technology, and a resident of Suffern, New York.

f. G.V., a conspirator not named as a defendant herein, was the sole owner of Tara Technology and Tara Aviation, controlled all operations at both companies, and was a resident of Edgewater, New Jersey.

g. C.Z., a conspirator not named as a defendant herein, was a sales representative for Tara Technology and a resident of West Milford, New Jersey.

h. A.M., a conspirator not named as a defendant herein, was the sole employee of Tara Aviation and a resident of the United Kingdom.

Regulatory Framework

i. The Federal Aviation Administration ("FAA") was part of the United States Department of Transportation and was charged with regulating civilian aviation in the United States. This regulatory authority included certifying those individuals who repair aircraft and aircraft accessories.

j. In the United States, aircraft owners, including commercial airline companies, obtained replacement aircraft parts either directly from the manufacturer or from one of several intermediate sources, including aircraft parts brokers. Before an aircraft part could be installed on an aircraft operating in the United States, that part first had to be inspected and certified as "airworthy."

k. The FAA certified private repair stations ("FAA Repair Stations") to perform inspections and repairs of aircraft parts, and to certify the airworthiness of those parts.

l. FAA Repair Stations documented their inspections, repairs, and certifications of aircraft parts on FAA Forms 8130-3, also called "Airworthiness Approval Tags."

m. FAA regulations generally proscribed the repair, alteration, or maintenance of an aircraft part by anyone other than a certificated FAA Repair Station or mechanic.

Trace Paperwork

n. FAA Repair Stations used historical or "trace" paperwork associated with an aircraft part to determine whether the aircraft part was repairable and ultimately airworthy.

o. Trace paperwork generally documented the history of an aircraft part and included information such as the part's manufacturer, the aircraft on which the part was used, and how that part was used. Trace paperwork was also used in determining whether an aircraft or aircraft part had been subjected to severe stress or heat as would occur during a major engine failure, accident, or fire.

p. FAA Repair Stations would not generally accept aircraft parts for repair if those parts did not have trace paperwork, had been exposed to stress or heat, or had been scrapped.

The Conspiracy

2. From at least as early as in or about April, 2005, through in or about August, 2009, in the District of New Jersey and elsewhere, defendant

CARMINE COVIELLO

did knowingly and intentionally conspire and agree with G.V., C.Z., A.M., and others to devise a scheme and artifice to defraud FAA repair stations, aircraft parts brokers, and others, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises concerning the source of aircraft parts submitted to FAA repair stations and ultimately sold by Tara Aviation, as set forth below, and to use interstate wire communications for the purpose of executing their scheme and artifice, contrary to Title 18, United States Code, Section 1343.

Object of the Conspiracy

3. The object of the conspiracy was for defendant COVIELLO and his conspirators to enrich themselves by selling aircraft engine parts obtained from scrap yards using fraudulent trace paperwork and deceitfully-obtained Airworthiness Approval Tags.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that defendant COVIELLO would use his own company, Shelby Enterprises, to purchase vital jet engine parts called "blades" and "vaness" from scrap metal dealers.

5. It was further part of the conspiracy that, once defendant COVIELLO purchased the blades and vanes, he would have these parts cleaned, sanded, and inspected at Q.M., in violation of FAA regulations, to conceal that these parts had been scrapped.

6. It was further part of the conspiracy that defendant COVIELLO, through Shelby Enterprises, would then conduct sham sales of the illegally altered blades and vanes to Tara Aviation, which was controlled by G.V. The sole purpose of these sales, which occurred only on paper, was to generate fraudulent trace paperwork for submission to the FAA Repair Stations, in order to conceal that these parts had been scrapped.

7. It was further part of the conspiracy that, in order to effect the sham sales of blades and vanes to Tara Aviation, defendant COVIELLO and C.Z. would e-mail information about the parts to A.M. in the United Kingdom for the purpose of getting a repair order request.

8. It was further part of the conspiracy that, after receiving the information about the illegally altered parts and without ever seeing the parts, A.M. would create repair order requests for FAA Repair Stations and e-mail those requests back to defendant COVIELLO and C.Z. at Tara Technology in New Jersey.

9. It was further part of the conspiracy that, as part of the sham sales of blades and vanes to Tara Aviation, defendant COVIELLO, from the offices of Tara Technology, would prepare on

behalf of Shelby Enterprises fraudulent and misleading trace paperwork on which he certified, without any knowledge of the history of the parts, that the scrapped blades and vanes had "not been subjected to excessive stress or heat that an FAA overhaul facility would deem to be unsuitable for return to service after appropriate inspection" ("Shelby Certification").

10. It was further part of the scheme that, as part of the sham sale of blades and vanes to Tara Aviation, defendant COVIELLO and C.Z., from the offices of Tara Technology, would prepare on behalf of Tara Aviation fraudulent and misleading trace paperwork on which A.M. purportedly certified, without any knowledge of the history of the parts, that "all used parts were not subjected to severe stress or heat (as in major engine failure, accident or fire)" ("Tara Aviation Certification").

11. It was further part of the conspiracy that defendant COVIELLO and C.Z. would ship the illegally altered blades and vanes to FAA Repair Stations, along with the repair order requests and the fraudulent Tara Aviation Certification, thereby concealing that these parts had been scrapped.

12. It was further part of the conspiracy that defendant COVIELLO would cause the FAA Repair Stations to repair the blades and vanes they felt were repairable, issue Airworthiness Approval Tags, and ship the blades and vanes and supporting paperwork back to Tara Technology.

13. It was further part of the conspiracy that defendant COVIELLO would store the blades and vanes in Tara Technology's warehouse inventory and ultimately sell these parts to aircraft brokers, airlines, and others on behalf of Tara Aviation, using the fraudulent trace paperwork in order to conceal that these parts had been scrapped.

14. To effect the object of the conspiracy, the following acts, among others, were undertaken:

a. On or about November 10, 2008, defendant COVIELLO prepared and signed a misleading Shelby Certification on which he certified that 45 scrapped vanes (the "Scrapped Parts") had not to his knowledge "been subjected to excessive stress or heat that an FAA overhaul facility would deem to be unsuitable for return to service after appropriate inspection."

b. On or about November 11, 2008, A.M. sent an e-mail to defendant COVIELLO's Tara Technology e-mail account appended with (i) a "purchase order" for the sale of the Scrapped Parts from Shelby Enterprises to Tara Aviation for approximately \$24,750, and (ii) a "repair order" for the grit blasting of the Scrapped Parts from Tara Aviation to Q.M.

c. On or about November 11, 2008, defendant COVIELLO and C.Z. shipped the Scrapped Parts, along with the repair order, from Tara Technology to Q.M. to be grit blasted.

d. On or about November 13, 2008, defendant COVIELLO and C.Z. received, at the offices of Tara Technology, an invoice

from Q.M. to Tara Aviation for the grit blasting of the Scrapped Parts for approximately \$225.

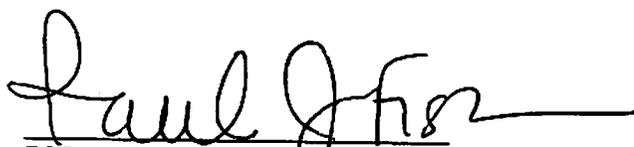
e. On or about November 13, 2008, defendant COVIELLO and C.Z. prepared a misleading Tara Aviation Certification certifying on behalf of A.M. that the Scrapped Parts "were not subjected to severe stress or heat (as in major engine failure, accident or fire)."

f. On or about November 13, 2008, defendant COVIELLO and C.Z. prepared a pro forma invoice for an FAA Repair Station to repair the Scrapped Parts.

g. On or about November 14, 2008, defendant COVIELLO and C.Z. shipped the Scrapped Parts to the FAA Repair Station along with the misleading Tara Aviation Certification.

h. On or about January 12, 2009, defendant COVIELLO and C.Z. received from the FAA Repair Station Airworthiness Approval Tags for 43 of the 45 Scrapped Parts.

All in violation of Title 18, United States Code, Section 1349.


PAUL J. FISHMAN
UNITED STATES ATTORNEY

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I N F O R M A T I O N

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