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EMPLOYEE OF AUTO SUPPLIER PLEADS GUILTY TO DEFRAUDING COMPANY OF NEARLY ONE MILLION DOLLARS

Mateus Ribeiro Da Costa, a legal permanent resident of the United States and citizen of Brazil, pleaded guilty to wire fraud in connection with his theft of nearly one million dollars from his employer, Magneti Marelli North America (MMNA), United States Attorney Barbara L. McQuade announced today. During his plea hearing, Da Costa admitted that he submitted false expense reports to MMNA in order to obtain fraudulent reimbursements, which he then spent for his own purposes.

Beginning in April 2007 and continuing through July 2010, Da Costa devised and executed his scheme to defraud his employer by representing to MMNA officials that he was working with a vender called Process Development Corporation ("PDC"), which he claimed was providing services in connection with MMNA's contract with General Motors of Mexico. Da Costa represented to officials at MMNA that PDC refused to be paid for their services rendered to MMNA via wire transfers or checks. Instead, Da Costa stated that PDC required all customers, including MMNA, to pay their invoices via credit card. Da Costa convinced MMNA management to allow him to directly pay PDC by using his corporate American Express credit card. MMNA management agreed that Da Costa could then seek reimbursement from MMNA for the payments that he represented he made to PDC using his corporate credit card.

Beginning in April 2007, Da Costa created false expense reports, which included false or forged invoices from PDC and detailed reports of the PDC activities justifying the invoices. In fact, PDC was not performing any work for or providing any services to MMNA, and had not sent invoices to MMNA in several years.

From approximately April 2007 through approximately June, 2010, Da Costa received approximately $985,359.11 in reimbursement payments from MMNA for invoices that Da Costa fraudulently represented were from PDC. Upon receiving these payments, Da Costa would deposit the money in his personal bank accounts, wire the money to Brazil, and/or spend the money on personal expenses.

U.S. Attorney McQuade stated, “Individuals who defraud their employers, like this auto industry company, jeopardize the financial stability of their companies and the jobs of their co-workers. We hope this case will deter others from harming other companies in our community and their employees.”

The case was investigated by the Federal Bureau of Investigation and is being prosecuted by Assistant United States Attorney Louis Gabel.