

NEWS

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FOR IMMEDIATE RELEASE
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Former General Manager Admits Embezzling Over \$1 Million from
Local Somerset County Oil and Gas Company

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TRENTON – The former general manager and minority owner of a Somerset County based oil and gas company pleaded guilty today to one count of mail fraud in connection with his scheme to defraud the business of over \$1 million, Acting U.S. Attorney Ralph J. Marra, Jr., announced.

Mark Sinibaldi, 41, of Bridgewater, made his first appearance in federal court and pleaded guilty before U.S. District Judge Mary L. Cooper to a one-count Information. Judge Cooper released the defendant on a \$50,000 bond pending sentencing, which is scheduled for Oct. 1.

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. Sinibaldi admitted that he operated a scheme to defraud the companies and its owners of over \$1 million by siphoning off funds for his 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 Allied Gas’s bank account 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 deposit 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 would take cash generated from Allied Oil and Gas’s day to day business operations and used it to pay for Allied Environmental’s expenses, he admitted. 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.

The charge of mail fraud carries a maximum penalty of 20 years in prison and a fine of \$250,000 or twice the aggregate loss to the victims or gain to the defendant.

In determining an actual sentence, Judge Cooper will consult 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.

Marra 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.

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Defense Attorney: Michael J. Rogers, Esq. Somerville