

NEWS

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FOR IMMEDIATE RELEASE
Dec. 5, 2008

West New York Man Admits Ripping Off Employer
Through Fake Employee Payroll Scheme

(More)

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NEWARK – A West New York man pleaded guilty today to conspiracy to commit mail fraud and to tax evasion, admitting he joined a scheme to embezzle more than \$1.1 million from his employer by creating fake temporary employees and pocketing their paychecks, Acting U.S. Attorney Ralph J. Marra, Jr. announced.

Jesus A. Rincon, 43, of West New York, pleaded guilty to a two-count Information charging conspiracy to commit mail fraud and tax evasion, according to Assistant U.S. Attorney Scott B. McBride. Following the guilty plea, U.S. District Judge Peter G. Sheridan set sentencing for March 9.

The defendant faces a statutory maximum sentence of five years in federal prison and a \$250,000 fine. Rincon will also be ordered to pay restitution to the victims of his offense.

Rincon, a warehouse manager, admitted that he worked at Philips Accessories and Computer Peripherals in Ledgewood from 2000 through 2005 and hatched a scheme with his co-defendant and supervisor at Philips, Gino Silva, to embezzle money from the company. As part of the scheme, Rincon stated, he and Silva created time sheets for fake, non-existent employees at Philips Accessories and submitted the fraudulent time sheets to Brickforce Staffing, a temporary staffing agency in Edison.

According to Rincon, after Brickforce received the time sheets, it sent invoices to Philips Accessories for the salary to be paid to all the fake employees, which numbered in the dozens. Philips Accessories paid the bills, and then Brickforce sent individual paychecks for each fake employee to Rincon. Rincon admitted that he and Silva then double-endorsed the checks and deposited them into their own personal bank accounts. Rincon also admitted that he failed to report this embezzled income on his federal income tax returns, specifically, \$102,000 in 2005 alone.

Rincon was released on a \$250,000 bond secured by property on July 3, 2007, following his arrest on a federal complaint. His co-defendant, Silva, 41, of Union, pleaded guilty on Dec. 1 before the U.S. Magistrate Judge Patty Shwartz, to the same charges to which Rincon pleaded guilty today.

Under an Information, a defendant waives the right to have his case presented to a grand jury and, instead, pleads guilty to charges presented by the government.

In determining an actual sentence, Judge Sheridan 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.

Acting U.S. Attorney Marra credited Special Agents of the FBI, under the direction Special Agent in Charge Weysan Dun, and from the Internal Revenue Service Criminal Investigations Division, under the direction of Special Agent in Charge William P. Offord, for the investigation.

The case is being prosecuted by Assistant U.S. Attorney Scott B. McBride. (Standing in for McBride today to take the plea was Assistant U.S. Attorney Charlton Rugg.)

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Defense Counsel: Peter M. Carter, Assistant Federal Public Defender