



*United States Attorney
District of New Jersey*

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**NEW JERSEY-BASED CORPORATION PLEADS GUILTY
TO DEFENSE PROCUREMENT FRAUD**

NEWARK, N.J. – New York Machinery, LLC (NYM), a New Jersey-based defense contracting company, pleaded guilty today to military contract procurement fraud involving the sale of replacement parts for use in military operations, U.S. Attorney Paul J. Fishman announced.

NYM, originally located in Little Ferry, N.J., and now located in Leonia, N.J., pleaded guilty to a Information charging one count of wire fraud in connection with the scheme. NYM's majority member, Hace Galip Dedekarginoglu, 57, of Teaneck, N.J., entered a guilty plea on behalf of the company before U.S. District Judge Susan D. Wigenton in Newark federal court.

According to documents filed in this case and statements made in court:

From about September 12, 2001, through March 2005, NYM entered into contracts with the U.S. Department of Defense (DoD) to provide replacement parts, primarily for use in automotive and ground support tractor-trailer military vehicles. The parts to be supplied under DoD contracts were to be "exact products" manufactured by or under the direction of an original equipment manufacturer (OEM).

NYM substituted cheaper parts that were not "exact products" manufactured or purchased in accordance with DoD specifications, causing the packaging for the substitute parts to be re-labeled to make them appear to be OEM parts. Some of the parts provided by NYM to the DoD were cheaper, "reverse engineered" copies of OEM parts that were manufactured in Turkey by another company owned by Dedekarginoglu. In total, NYM caused DoD to sustain losses of approximately \$163,082 in connection with the fraudulent contracts.

Under the terms of the plea agreement, NYM has agreed to make full restitution to the DoD for these losses. NYM is also subject to a fine of between \$400,000 and \$500,000. Sentencing is scheduled for March 21, 2011.

Additionally, NYM has entered into a civil settlement that requires the company to pay the government \$200,000 to resolve allegations that NYM violated the False Claims Act in connection with its substitution of non-OEM parts.

Atilla Kan, 34, of Ridgefield Park, N.J., a former NYM employee, previously pleaded guilty to an Information charging him with one count of conspiracy to commit wire fraud for his

role in the scheme and awaits sentencing.

U.S. Attorney Fishman credited special agents of the United States Department of Defense, Office of Inspector General's Defense Criminal Investigative Service, under the direction of Resident Agent in Charge Christopher J. Fair, with the investigation.

The government is represented in the criminal case by Assistant U.S. Attorneys Christine Magdo, Joyce Malliet and Lisa Rose of the U.S. Attorney's Office Criminal Division; Assistant U.S. Attorney David Dauenheimer of the Office's Civil Division represents the government regarding the civil settlement.

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Defense counsel: Patrick A. Mullin, Esq., Fort Lee, N.J.