



*United States Attorney
District of New Jersey*



FOR IMMEDIATE RELEASE

May 5, 2010

www.justice.gov/usao/nj

CONTACT: Rebekah Carmichael

Office of Public Affairs

(973) 645-2888

**OWNER OF AMERIPAY LLC AND SHERBOURNE CAPITAL MANAGEMENT
PLEADS GUILTY TO DEFRAUDING CLIENTS OF \$10.2 MILLION**

NEWARK, N.J. – A Saddle Brook, New Jersey man pleaded guilty today to defrauding the clients of his payroll services company, including public entities and private companies, and using their money to satisfy payroll and tax obligations of other entities, United States Attorney Paul J. Fishman announced.

Arthur Piacentini, 50, pleaded guilty before U.S. District Judge Jose L. Linares to Count One of an Information which charges him with conspiracy to commit wire fraud. Piacentini previously surrendered to the Special Agents of the Federal Bureau of Investigation (“FBI”) on May 15, 2009, and was charged by criminal Complaint. Judge Linares continued bail at \$500,000 and permitted Piacentini’s release pending sentencing, which is scheduled for August 4, 2010.

According to documents filed in this case and statements made during Piacentini’s guilty plea proceeding:

Piacentini admitted that from December 2004 through May 2009, he operated Ameripay LLC with Paul Bultmeyer, who was charged with him in the criminal Complaint. Ameripay was a payroll company which handled payroll and tax withholding services for its clients, including numerous public and private entities located throughout New Jersey. In that capacity, Ameripay would receive money from the entities, and was responsible for issuing payments to the Internal Revenue Service and paying the employees of those entities on their behalf.

Ameripay amassed a shortfall in money due to inappropriate diversion of funds. Because of the shortfall, Ameripay was unable to fulfill its obligations to its clients and was not making payments on time. Piacentini and Bultmeyer used millions of dollars sent by other Ameripay clients to pay the payroll and tax obligations of other entities. By May 2009, the amount of money which had been inappropriately diverted totaled approximately \$10.2 million.

At the same time, Piacentini and Bultmeyer also owned purported investment company Sherbourne Capital Management, Ltd. and Sherbourne Financial, Ltd. (collectively, “Sherbourne”). Piacentini conspired to recruit additional clients to Sherbourne whose money was sent to Ameripay to be used to pay the obligations of others.

The clients of both Ameripay and Sherbourne were told that their money was being invested according to a diversified investment strategy and was protected. The investors were

never told how their money was really being used, and in some cases, were even given money provided by other clients as “interest” on their investments.

At sentencing, Piacentini faces a maximum potential penalty of 20 years in prison and a fine of \$250,000 or twice the pecuniary gain or victim losses from the offense. As part of his plea agreement, Piacentini agreed to enter into a restitution order requiring him to pay \$10.2 million to the victims of the offense.

In determining an actual sentence, Judge Linares will consult the advisory United States 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 the sentence. Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

U.S. Attorney Fishman credited Special Agents with the Federal Bureau of Investigation, under the direction of Special Agent in Charge Michael B. Ward, in Newark, New Jersey. Fishman also thanked the U.S. Securities and Exchange Commission’s New York Regional Office, under the direction of Regional Director George Canellos.

This case was brought in coordination with President Barack Obama’s Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

The case is being prosecuted by Assistant U.S. Attorney Justin W. Arnold of the U.S. Attorney’s Office Criminal Division.

The case against Bultmeyer is pending. The charges and allegations contained in the Complaint charging Bultmeyer are merely accusations and the defendant is considered innocent unless and until proven guilty.

10-135

###

Defense Counsel: Kelly Daniels, Esq, Chatham, New Jersey