



U.S. Department of Justice

*United States Attorney
District of New Hampshire*

*Federal Building
55 Pleasant Street, Room 312
Concord, New Hampshire 03301*

603/225-1552

MEDIA RELEASE
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Contact: Thomas P. Colantuono
United States Attorney
Mark Irish
Assistant U. S. Attorney
(603) 225-1552

FORMER BRIDGEPORT METAL GOODS CHIEF FINANCIAL OFFICER
INDICTED IN BANK FRAUD AND EMBEZZLEMENT SCHEME

CONCORD, NEW HAMPSHIRE: United States Attorney Tom Colantuono, Regional Director James Benages of the Labor Employee Benefits Securities Administration (EBSA) of the U.S. Department of Labor, Assistant Special Agent in Charge Robert Panella of the Office of Labor Racketeering and Frauds Investigations of the U.S. Department of Labor, and Special Agent in Charge Kenneth W. Kaiser of the Federal Bureau of Investigation announced that John Carney, 56, of Worcester, Massachusetts, has been charged by a grand jury for violations of conspiracy to commit bank fraud, bank fraud, and wire fraud. John Carney was the former Chief Financial Officer of Bridgeport Metal Goods Corporation ("BMG"). BMG, a Connecticut corporation, was a producer of packaging for cosmetic goods companies such as Estee Lauder. Its manufacturing facility was based in Hinsdale, New Hampshire.

The Indictment charges Carney with engaging in a scheme by which Carney and others defrauded Wells Fargo Credit, Inc. ("WFC") by making false statements that caused WFC to loan funds pursuant to a loan agreement between WFC and BMG. The indictment also charges Carney with embezzling funds from BMG. Counts One and Two charge Carney in a scheme by which he and other BMG employees caused documents to be submitted to Wells Fargo which falsely inflated BMG's production inventory and contained false sales invoices. The documentation, in turn, caused WFC to loan BMG in excess of \$2,000,000 to which BMG was not entitled. Count Three charges Carney with a scheme by which he caused approximately \$76,000 in funds from BMG's operating bank account to be diverted into his (Carney's) personal bank account for his personal use.

On January 13, 2006, Carney was released on his own recognizance pending trial which is scheduled to begin on March 7, 2006. If convicted, Carney faces a term of incarceration of up to five years and a fine of up to \$250,000 for Count One, a term of incarceration of up to 30 years and a fine of up to \$1,000,000 on Count Two, and a term of incarceration of up to 20 years and \$1,000,000 fine on Count Three.

The case is being investigated by the Department of Labor and the Federal Bureau of Investigation. Assistant U.S. Attorney Mark Irish is prosecuting the case.

An indictment is only an allegation and not proof of criminal conduct. As in all criminal cases, each defendant is presumed innocent until proven guilty beyond a reasonable doubt.