



United States Attorney's Office District of Connecticut Press Release

July 29, 2008

FORMER EMPLOYEE OF DANBURY TRASH COMPANIES ADMITS INVOLVEMENT IN RACKETEERING AND TAX CONSPIRACIES

Nora R. Dannehy, Acting United States Attorney for the District of Connecticut, announced that ERIC ROMANDI, 61, of New Milford, pleaded guilty today before Senior United States District Judge Ellen Bree Burns in New Haven to one count of conspiring to violate the federal Racketeer Influenced and Corrupt Organizations Act (RICO), and one count of conspiring to defraud the Internal Revenue Service. The charges stem from a long-term investigation into the waste-hauling industry in Connecticut and eastern New York.

According to documents filed with the Court and statements made in court, from approximately 1996 through 2000, ROMANDI was the General Manager of companies owned and operated by James Galante and, since 2000, has held the title of Route Supervisor at Automated Waste Disposal (AWD) and its affiliated companies based in Danbury. In pleading guilty, ROMANDI admitted that he conspired to perpetuate a system, commonly called the "property rights system." Carters engaged in the property rights system would not service or compete for other carters' customers. The property rights system, which is predicated on mail and wire fraud, and extortion, essentially destroys free enterprise, allowing the participating carters to artificially inflate their prices and leaving waste removal customers with no other options. In this scheme, which was directed at commercial and municipal customers, participating carters agreed to quote inflated prices to customers controlled by other carters.

During today's court proceeding, the Government explained that ROMANDI was a long-time member of the enterprise operated by James Galante and a trusted associate who met regularly with an inner-circle of individuals at meetings convened in the paint shop at 307 White Street in Danbury. In the summer of 2005, the federal grand jury investigating the carting industry issued subpoenas to many AWD employees. The investigation revealed that shortly after the subpoenas were issued, ROMANDI told a witness to provide untruthful testimony to the grand jury regarding Joe Milo and cash payments that Galante provided to Milo for delivery to another individual. ROMANDI also told the witness to deny knowledge of cash that ROMANDI and another individual gave to Galante on a weekly basis, as well as fraudulent expenses claimed by Galante. This cash was a payroll kickback that was a material fact in the Government's tax investigation.

On June 8, 2006, a grand jury in New Haven returned an Indictment charging ROMANDI, Galante and others with various violations of federal law, including racketeering, racketeering conspiracy, Hobbs Act extortion, mail and wire fraud, witness tampering, tax fraud and conspiracy charges. On June 12, 2007, ROMANDI, Galante and others were charged in a Superseding Indictment.

Judge Burns has scheduled sentencing for October 17, 2008, at which time

ROMANDI faces a maximum term of imprisonment of 25 years and a fine of up to \$500,000. As a condition of his plea agreement, ROMANDI also has agreed to forfeit \$75,000.

On June 3, 2008, James Galante pleaded guilty to one count of conspiring to violate the federal Racketeer Influenced and Corrupt Organizations Act (RICO), one count of conspiring to defraud the Internal Revenue Service, and one count of conspiring to commit wire fraud. He awaits sentencing.

On September 6, 2006, Milo pleaded guilty to one count of conspiracy to defraud the Internal Revenue Service. On August 29, 2007, he was sentenced to six months of home confinement, two years of probation, and a fine of \$52,000.

As to the defendants in this matter who are awaiting trial, Acting U.S. Attorney Dannehy stressed that an indictment is only a charge and is not evidence of guilt. Each defendant is entitled to a fair trial at which it is the Government's burden to prove guilt beyond a reasonable doubt.

This matter is being investigated by the Federal Bureau of Investigation, the Internal Revenue Service – Criminal Investigation Division, the United States Department of Labor, Office of Inspector General, and the Connecticut State Police. The United States Marshals Service, the Drug Enforcement Administration's Office of Professional Responsibility, and the Connecticut Department of Correction have provided critical assistance in the investigation. Assistant United States Attorneys Michael J. Gustafson, Raymond F. Miller, and Henry K. Kopel are prosecuting this case.

CONTACT: **U.S. ATTORNEY'S OFFICE**
Tom Carson
(203) 821-3722
thomas.carson@usdoj.gov

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