



Department of Justice

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**THIRD CIRCUIT COURT OF APPEALS AFFIRMS LENGTHY PRISON SENTENCES
FOR TWO MEN WHO EXECUTED THE LARGEST DISADVANTAGED BUSINESS
ENTERPRISE FRAUD IN THE NATION'S HISTORY**

HARRISBURG – The United States Attorney’s Office for the Middle District of Pennsylvania announced today that Joseph W. Nagle, age 55, of Deerfield Beach, Florida and Ernest G. Fink, Jr., 71, of Orwigsburg, Pennsylvania, the former owners of Schuylkill Products Inc., (SPI) had their sentences affirmed by the Third Circuit Court of Appeals on November 30, 2016. Nagle was sentenced to 84 months’ imprisonment on November 30, 2015 and Fink was sentenced to 41 months’ imprisonment on February 24, 2016, for their roles in a massive conspiracy to defraud the Disadvantage Enterprise (DBE) program, announced Bruce D. Brandler, U.S. Attorney for the Middle District of Pennsylvania.

According to the U.S. Department of Transportation (USDOT), this scheme, which lasted for over 15 years and involved over \$136 million in government contracts in Pennsylvania alone, is the largest reported DBE fraud in the nation’s history.

In April 2012, after a four-week jury trial, a jury convicted Nagle on 26 charges relating to the scheme, including conspiracy to defraud USDOT, mail fraud, wire fraud, and money laundering. Fink previously pleaded guilty to conspiracy to defraud the USDOT in August 2010.

In June 2014, Nagle was sentenced to 84 months’ imprisonment and Fink was sentenced to 51 months’ imprisonment but those sentences were vacated by the U.S. Court of Appeals for the Third Circuit in September 2015 due to an incorrect calculation of the loss amount under the Sentencing Guidelines. Upon remand to the district court for resentencing, United States District Court Judge Sylvia H. Rambo recalculated the loss amount and sentenced Nagle to the same sentence and reduced Fink’s sentence to 41 months’ imprisonment. Both men appealed the new sentences and the Appellate Court affirmed those sentences yesterday in a ten-page opinion, which is attached. The Appellate Court ruled that Judge Rambo correctly measured the loss by determining the profits the defendants received as a result of the fraud and diverted from legitimate DBE’s. The Appellate Court also rejected Fink’s claim that his sentence was substantively unreasonable based on his age and the non-violent nature of the offense stating that, “a 41-month sentence for a 70-year old first-time offender who, for at least fifteen years

presided over the largest reported DBE fraud in the history of the U.S. Department of Transportation is not unreasonable.”

In 2014, three other former executives associated with SPI were sentenced for their roles in the scheme.

Romeo P. Cruz, of Westhaven, Connecticut, the former owner of Marikina Construction Corp., which operated as a front for SPI, was sentenced to 33 months’ imprisonment.

Timothy G. Hubler, of Ashland, Pennsylvania, SPI’s former Vice-President in charge of field operations, was sentenced to 33 months’ imprisonment.

Dennis F. Campbell, of Orwigsburg, Pennsylvania, SPI’s former Vice-President in charge of sales and marketing, was sentenced to 24 months’ imprisonment.

The investigation was conducted by the FBI, the U.S. Department of Transportation Inspector General’s Office, the U.S. Department of Labor Inspector General’s Office, and the Criminal Investigation Division of the IRS. U.S. Attorney Bruce Brandler and Assistant U.S. Attorney Kim Douglas Daniel handled the prosecution.

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