

HOBOKEN

FRIDAY, AUG. 27, 2010

PROGRESS

UPCOMING EVENTS

MORNING BINGO
Fri., Aug. 27, 11 a.m.
Multi-Service Center, Hoboken

SAVE THE YOUTH ACADEMY'S ALL STAR GAME
Fri., Aug. 27, 5 p.m.,
Church Square Park, Hoboken

YOGA IN THE PARK
Tues., Aug. 31, 7 p.m.
Pier A Park, Hoboken

YAPPY HOUR: WINE FOR OWNERS, WATER FOR DOGS
Tues., Aug. 31, 5 p.m. - 7 p.m.
You Lucky Dog, Hoboken

FARMERS' MARKET
Thurs., Sept. 2, 3 p.m. - 7:30 p.m.
13th St. & Hudson, Hoboken

ANNUAL SPAGHETTI DINNER BLOCK PARTY
Thurs., Sept. 2, 5 p.m. - 8 p.m.
Walkway along Sinatra Drive between 1st and 2nd Streets, Hoboken
Purchase tickets at the Cultural Affairs Office at City Hall in person or by mail. Call 201-420-2207 for more information.

OLG'S FLEA MARKET & USED BOOK SALE
Sun., Sept. 12, 9 a.m. - 4 p.m. (rain date is Sept. 19)
To donate or reserve a table, call 201-659-0369
Our Lady of Grace Church, Hoboken

Canine couture



PHOTO COURTESY OF JARED FLOOD

Lisa Barnes' of Hoboken-based LMB Designs shows her dog Luna wearing one of her creations. Barnes' pet fashion was featured during Pet Fashion Week NY this week. Read the story on Page 5.

Hall of Fame 2010

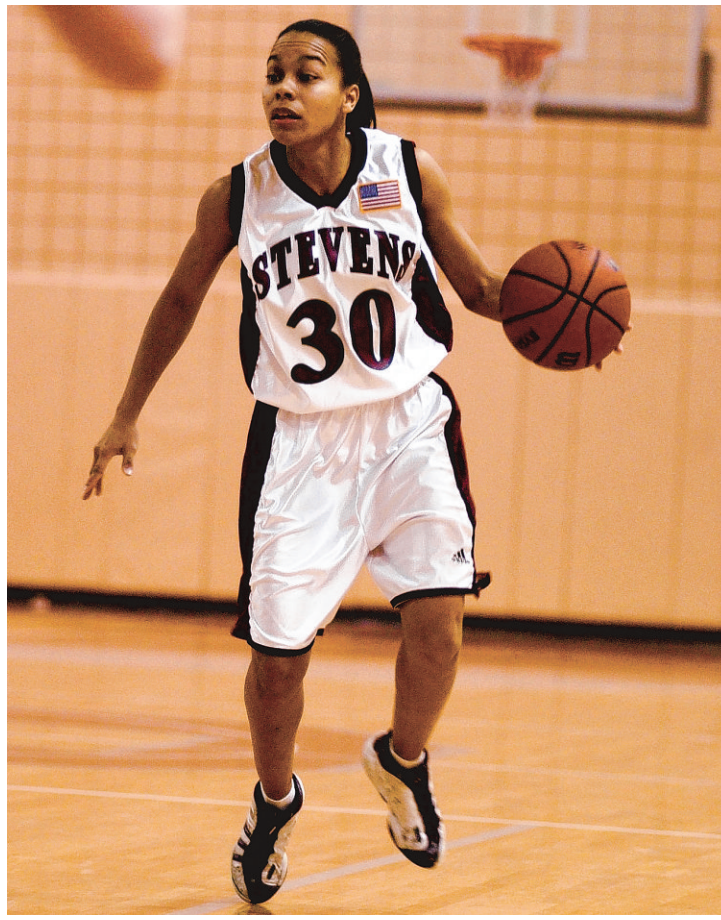


PHOTO COURTESY OF STEVENS ATHLETICS

Aracely Cruz, above, will be inducted into the Stevens Athletics Hall of Fame next month. Cruz, a Class of 2005 alumna, played as a guard. She is Stevens' all-time leading women's basketball scorer with 1,701 points. See Page 3.

Ex-council candidate faces federal fraud charges

FBI alleges Foley played role in \$21M scheme

BY MICHELLE MERCURIO
Staff Writer

HOBOKEN — Resident Thomas Foley, an attorney who ran for the Sixth Ward council seat in 2007 (not the same Thomas Foley who is the city's division

head of senior services) was arrested recently along with three business associates that the FBI says were involved in a bank fraud, wire fraud and mail fraud scheme to obtain \$21 million in bank loans.

Foley — of Long Island-based GDC Acquisitions, LLC — was

arrested with three other operators and controllers of the holding company: Courtney Dupree, Rodney Watts and Frank Patello. Robert Nardoza, a spokesperson for the United States Attorney's Office, made the announcement of the federal charges against the

quartet last week on Aug. 19.

Foley's attorney, Joseph Ryan of New York City, told the press last week that his client is not guilty of the three federal charges and will prove his innocence to a jury.

The complaint against Foley and his associates was filed on July 21 in federal District Court in

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Phone: 201-533-9000.

GDC

FROM PAGE 4

failure to detect anything amiss "a miracle."

Dupree allegedly said that Patello had left GDC around March 2010 because of worry over the bank exam.

"The bank exam is why Frank [Patello] ran out of here naked and jumped off the roof," Dupree allegedly said in a recorded conversation with the informant. Further on in the alleged conversation, Dupree swears a lot while saying that Patello didn't understand "there's a way around it," and that "he doesn't know everything about finance."

"I'm a hell of a lot smarter than you and I've done this for [expletive] six years and for five years before you got here," Dupree allegedly says to the informant in the recording.

The informant had a consensually recorded conversation with Patello on May 19, 2010 in which he/she told Patello that GDC had passed the bank's exam.

Patello allegedly replied, "How the [expletive] could that be?"

"I... I... I... I mean that's," Patello allegedly stutters in the recording. "That's wonderful. I just don't get it."

Two days prior to that conversation, Patello allegedly told the informant, "It took me too long to recognize how much of an issue it was. You know, when you're in it, you don't even think about it." When "on the outside looking in" at GDC's situation, Patello allegedly describes himself as "pretty stupid" for being allegedly involved.

The alleged secret company purchase

The FBI alleges that e-mails between Dupree, Watts and Foley show that GDC was negotiating a deal to acquire Image Lighting, Inc. (Image Inc.) of East Rutherford.

Even though GDC's agreement with Amalgamated Bank in which GDC agreed not to buy any more companies began Aug. 29, 2008, the FBI alleges that before the agreement with the bank was even signed, GDC sent a letter stating its intent to purchase Image Lighting on June 12, 2008.

Watts and Patello allegedly told the informant that GDC would purchase Image Lighting "off the books" to hide the acquisition from the bank.

Both men allegedly directed the informant to transfer Image Light-

ing's accounts receivable of \$1.9 million into GDC's books, even though the purchase agreement with Image Lighting excluded its accounts receivables and accounts payables.

The FBI also alleges that Patello instructed the informant to transfer the accounts receivable as of October 2008 even though GDC's purchase of Image Lighting did not close until December 2008 at a price of \$800,000.

GDC allegedly hid the purchase by having the money appear to come from other sources, including a subsidiary and Dupree's personal bank account.

Dupree allegedly provided half of the money to purchase Image Lighting. The other half was allegedly provided by Foley's law firm with money from Interconnect Lighting, LLC, "a phony vendor that Foley had incorporated for GDC on Nov. 25, 2008," according to Agent Shea.

The informant said several documents had to be falsified for the purchase, and that the alleged conspirators set up multiple bank accounts to funnel the money and hide the true nature of the transaction.

The FBI alleges that the four men also hid the purchase of Image Lighting by creating separate entities to purchase Image Lighting's assets and hire its employees.

Around Nov. 18, 2008, the FBI alleges that Foley, not yet GDC's chief operating officer, incorporated a new company in New Jersey called, "TDC Acquisitions" with GDC listed as the sole shareholder.

Then, around Nov. 25, 2008, it is alleged that Foley incorporated another New Jersey company called "Image Lighting LLC."

TDC then allegedly purchased the assets, and Image LLC hired the employees of Image Inc.

The informant allegedly sent an e-mail to Patello on Dec. 13, 2008, saying that there could be a snag because the old owner of Image Inc. stayed with the company after GDC's purchase, and the former owner's attorney bills for the purchase could indicate the alleged fraudulent nature of the purchase.

Patello allegedly responded to the informant that the informant's worry was a "great catch," and that the alleged conspirators would have to talk to Foley about modifying the bills before they would be submitted.

Based on the information in the affidavit, Agent Shea requested that the four men "be dealt with according to law."



PHOTO COURTESY OF JARED FLOOD

Lisa Barnes' dog Luna models a Turtleback Signature Sweater from her Hoboken-based LMB Designs studio.

HOBOKEN**Local designer's art featured during Pet Fashion Week NY**BY LESLIE SMITH
Correspondent

LMB Designs, owned and operated by Lisa M. Barnes out of Hoboken, designs wearable works of art including knit jewelry, purses, hats, wristlets and wraps for people, and now pets. Her Turtlebacks Collection of pet apparel, inspired by nature and made from Earth-friendly materials, was featured this week across the Hudson River during Pet Fashion Week NY.

"Pet Fashion Week NY was created to provide a gallery setting for the refined pet lifestyle professional to both purchase and distribute the very best products in the industry," said Pet Fashion Week founder Mario DiFante. "Over the past three years Pet Fashion Week NY has defied all previous notions of what a pet industry event can be. In every aspect, from product presentation to environment selection Pet Fashion Week NY represents the very pinnacle of what the pet lifestyle industry has to offer. Each potential exhibitor goes through an application process to ensure the integrity of the event."

Barnes' pet apparel collection,

called Turtlebacks, was inspired by the Diamondback Terrapin turtle, and will launch with two featured sweaters. The first is the Turtleback Signature Sweater — a stylish and artful tribute to the colorful abstract shapes of the turtle's shell. The second is the Birch Branch Sweater, designed in the style of a fisherman's sweater and created as an elegant, cozy pullover with a sturdy spine of birch branches. Both were exhibited in booth Nos. 185-186 at Pet Fashion Week. The Turtleback Signature Sweater was one of a few designs selected at the 2010 Fashion Institute of Technology Pet Fashion Show to travel the world with Pet Fashion Week, which opened in New York on August 21.

According to the 2010 Pet Products Trend Report, people around the world are making conscious efforts to help our planet, and the pet industry is no exception. Turtlebacks designs are made from earth-friendly, locally sourced materials such as alpaca, cashmere, chaguar, and other exclusive fibers. Alpaca is one of the most luxurious and rarest of fibers and is naturally water-repellent, hypoallergenic, breathable,

and a renewable natural resource. Chaguar is a strong plant fiber used in South America that can be woven to make dog collars and leashes.

Through collaboration with women's artisan collective groups, LMB Designs provides support and jobs for women around the world, as well as supporting the environment. The designs are handmade by women's collectives in Peru, Nepal, and Argentina to provide high quality products while supporting fair trade practices and contributing to the economic independence of these communities.

By supporting LMB Designs, customers not only receive a unique creation, but they also help save natural resources and give back to the world community.

"I design each commissioned work entirely to the customers' specifications," said Barnes. "My creations have included felted purses, wire jewelry, and elaborate scarves and wraps and pet wear including a formal gown for a German Shepherd and a tuxedo for a Chihuahua."

Learn more about LMB Designs at www.lmbdesigns.com.