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Property Manager Charged with Embezzling and Laundering Stolen Funds

A Mercer County grand jury recently returned a 12-count indictment charging a 64-year-old property manager with embezzling and laundering stolen funds from an apartment complex in Hamilton Township, Mercer County Prosecutor Angelo J. Onofri reported.

The indictment, returned April 1, 2022, charges Nicolas DePaola, 64, of Ewing, with first-degree financial facilitation of criminal activity, second-degree theft by unlawful taking, second-degree misapplication of entrusted property, second-degree theft by failure to make required disposition of property received, second-degree theft by unlawful taking, three counts of third-degree filing a fraudulent tax return, three counts of third-degree failure to pay income tax, and third-degree theft by failure to make required disposition of property received.

DePaola is charged with embezzling and laundering stolen funds from his former client, Hamilton Park CO-OP of Arena Drive, from 2014 through 2018. DePaola acted as the property manager for the CO-OP after taking over for his father, Richard DePaola of R.A. DePaola, Inc. According to the CO-OP's tax documents, which DePaola was responsible for completing, reported management fees paid by the CO-OP to the defendant for 2014 through 2016 ranged from approximately \$64,000-\$79,000 per year.

From 2014 through 2018, financial records reveal Nicholas DePaola stole approximately \$925,403 directly from the CO-OP in his capacity as the property manager, through unauthorized checks and transfers from the victim's operating bank account.

Furthermore, the defendant used the CO-OP's funds to pay his American Express credit card bills in the amount of \$224,381 in the same timeframe. In total, DePaola was charged with laundering approximately \$1,149,784. He also faces related tax charges.

DePaola's criminal acts were initially uncovered when a CO-OP tenant mistakenly received a letter from Hamilton Township notifying the recipient that the property was going to be sold within days at tax sale because the CO-OP owed back taxes and sewer fees to Hamilton Township. The outstanding bill with fees, penalties and interest totaled \$372,840.39. The matter was brought to the attention of the Mercer County Prosecutor's Economic Crime Unit (ECU) in September 2019 and an investigation ensued.

Prosecutor Onofri credited ECU detectives with the investigation leading to the indictment. He also thanked the New Jersey Division of Taxation Financial Investigations Unit and the National Insurance Crime Bureau for their assistance. The case is being prosecuted by Assistant Prosecutor Rachel Cook, chief of the ECU.

Second-degree crimes carry a penalty of five to 10 years in state prison and a \$150,000 fine. Third-degree crimes carry a penalty of three to five years in state prison and a \$15,000 fine. If convicted of the first-degree crime of financial facilitation, DePaola faces a penalty of 10–20 years in state prison, to run consecutive to the theft charges, and a \$200,000 fine. Additionally, he would be subject to a \$500,000 anti-money laundering profiteering penalty.

Despite having been indicted, every defendant is presumed innocent until found guilty beyond a reasonable doubt in a court of law.

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