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Department of Justice

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Eastern District of Pennsylvania

FOR IMMEDIATE RELEASE

Tuesday, June 16, 2015

Kutztown Steel Company And Owners Charged With Conspiracy

PHILADELPHIA - Dennis Weber, 66, Dale Weber, 51, and Carl M. Weber Steel Service, Inc. (Weber Steel), all of Kutztown, PA, were charged today by Information with one count of conspiracy to commit wire fraud, announced United States Attorney Zane David Memeger. Dennis Weber, President of Weber Steel, and Dale Weber, Vice President, engaged in a scheme to defraud the United States Department of Transportation through the Disadvantaged Business Enterprise program (DBE). Weber Steel, a bridge and highway construction contractor located in Kutztown, PA was not a certified DBE, but set up and utilized a sham DBE called Karen Construction Co., Inc. (Karen Construction) to obtain DBE subcontracts for bridge and highway construction. From approximately April 1995 through November 2011, Karen Construction, posing as a DBE, obtained an estimated \$18.7 million from approximately 224 federally funded projects, when, in reality, it was controlled by Weber Steel, a non-DBE.

If convicted, defendants Dennis and Dale Weber each face a maximum sentence of five years in prison, two years of supervised release, a fine of up to \$250,000, and a \$100 special assessment. Defendant Weber Steel faces a maximum sentence of five years of probation, a fine of up to \$500,000, and a \$100 special assessment.

The case was investigated by the United States Department of Transportation Office of Inspector General, the Federal Bureau of Investigation, and the Department of Labor Office of Inspector General/Office of Labor Racketeering and Fraud Investigations. It is being prosecuted by Assistant United States Attorney Mary Kay Costello.

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