

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
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Newark, New Jersey 07102

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***Christopher J. Christie, U.S. Attorney***

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gonz1015.rel  
FOR IMMEDIATE RELEASE  
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Former Technology Chief and CFO of N.J. Company  
Arrested on Indictment Charging Embezzlement

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(More)

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NEWARK – The former head of information technology and the former chief financial officer at a Mountainside, N.J.-based company were arrested today on charges that they conspired to bilk the company of approximately \$900,000 in a phony and inflated invoice scheme, U.S. Attorney Christopher J. Christie announced.

Robert Gonzalez, 35, of Lake Mary, Fla., allegedly used the scheme directed at Comstock Images, Inc., to purchase, among other things, extravagant Caribbean vacations and consumer goods for him, his wife and family, totaling approximately \$700,000. The company's former CFO, Geraldine Manuel, of Westwood, N.J., was recruited by Gonzalez, as was Manuel's predecessor, both of whom embezzled from the company, according to the Indictment. Manuel allegedly received approximately \$115,000 from the scheme by going on extravagant vacations and purchasing luxury items, including gems and electronics, with the embezzled funds.

Several other employees at Comstock, an international supplier of professional photography images, were also recruited by Gonzalez, participated in the scheme and received proceeds from the scheme, according to an Indictment, which was unsealed today with the arrests of Gonzalez at his home in Florida and Manuel at her home in Bergen County.

Gonzalez was expected to appear in federal court in Orlando, Fla., for an initial appearance. Manuel made an initial appearance today before U.S. Magistrate Judge Michael J. Shipp in federal court in Newark, who released the defendant on a \$100,000 secured bond.

The Indictment charges both defendants with conspiracy to commit mail and wire fraud, which carries a maximum statutory penalty of 20 years in prison. Gonzalez is charged additionally with two counts of federal income tax evasion for concealing and failing to report the taxable income he derived from the embezzlement scheme. Those counts carry a maximum statutory penalty of five years in prison. Each of the counts also carry maximum statutory fines of \$250,000.

The scheme by Gonzalez allegedly ran between about Oct 2002 and early 2004. Gonzalez first recruited a Comstock CFO identified in the Indictment only as "P. McK." After that person left the company, Gonzalez recruited Manuel when she became CFO, according to the Indictment.

(P. McK and other employees identified by initials in the Indictment are considered unidentified co-conspirators and are not charged in the Indictment. The investigation is continuing.)

According to the Indictment, as Comstock's IT director, a role he undertook from his home in Florida, Gonzalez had use of a Comstock American Express card for which he could charge computer and related equipment connected to his job.

According to the Indictment, however, Gonzalez would spend extravagantly for personal items and expenses and proceed to make up and inflate invoices for expensive IT equipment that was never purchased. Payment of the large expense amounts had to be approved by a Comstock principal, so Gonzalez allegedly recruited both P. McK and Manuel for that purpose, and they, as CFOs for Comstock, would use company funds to pay American Express for the bogus invoices

already paid by Gonzalez using the corporate credit card.

Among the examples alleged in the Indictment:

- In 2002, Gonzalez charged \$10,098.68 to his Comstock corporate American Express card for a Royal Caribbean cruise for him and his wife. Gonzalez then submitted a fraudulent expense report to Comstock in an amount a few hundred dollars more than that, falsely representing that it was for computer systems and hardware. P. McK then sent a Comstock check in the same amount to American Express to be applied to Gonzalez's Comstock account.
- In 2003, Gonzalez charged a flat screen plasma television and other electronics totaling \$16,705.39 at a Circuit City in Union, N.J. to his Comstock American Express card for delivery of those items to the home of Manuel. Gonzalez then faxed a fraudulent expense report to Comstock in the amount of \$17,185.66, falsely representing that it was for purchase of computer system/hardware equipment. Manuel then sent a check in that exact amount for payment to American Express.
- Manuel used her personal credit paid for an expensive vacation in the Bahamas – including air fare, purchases at a dive shop and \$2,677.50 for gems and other items at an emerald store. Gonzalez then allegedly issued an expense report for \$14,020.66 to Manuel, who then issued a Comstock check in that exact amount to pay her credit card for the vacation expenses and to create a surplus balance on her credit card.
- After Gonzalez made a series of purchases on his corporate American Express card for plane fare, restaurant bills and Walt Disney World tickets for him, his family and friends, Gonzalez sent a fraudulent expense report for \$21,089.31 to Comstock for invoices that were both fictitious and inflated. Manuel then sent a Comstock check in that exact amount in payment of the fraudulent company expenses.

Numerous other vacations and personal luxuries were paid for in this way for Gonzalez, Manuel, P. McK and other employees at Comstock recruited by Gonzalez, according to the Indictment. When Gonzalez and Manuel learned that Manuel's employment at Comstock would be terminated in late 2003, both defendants allegedly accelerated the volume and frequency of the fraudulent expense reports that were paid by Comstock in order to generate credits for future use.

The case is being prosecuted by Assistant U.S. Attorney Lorraine Gerson.

Christie credited Postal Inspectors with the U.S. Postal Inspection Service, under the direction of Postal Inspector in Charge David L. Collins; and Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, with the investigation leading to the Indictment.

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