

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



Paul J. Fishman, U.S. Attorney

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Contact:

Michael Drewniak, Public Affairs Officer
973-645-2888

manu1201.rel

FOR IMMEDIATE RELEASE
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Bergen County Woman Admits Embezzlement from Company Where She Headed Finance Department

(More)

Public Affairs Office
Michael Drewniak, PAO

973-645-2888

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NEWARK – The former head of the finance department at a company once based in Mountainside pleaded guilty today to charges of conspiracy and tax evasion in connection with a phony expense voucher scheme to defraud her then-employer, Comstock Images, Inc., U.S. Attorney Paul J. Fishman announced.

Geraldine Manuel, 57, of Westwood, admitted that as head of the finance department, she agreed to issue, and did in fact issue, Comstock checks to herself and her co-conspirators for the purported reimbursement of expense vouchers that she knew to be false and fraudulent. Manuel also admitted that she received approximately \$116,815 in Comstock funds – in the form of cash, home furniture, home electronics equipment and trips to Florida, Hawaii and the Bahamas – as her share of the proceeds of the conspiracy to defraud Comstock.

Manuel pleaded guilty before U.S. District Judge Dennis M. Cavanaugh to one count of conspiracy to commit mail fraud and wire fraud, which carries a maximum statutory penalty of 20 years in prison; and one count of tax evasion, which carries a maximum statutory penalty of five years in prison. She also faces a maximum statutory fine of \$250,000 and a mandatory order of restitution. In addition, the plea agreement requires the defendant to file accurate amended personal returns for calendar year 2003, and to pay to the IRS all taxes and any penalties owed on those returns.

Judge Cavanaugh scheduled sentencing for March 22. Manuel is free on a \$100,000 bond.

Manuel was arrested on October 15, 2008, with Robert Gonzalez, the former head of information technology at Comstock. Gonzalez pleaded guilty on June 17, 2009, to one count of conspiracy to commit mail and wire fraud and two counts of tax evasion. Gonzalez also awaits sentencing.

In determining the actual sentence, Judge Cavanaugh will consult the advisory United States Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Fishman 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 IRS Criminal Investigation, under the direction of Special Agent in Charge William P. Offord, with the investigation leading to the guilty plea from Manuel.

The government is represented by Assistant U.S. Attorneys Lorraine S. Gerson and Lisa M. Colone.

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Defense Counsel: William D. Ware, Esq., Morristown