

# NEWS

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

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

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***More Information?*** Call the Assistant U.S. Attorney or other contact listed below to see if more information is available.

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***Go to:*** <http://www.usdoj.gov/usao/nj/press/index.html>

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geld0719.rel  
FOR IMMEDIATE RELEASE  
July 19, 2007

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## Two Men Sentenced for Using Offshore Accounts to Evade Taxes

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(More)

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Public Affairs Office  
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TRENTON – A New Jersey man and New York man were sentenced today for using

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offshore brokerage accounts to evade federal taxes on more than \$1.7 million in total gross income over two years, U.S. Attorney Christopher J. Christie announced.

Frederick Geldbach, 66, of New York, was sentenced to 18 months in federal prison. Joseph Mansour, 82, of Sparta, N.J., was sentenced to two years of probation, after the judge took into consideration Mansour's age and health. The two were partners in an engineering firm, Geldbach (correct spelling) Engineering Co., Inc., of Sparta.

U.S. District Judge Joel L. Pisano also fined Geldbach \$10,000 and fined Mansour \$15,000. Judge Pisano said Geldbach would have to surrender to the federal Bureau of Prisons in six weeks to begin serving his sentence.

Prior to sentencing, the defendants filed amended tax returns, paid back taxes, interest and penalties.

The two men placed millions of dollars in brokerage accounts in Bermuda that were held in the name of two separate trusts. They used credit cards linked to the trust accounts for personal expenses, and the credit card bills were paid from money in the trust accounts.

In the meantime, they failed to report any capital gains, interest and dividend income from the brokerage accounts to the Internal Revenue Service and hid the existence of the trust accounts from their accountants. As a result, they evaded federal taxes for the 1999 and 2000 tax years.

Geldbach evaded federal taxes of more than \$300,000 on over \$1.4 million of gross income. Mansour evaded federal taxes of more than \$35,000 on over \$300,000 of gross income.

Geldbach and Mansour pleaded guilty before Judge Pisano on Feb. 9 to one count each of tax evasion.

Christie credited Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, with the investigation.

The case was prosecuted by Assistant U.S. Attorney Grace H. Park.

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Defense Counsel:

Geldbach: Robert Alter, Esq., Newark

Mansour: Robert Kipnees, Esq., Roseland

