

NEWS

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Paul J. Fishman, U.S. Attorney

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FOR IMMEDIATE RELEASE

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Accountant at Jersey City-Based Company
Admits Embezzling Over \$1 Million in Cash and Stock

(More)

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TRENTON – A senior accountant employed by Bel Fuse, Inc. pleaded guilty today to embezzling approximately \$1 million in cash and stock from the company, U.S. Attorney Paul J. Fishman announced.

Daniel Chiu, 60, of Rockaway Township, pleaded guilty before U.S. District Judge Joel A. Pisano to a criminal Information which charged him with wire fraud. Sentencing was scheduled for Feb. 18. Chiu is free on a \$500,000 bond pending sentencing.

Chiu's scheme to defraud included his transfer of more than 30,000 shares of stock and \$50,000 in cash from the company's stock option plan, 401(k) plan and profit-sharing plan, according to Robert Kirsch, the Assistant U.S. Attorney who prosecuted the case.

Bel Fuse, headquartered in Jersey City, is a publicly traded company on the NASDAQ stock exchange. It designs and manufactures electronic products utilized in high speed telecommunications systems. The company, which has locations throughout the U.S., as well as China, Hong Kong, the United Kingdom, Mexico, Germany, Czech Republic and the Dominican Republic, employs approximately 6,000 people worldwide.

Chiu, a certified public accountant, served as a senior accountant for Bell Fuse, and was responsible for the day-to-day administration of the company's stock option employee benefit plan, 401(k) plan and profit-sharing plan.

From December 2001 until his termination on April 21, 2009, Chiu devised numerous ways of improperly transferring tens of thousands of shares of stock to himself, and inflating his contributions to the company's 401(k) and profit-sharing plans, prompting the company to contribute substantial matching monies and shares of stock to Chiu's personal 401(k) plan. On each occasion, Chiu transferred between 500 and 2,500 shares of company stock in order to attempt to avoid detection from in-house and outside auditors, according to the Information.

As part of his scheme, Chiu forged the signatures of officers on company documents to authorize the improper transfers. Chiu then submitted the forged authorizations to an independent stock transfer company, which facilitated the issuance of securities and transferred the shares to Chiu's various brokerage accounts, according to his instructions. In addition, at his plea hearing, Chiu admitted creating a fraudulent stock transfer document to transfer 2,000 shares of company stock to his son, identified as S.C., to an account held in the son's name at a brokerage account. Chiu admitted S.C. was never an employee of Bel Fuse and was not entitled to the stock.

Bel Fuse referred the case to the U.S. Attorney's Office, and has been fully cooperative in the investigation.

The charge of wire fraud carries a statutory maximum prison sentence of 20 years and a statutory maximum fine of \$250,000. In determining the actual sentence, Judge Chesler will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, a 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 and thus defendants who are given custodial terms must serve nearly all the time imposed by the Court.

Fishman credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, in Newark, with the investigation.

The government is represented by Assistant U.S. Attorney Robert Kirsch, of the Securities and Health Care Fraud Unit, in Newark.

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Defense Counsel: Paula Tuffin, Esq. of Newark.