

NEWS

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Salesman for Union Trade Newspaper Sentenced to 18 Months in Prison for Tax Evasion

(More)

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NEWARK – A salesman for a labor union trade newspaper was sentenced today to 18 months in federal prison for tax evasion, Acting U.S. Attorney Ralph J. Marra announced.

U.S. District Judge William H. Walls also ordered Gary Weisbrot, 63, of Edison, to pay a fine of \$10,000 and to surrender to the federal Bureau of Prisons by Oct. 5 to begin serving his prison sentence.

Judge Walls also sentenced a co-defendant, Samuel Jay Travin, 71, of Delray Beach, Fla., to five years of probation, with one year of home confinement and a \$15,000 fine. Travin was the owner and president of Trade Union Media Group, Inc., a company in New York that publishes the Trade Union Courier, a labor union publication.

Weisbrot pleaded guilty on Nov. 17, 2008, before Judge Walls to one count of tax evasion and specifically admitted concealing approximately \$351,800 in income from the Internal Revenue Service. Travin pleaded guilty on Oct. 15, 2008, to conspiracy to defraud the United States.

The Indictment charged both defendants of cheating the IRS out of taxes due and owing by concealing approximately \$1 million.

Weisbrot was employed by Trade Union as a commissioned salesman who sold advertising. According to the Indictment, Travin issued company checks to Weisbrot in the name of Louis Keltan, a fictitious employee. Thereafter, Weisbrot cashed the Keltan checks, deposited the cash into various bank accounts in his name, and then transferred the money to a Charles Schwab investment account in his name. Travin then assisted Weisbrot in the preparation of his federal income tax returns.

At his plea hearing, Weisbrot admitted that he received checks from Travin made payable to Keltan. Weisbrot told Judge Walls that he cashed the checks at a bank and falsely represented himself as Keltan. Weisbrot further acknowledged that he deposited the cash into various checking accounts in his name or under his control and then transferred significant amounts of this money into his investment account.

Weisbrot admitted that on March 26, 2002, he filed a federal income tax return that concealed approximately \$351,800 for tax year 2001. Under the terms of his plea agreement, Weisbrot is responsible for all taxes due and owing to the United States from 2000 through 2006. Moreover, his plea agreement requires him to settle any outstanding tax issues with the IRS, including the payment of all outstanding taxes, penalties, and interest.

Travin previously admitted that he conspired with Weisbrot to defraud the IRS. Travin admitted that he gave company checks to Weisbrot to assist Weisbrot in concealing income from the IRS. He further acknowledged that he furthered this scheme by issuing company checks to Keltan, a fictitious employee. In addition, Travin admitted that he assisted Weisbrot in the preparation of Weisbrot's draft federal income tax returns.

Marra credited Special Agents of the IRS Criminal Investigation Division under the direction of

Acting Special Agent in Charge Julio La Rosa. The case was prosecuted by Assistant U.S. Attorneys Anthony Moscato of the U.S. Attorney Office's Strike Force unit and Justin W. Arnold, Securities and Health Care Fraud unit, in Newark.

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Defense Attorneys:

Weisbrot: Lawrence S. Horn, Esq. and Richard J. Sapinski, Esq. (Newark)

Travin: Lawrence S. Goldman, Esq. (New York)