

NEWS

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



Christopher J. Christie, U.S. Attorney

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

News on the Internet: News Releases, related documents and advisories are posted short-term at our website, along with links to our archived releases at the Department of Justice in Washington, D.C. **Go to:** <http://www.usdoj.gov/usao/nj/press/>

Assistant U.S. Attorneys
THOMAS J. EICHER
609-989-0569
RACHAEL A. HONIG
973-645-2777

stad0603.rel
FOR IMMEDIATE RELEASE
June 3, 2008

Former Second in Command at Kushner Companies
Convicted of Conspiring to Defraud the United States

(More)

Public Affairs Office
<http://www.njusao.org>
Michael Drewniak, PAO

973-645-2888

Breaking News (NJ) <http://www.usdoj.gov/usao/nj/press/index.html>

NEWARK – The former second-in-command at the Kushner Companies was convicted by a federal jury today of conspiring to defraud the United States and aiding and assisting in the filing of false tax returns, U.S. Attorney Christopher J. Christie announced.

Richard Stadtmauer, the brother-in-law of Kushner Companies head Charles Kushner and the Kushner Companies' former Vice-Chairman, Managing Partner and Vice-President, was convicted of participating in a criminal conspiracy spanning the years 1997 to 2003, as well as eight counts of aiding and assisting in the filing of false tax returns. The jury acquitted Stadtmauer of nine counts of aiding and assisting in the filing of false tax returns.

Under the advisory U.S. Sentencing Guidelines, Stadtmauer, 49, of Livingston, faces a potential sentencing range of approximately 70 to 87 months in federal prison for the counts of conviction. U.S. District Judge Jose L. Linares, who presided over the trial, scheduled sentencing for Sept. 19.

The charged co-conspirators in the scheme – all of whom have pleaded guilty over the last several years – included Charles Kushner, former Kushner Companies Chief Financial Officers Marci Plotkin and Scott Zecher, and Stanley Bekritsky, a former tax partner at the accounting firm of Schonbraun Safris McCann & Bekritsky, which during the time of the conspiracy served as the Kushner Companies' outside accountants.

“Two years ago, Mr. Stadtmauer’s counsel called this a vindictive and shameful prosecution,” Christie said. “This investigation has now yielded guilty pleas from Charles Kushner and his co-conspirators in their plot to defraud the federal government. Today a jury put the final piece in place by convicting Mr. Stadtmauer, who now takes his rightful place in the parade of felons associated with Kushner Companies. The rule of law has been vindicated and justice has been done.”

According to the evidence introduced at trial, which started on March 31, Stadtmauer and the other co-conspirators created false partnership tax returns for the real estate properties controlled by the Kushner Companies. These returns intentionally mischaracterized more than \$6 million worth of charitable and political contributions, capital expenditures, and gift-and-entertainment charges as fully deductible business expenses. The returns also falsely characterized as business expenses expenditures that in fact were not related to the properties at all, including expenditures made by Kushner and Stadtmauer personally.

Stadtmauer is the seventh person convicted of tax charges stemming from this conspiracy.

Kushner was sentenced on March 4, 2005, to a 24-month sentence for his convictions on charges of assisting in the filing of false tax returns relating to the Kushner Companies, retaliating against a cooperating witness and making false statements to the Federal Election Commission.

Marci Plotkin and Stanley Bekritsky pleaded guilty on Feb. 11 and Feb. 14, 2008, respectively, to participating in the conspiracy, shortly before the two were scheduled to start trial alongside Stadtmauer. They have not yet been sentenced. Scott Zecher pleaded guilty on Feb. 17, 2006, to participating in the conspiracy and awaits sentencing as well.

Stadtmauer faces a statutory maximum sentence of five years on the conspiracy count of which he was convicted, and three years on each of the eight individual tax counts. Each count carries a maximum fine of \$250,000. However, in determining an actual sentence, Judge Linares will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges (as stated above in this case) 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 the time.

Christie credited Special Agents of the IRS, under the direction of Special Agent in Charge William P. Offord, and Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dunn, with developing the case against Stadtmauer and the co-defendants.

The cases were prosecuted by Assistant U.S. Attorneys Thomas J. Eicher, Attorney in Charge of the U.S. Attorneys Office in Trenton, and Rachael A. Honig, of the U.S. Attorney's Special Prosecutions Division, in Newark.

-end-

Defense Counsel: Robert S. Fink, Esq. New York