

# Department of Justice

United States Attorney William J. Hochul, Jr.  
Western District of New York

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## **FORMER FINANCIAL ADVISOR CONVICTED IN "PONZI" SCHEME**

BUFFALO, N.Y.--U.S. Attorney William J. Hochul, Jr. announced today that financial advisor Timothy J. Geidel, 48, of Hamburg, N.Y., pleaded guilty to wire fraud and structuring before Chief Judge William M. Skretny for defrauding more than 50 investors out of hundreds of thousands of dollars. The charges carry a maximum penalty of 20 years in prison, a fine of \$250,000 or both.

Assistant U.S. Attorney Russell T. Ippolito, Jr., who is handling the case, stated that Geidel acknowledged in court that while working as an investment adviser with Georgetown Capital Group, Inc., he diverted investor funds for his own use. Between 1990 and 2010, Geidel gave victims the impression that he would be investing their money in high yield stocks, bonds, mutual funds and certificates of deposit. Instead of investing the funds as he indicated, the defendant diverted some of the funds into his personal bank accounts. Geidel also used some of the funds to pay off earlier investors to perpetuate the scheme. The defendant defrauded victims out of a total of \$1,300,000.

"This case is a good example of why it is so important for investors to be vigilant and know exactly who it is they are doing business with," said U.S. Attorney Hochul. "These victims trusted the defendant with their hard earned money and believed he would do the right thing. If something sounds too good to be true, it probably is. Investors should do their homework and ask questions. It is also a good idea to access the StopFraud.gov website."

The plea is the culmination of an investigation on the part of Special Agents of the Secret Service under the direction of Special Agent in Charge Tracy Gast, Special Agents of the Internal Revenue Service under the direction of Special Agent in Charge Charles R. Pine, Detectives from the West Seneca Police Department under the direction of Edward Gehen, Detectives from the Hamburg Police Department under the direction of Michael Williams and Detectives from the Evans Police Department under the direction of Ernest Masullo.

Sentencing has been scheduled for January 4, 2011 at 9:00 a.m. before Judge Skretny.