



NEWS RELEASE

Internal Revenue Service - Criminal Investigation
Los Angeles Field Office
Erick Martinez, Special Agent in Charge

For Immediate Release: December 15, 2014

Prepared by: Special Agent Linda Lowery, Public Information Officer
Email: linda.lowery@ci.irs.gov

CI Release #: LAFO-2014-30

Manhattan Beach Developer Sentenced to 18 Months Imprisonment for Defrauding His Business Partners

Santa Ana – A Manhattan Beach real estate developer was sentenced this afternoon by United States District Judge David O. Carter to 18 months imprisonment for defrauding his business partners of nearing \$900,000 relating to the development of a Daytona Beach, Florida shopping center.

William Warren Geary, 72, was further ordered by Judge Carter to pay restitution of \$891,791 to the investors.

In September, Geary pleaded guilty to a two-count information charging him with conspiracy to commit mail fraud and money laundering.

According to documents filed with the court, between August 2009 and April 2010, Geary, along with his bookkeeper, devised a scheme to defraud his business partners in connection with two capital calls he requested for tenant improvements to their joint real estate development.

Geary along with nine other limited partners, purchased Ocean Walk Shoppes ("OWS"), a shopping center in Daytona Beach, Florida. Geary was the managing partner of OWS through his company, Carlsberg Management Company, located in Los Angeles.

In August 2009, Geary sent a letter to the OWS limited partners seeking \$900,000 in capital contributions to complete tenant improvements for two prospective new tenants of OWS, Sloppy Joe's Restaurant and Ker's Winghouse. The partners sent Geary \$616,791 in response.

In October 2009, Geary sent another letter to the OWS limited partners requesting an additional \$350,000 for additional tenant improvements. In reliance of this letter, the OWS limited partners sent Geary another \$270,000.

Instead of using the funds as promised, Geary and his bookkeeper caused almost \$900,000 of OWS funds to be used for Geary's personal benefit. In both instances, Geary used the funds received from OWS for his own personal use causing the OWS limited partners to lose approximately \$891,791.

The investigation and prosecution of Geary was conducted by IRS Criminal Investigation's Los Angeles Field Office and the U.S. Postal Inspection Service, in conjunction with the United States Attorney's Office for the Central District of California.

###

United States Attorney's Office contact:

Assistant United States Attorney
Jennifer L Waier
(714) 338-3550