

# NEWS

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

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***Christopher J. Christie, U.S. Attorney***

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

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Assistant U.S. Attorney:  
CHRISTOPHER GRAMICCIONI  
973-297-2067

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FOR IMMEDIATE RELEASE  
June 27, 2008

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Former Parsippany Board of Ed Member  
Admits Tax Charge on Capital Gains from Property “Flips”

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(More)

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Michael Drewniak, PAO

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TRENTON - Former Parsippany-Troy Hills Board of Education member John J. Montefusco, Jr. pleaded guilty today to willfully filing a false tax return, admitting that he failed to report income of approximately \$159,000 on his 2003 federal income tax return, U.S. Attorney Christopher J. Christie announced.

John J. Montefusco, Jr., 40, pleaded guilty to Count One of a three-count Criminal Information charging him with willfully subscribing to a false tax return before U.S. District Judge Anne E. Thompson. Montefusco, Jr. is free on \$100,000 pending his sentencing, which is scheduled for September 15, 2008 at 9:00 a.m.

At his plea hearing, Montefusco, Jr. admitted that in or about 2003, he failed to report approximately \$97,576 in taxable capital gains that he received from the purchase and immediate sale or “flipping” of two townhouses in Morris Plains, New Jersey. Montefusco, Jr. also stated that in 2003, he received approximately \$43,950 in upgrades, options and extras that were added to Montefusco, Jr.’s primary residence.

Montefusco, Jr. also stated that in 2003, he was a partner at a company that provided him travel and entertainment (“T & E”) expense payments, and that these monies were to be used for legitimate business-related activities. Montefusco, Jr., however, admitted that he used these monies for personal purposes, and that he falsely characterized them as legitimate business expenses on his 2003 tax return. As a result of these false characterizations, Montefusco, Jr. failed to report approximately \$18,075 of income received on his 2003 tax return.

The charge to which Montefusco, Jr. pleaded guilty carries a maximum statutory penalty of 3 years in prison. Additionally, Montefusco, Jr. faces a possible fine of up to \$250,000. However, in determining an actual sentence, Judge Thompson will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant’s criminal history, if any, and other factors, including acceptance of responsibility. The judge has wide discretion and 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 of that time.

Christie credited investigators with the U.S. Attorney’s Office in Newark and agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William Offord, for the investigation involving Montefusco, Jr. He also credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, for their assistance in the investigation.

This case is being prosecuted by Assistant U.S. Attorney Christopher J. Gramiccioni of

the Office's Special Prosecutions Division.

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Defense counsel: Gerard E. Hanlon, Esq. Morristown