

NEWS

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FOR IMMEDIATE RELEASE
Oct. 15, 2008

Former Parsippany Board of Education Member Sentenced
To 3 Years of Probation on Tax Charge

(More)

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TRENTON - Former Parsippany-Troy Hills Board of Education member John J. Montefusco, Jr. was sentenced to three years of probation today for 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.

U.S. District Judge Anne E. Thompson also ordered John J. Montefusco, Jr., 41, to file amended tax returns for the tax years 2003, 2004 and 2005, resulting in payment approximately \$37,000 in back taxes, interest and penalties.

Assistant U.S. Attorney Christopher J. Gramiccioni argued for a sentence within the U.S. Sentencing Guidelines range that called for 10 to 16 months of confinement, which may have been split between terms of imprisonment and community or home confinement.

Montefusco pleaded guilty to Count One of a three-count Criminal Information charging him with willfully subscribing to a false tax return before Judge Thompson on June 27, 2008.

At his plea hearing, Montefusco 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. Montefusco also stated that in 2003, he received approximately \$43,950 in upgrades, options and extras that were added to his primary residence.

Montefusco 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, 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 failed to report approximately \$18,075 of additional income received on his 2003 tax return.

In determining the actual sentence, Judge Thompson consulted 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.

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.

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