

NEWS

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Bayonne Man About to Go on Trial Pleads Guilty
to Structuring Cash Deposits Totaling Nearly \$3 Million

(More)

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TRENTON – A Bayonne man pleaded guilty today to illegally structuring cash deposits of nearly \$3 million at three different banks to avoid detection by authorities, U.S. Attorney Christopher J. Christie announced.

Richard F. Pellegrini, 49, of Bayonne, an oil tank inspector who was also self-employed as a painter, pleaded guilty before U.S. Senior District Judge Garrett E. Brown, Jr., to a 54-count Indictment that charged him with currency reporting violations. Jury selection was to begin today in a trial for Pellegrini, until he opted instead to plead guilty to all counts of the Indictment.

Count One of the Indictment charged Pellegrini with depositing at least \$1.9 million in U.S. currency in approximately 353 separate transactions, each in an amount less than \$10,000, between March 2005 and September 2006. Pellegrini made the cash deposits at two local banks in which he had personal checking accounts. The Indictment alleged also that he made deposits into a personal checking account belonging his wife, an unindicted co-conspirator.

Counts Two through Fifty-Four charged Pellegrini with causing and attempting to cause the same banks to fail to file Cash Transaction Reports (CTRs) with the IRS. Pellegrini did that by depositing cash in aggregate amounts of over \$10,000 on 53 different days; however, he split those cash deposits into amounts under \$10,000 and made them at different times of the day and often at different bank branches to avoid triggering the federal CTR requirement. Those counts of the Indictment covered cash deposits totaling approximately \$1.1 million, separate and apart from the \$1.9 million in deposits covered in Count One.

At his plea hearing, Pellegrini admitted all of that criminal conduct.

Purposeful structuring of large amounts of cash into small deposits is illegal, and is often associated with other criminal activity. Banks are required under law to file CTRs with the IRS on cash deposits or withdrawals above \$10,000.

Pellegrini was first arrested in September 2007 and indicted in March. Judge Brown scheduled sentencing for Aug. 25. Pellegrini remains free until sentencing on a \$250,000 secured bond.

Each count to which Pellegrini pleaded guilty carries a maximum penalty of five years in prison and a \$250,000 fine or twice the aggregate loss to any victims or gain to the defendant.

In determining an actual sentence, Senior Judge Brown 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. 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 that time.

Christie credited Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord; Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun; Special Agents of the U.S. Department of Labor Office of Inspector General, under the direction of Inspector General Gordon S. Heddell, and Bayonne Police Department's Special Investigation Unit, under the direction of Police Chief Robert Kubert.

The case was prosecuted by Assistant U.S. Attorney Anthony Moscato of the U.S. Attorney's Office's Strike Force Unit, and Assistant U.S. Attorney Charlton A. Rugg of the U.S. Attorney's Office's Government Fraud unit, in Newark.

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Defense Attorney: Christopher L. Patella, Esq.