



U.S. Department of Justice

*United States Attorney
District of New Jersey*

970 Broad Street, 7th floor
Newark, New Jersey 07102

973-645-2700

MJM/MHS/PL AGR

August 12, 2024

John D. Lynch, Esq.
1814 Kennedy Boulevard
Union City, New Jersey 07087

Re: Plea Agreement with Pantaleo Pellegrini a/k/a "Leo Pellegrini"

Dear Mr. Lynch:

This letter sets forth the plea agreement between your client, Pantaleo Pellegrini, a/k/a "Leo Pellegrini," ("Pellegrini") and the United States Attorney for the District of New Jersey ("this Office"). This offer will expire on August 15, 2024, if it is not accepted in writing by that date. If Pellegrini does not accept this plea agreement, his sentencing exposure could increase beyond what is discussed in this plea agreement as a result of this Office's investigation.

This plea agreement is contingent upon approval by the Department of Justice, Tax Division.

Charge

Conditioned on the understandings specified below, this Office will accept a guilty plea from Pellegrini to two counts of a seven-count Information, which charges Pellegrini with participating in a scheme to embezzle from the City of Hoboken, in violation of 18 U.S.C. §§ 666(a)(1)(A) and 2 (Count 1), and making and subscribing a false personal tax return for the year 2017, in violation of 26 U.S.C. § 7206(1) (Count 2). If Pellegrini enters a guilty plea and is sentenced on these charges and otherwise fully complies with this agreement, this Office will not initiate any further criminal charges against Pellegrini for embezzling money from the City of Hoboken between in or about March 2017 and in or about October 2022, or for making and subscribing to false personal federal income tax returns for tax years 2017, 2018, 2019, 2020, 2021, and 2022. In addition, if Pellegrini fully complies with all of the terms of this agreement, at the time of sentencing in this matter, this Office will move to dismiss Counts 3, 4, 5, 6, and 7 of the Information.

But if a guilty plea in this matter is not entered for any reason or a guilty plea or judgment of conviction entered in accordance with this agreement does not remain in full force and effect, this Office may reinstate any dismissed charges and initiate any other charges against Pellegrini even if the applicable statute of limitations period for those charges expires after Pellegrini signs this agreement, and Pellegrini agrees not to assert that any such charges are time-barred.

Sentencing

The violation of 18 U.S.C. §§ 666(a)(1)(A) and 2 to which Pellegrini agrees to plead guilty in Count 1 of the Information carries a statutory maximum prison sentence of 10 years and a fine equal to the greatest of (1) \$250,000, or (2) twice the gross amount of any pecuniary gain that any persons derived from the offense, or (3) twice the gross amount of any pecuniary loss sustained by any victims of the offense.

The violation of 26 U.S.C. § 7206(1) to which Pellegrini agrees to plead guilty in Count 2 of the Information carries a statutory maximum prison sentence of 3 years and a fine equal to the greatest of: (1) \$250,000; (2) twice the gross amount of any pecuniary gain that any persons derived from the offenses; or (3) twice the gross amount of any pecuniary loss sustained by any victims of the offenses.

The prison sentence on Counts 1 and 2 may run consecutively to each other or any prison sentence Pellegrini is serving or is ordered to serve. Fines imposed by the sentencing judge may be subject to the payment of interest.

The sentence to be imposed upon Pellegrini is within the sole discretion of the sentencing judge, subject to the provisions of the Sentencing Reform Act, 18 U.S.C. §§ 3551-3742, and the sentencing judge's consideration of the United States Sentencing Guidelines. Those Guidelines are advisory, not mandatory. The sentencing judge may impose any reasonable sentence up to and including the statutory maximum term of imprisonment and the maximum statutory fine. This Office cannot and does not make any representation or promise as to what Guidelines range may be found by the sentencing judge, or as to what sentence Pellegrini ultimately will receive.

Further, in addition to imposing any other penalty on Pellegrini, the sentencing judge as part of the sentence:

- (1) will order Pellegrini to pay an assessment of \$100 per count pursuant to 18 U.S.C. § 3013, which assessment must be paid by the date of sentencing;
- (2) must order Pellegrini to pay restitution pursuant to 18 U.S.C. § 3663 *et seq.* for the offense conduct charged under Count 1;

- (3) must order criminal forfeiture, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c);
- (4) may order Pellegrini, pursuant to 18 U.S.C. § 3555, to give reasonable notice and explanation of the conviction to any victims of his offense;
- (5) may order Pellegrini to pay the costs of prosecution;
- (6) pursuant to 18 U.S.C. § 3583, may require Pellegrini to serve a term of supervised release of not more than three years for Count 1 and a term of supervised release of not more than one year for Count 2, which will begin at the expiration of any term of imprisonment imposed. Should Pellegrini be placed on a term of supervised release and subsequently violate any of the conditions of supervised release before the expiration of its term, Pellegrini may be sentenced to not more than two years' imprisonment for Count 1 and not more than one year of imprisonment for Count 2 in addition to any prison term previously imposed, regardless of the statutory maximum term of imprisonment set forth above and without credit for time previously served on post-release supervision, and may be sentenced to an additional term of supervised release.

Restitution

Pursuant to the Victim and Witness Protection Act, 18 U.S.C. § 3663 and 3663A, Pellegrini agrees to pay full restitution to the City of Hoboken—the victim of the offense of conviction or from the scheme, conspiracy, or pattern of criminal activity underlying that offense—in an amount that fully compensates the victim for the losses sustained as a result of that offense as follows:

Victim	Amount
City of Hoboken	\$439,972.60

Pellegrini also agrees to pay restitution in the amount of \$119,454.00 plus interest to the Internal Revenue Service ("IRS") under 18 U.S.C. § 3663(a)(3). This total restitution amount to be paid to the IRS consists of the following:

Tax Year	Amount
2017	\$31,266
2018	\$20,609
2019	\$25,158
2020	\$17,063
2021	\$22,249

2022	\$3,109
Total: \$119,464	

The restitution amount shall be paid according to a plan established by the Court. If the Court orders Pellegrini to pay restitution to the IRS for the failure to pay tax, either directly as part of the sentence or as a condition of supervised release, the IRS will use the restitution order as the basis for a civil assessment. *See* 26 U.S.C. § 6201(a)(4). Pellegrini does not have the right to challenge the amount of this assessment. *See* 26 U.S.C. § 6201(a)(4)(C). Neither the existence of a restitution payment schedule nor Pellegrini's timely payment of restitution according to that schedule will preclude the IRS from administrative collection of the restitution-based assessment, including levy and distraint under 26 U.S.C. § 6331.

Forfeiture

As part of his acceptance of responsibility, and pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), Pellegrini agrees to forfeit to the United States all property, real or personal, Pellegrini obtained that constitutes or is derived from proceeds traceable to the violation of 18 U.S.C. § 666 charged in Count 1 of the Information (the "Forfeiture Amount"). Pellegrini consents to the entry of an order at or around the time of the plea hearing requiring Pellegrini to pay the Forfeiture Amount, in the manner described below (the "Order"), which may be satisfied in whole or in part with substitute assets. Pellegrini further agrees that upon entry of the Order, this Office may conduct any discovery needed to identify, locate, or dispose of property sufficient to pay the Forfeiture Amount in full or in connection with any petitions filed with regard to proceeds or substitute assets, including depositions, interrogatories, and requests for production of documents, and the issuance of subpoenas.

All payments made in full or partial satisfaction of the Forfeiture Amount shall be made by (i) electronic funds transfer, as directed by the Office; or (ii) postal money order, bank, or certified check, made payable in this instance to the United States Marshals Service, indicating the defendant's name and case number on the face of the check; and shall be delivered to the United States Attorney's Office, District of New Jersey, Attn: Asset Recovery and Money Laundering Unit, 970 Broad Street, 7th Floor, Newark, New Jersey 07102.

Pellegrini waives the requirements of Rules 32.2 and 43(a) of the Federal Rules of Criminal Procedure regarding notice of the forfeiture in the charging instrument, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment. The defendant understands that criminal forfeiture is part of the sentence that may be imposed in this case and waives any failure by the court to advise him of this pursuant to Rule 11(b)(1)(J) of the Federal Rules of Criminal Procedure regarding notice of the forfeiture in the charging instrument, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in

the judgment. The defendant understands that criminal forfeiture is part of the sentence that may be imposed in this case and waives any failure by the court to advise him of this pursuant to Rule 11(b)(1)(J) of the Federal Rules of Criminal Procedure at the guilty plea proceeding. The defendant waives any and all constitutional, statutory, and other challenges to the forfeiture on any and all grounds, including that the forfeiture constitutes an excessive fine or punishment under the Eighth Amendment. Pellegrini further understands that Pellegrini has no right to demand that any forfeiture of Pellegrini's assets be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty the Court may impose upon Pellegrini in addition to forfeiture.

Pellegrini further agrees that not later than the date he enters his plea of guilty he will provide a complete and accurate Financial Disclosure Statement on the form provided by this Office. If Pellegrini fails to provide a complete and accurate Financial Disclosure Statement by the date he enters his plea of guilty, or if this Office determines that Pellegrini has intentionally failed to disclose assets on his Financial Disclosure Statement, Pellegrini agrees that that failure would constitute a material breach of this agreement, and this Office reserves the right, regardless of any agreement or stipulation that might otherwise apply, to oppose any downward adjustment for acceptance of responsibility pursuant to U.S.S.G. § 3E1.1, and to seek leave of the Court to withdraw from this agreement or other relief.

Rights of This Office Regarding Sentencing

Except as otherwise provided in this agreement, this Office may take any position with respect to the appropriate sentence to be imposed on Pellegrini by the sentencing judge. This Office may also correct any misstatements relating to the sentencing proceedings and provide the sentencing judge and the United States Probation Office all law and information relevant to sentencing, favorable or otherwise. And this Office may inform the sentencing judge and the United States Probation Office of: (1) this agreement; and (2) the full nature and extent of Pellegrini's activities and relevant conduct with respect to this case.

Stipulations

This Office and Pellegrini will stipulate at sentencing to the statements set forth in the attached Schedule A, which is part of this plea agreement. Both parties understand that the sentencing judge and the United States Probation Office are not bound by those stipulations and may make independent factual findings and may reject any or all of the parties' stipulations. Nor do these stipulations restrict the parties' rights to respond to questions from the Court and to correct misinformation that has been provided to the Court.

This agreement to stipulate on the part of this Office is based on the information and evidence that this Office possesses as of the date of this agreement. Thus, if this Office obtains or receives additional evidence or information prior to sentencing that it believes materially conflicts with a Schedule A stipulation, that stipulation shall no longer bind this Office. A determination that a Schedule A stipulation is not binding shall not release the parties from any other portion of this agreement, including any other Schedule A stipulation.

If the sentencing court rejects a Schedule A stipulation, both parties reserve the right to argue on appeal or at post-sentencing proceedings that the sentencing court did so properly. Finally, to the extent that the parties do not stipulate to a particular fact or legal conclusion in this agreement, each reserves the right to argue how that fact or conclusion should affect the sentence.

Waiver of Appeal and Post-Sentencing Rights

As set forth in Schedule A and the paragraph below, this Office and Pellegrini waive certain rights to appeal, collaterally attack, or otherwise challenge the judgment of conviction or sentence.

Immigration Consequences

Pellegrini understands that, if Pellegrini is not a citizen of the United States, Pellegrini's guilty plea to the charged offenses will likely result in Pellegrini being subject to immigration proceedings and removed from the United States by making Pellegrini deportable, excludable, or inadmissible, or ending Pellegrini's naturalization. Pellegrini understands that the immigration consequences of this plea will be imposed in a separate proceeding before the immigration authorities. Pellegrini wants and agrees to plead guilty to the charged offenses regardless of any immigration consequences of this plea, even if this plea will cause Pellegrini's removal from the United States. Pellegrini understands that Pellegrini is bound by this guilty plea regardless of any immigration consequences. Accordingly, Pellegrini waives any right to challenge the guilty plea, sentence, or both based on any immigration consequences. Pellegrini also agrees not to seek to withdraw this guilty plea, or to file a direct appeal, or any kind of collateral attack challenging the guilty plea, conviction, or sentence, based on any immigration consequences of the guilty plea or sentence.

Federal Tax Forms 870 and 2504 Waivers

Prior to the date of sentencing, Pellegrini shall: (1) sign and file with the IRS a Form 870 Waiver of Restrictions on Assessment and Collection of Deficiency in Tax and Acceptance of Overassessment in lieu of filing returns or amended returns, for calendar years 2017, 2018, 2019, 2020, 2021, 2022; (2) sign and file with the IRS a Form 2504 Agreement to Assessment and Collection of Additional Tax and

Acceptance of Overassessment in lieu of filing returns or amended returns, for calendar years 2017, 2018, 2019, 2020, 2021, 2022; (3) provide all appropriate documentation to the IRS in support of such Form 870 and 2504 Waivers, upon request; (4) pay to the IRS all taxes and any penalties owed on those returns, or if unable to do so, make satisfactory repayment arrangements with the IRS; and (5) fully cooperate with the IRS and comply with the tax laws of the United States. Further, Pellegrini agrees to allow the contents of his IRS criminal file to be given to civil attorneys and support staff of the IRS to enable them to investigate, if applicable, any and all civil penalties that may be due and owing by Pellegrini. With respect to disclosure of the criminal file to the IRS, Pellegrini waives any rights under 26 U.S.C. § 7213 and Fed. R. Crim. P. 6(e), and any other right of privacy with respect to Pellegrini's tax returns and return information.

Furthermore, Pellegrini agrees not to file any claims for refund of taxes, penalties, and interest for calendar years 2017, 2018, 2019, 2020, 2021, 2022 or for any other amounts paid in accordance with this agreement. Pellegrini agrees that the provisions set forth in this agreement concerning his tax obligations are appropriate conditions of Probation or Supervised Release.

Other Provisions

This agreement is limited to the United States Attorney's Office for the District of New Jersey and cannot bind other federal, state, or local authorities. If requested to do so, however, this Office will bring this agreement to the attention of other prosecuting offices.

This agreement was reached without regard to any civil or administrative matters that may be pending or commenced in the future against Pellegrini. So this agreement does not prohibit the United States, any agency thereof (including the IRS and Immigration and Customs Enforcement) or any third party from initiating or prosecuting any civil or administrative proceeding against him.

No provision of this agreement shall preclude Pellegrini from pursuing in an appropriate forum, when permitted by law, a claim that he received constitutionally ineffective assistance of counsel.

No Other Promises

This agreement constitutes the entire plea agreement between Pellegrini and this Office and supersedes any previous agreements between them. No additional promises, agreements, or conditions have been made or will be made unless set forth in writing and signed by the parties.

Very truly yours,

PHILIP R. SELLINGER
United States Attorney

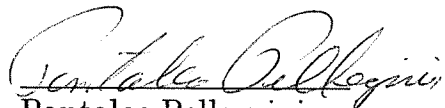
By: /s/ Matthew Specht
Mark J. McCarren
Matthew Specht
Assistant U.S. Attorneys

APPROVED:

Ronnell L. Wilson
Ronnell L. Wilson
Chief, Special Prosecutions Division

I have received this letter from my attorney, John D. Lynch, Esq. I have read it. My attorney and I have reviewed and discussed it and all of its provisions, including those addressing the charges, sentencing, stipulations (including the attached Schedule A), waiver, forfeiture, restitution, and immigration consequences. I understand this letter fully and am satisfied with my counsel's explanations. I accept its terms and conditions and acknowledge that it constitutes the plea agreement between the parties. I understand that no additional promises, agreements, or conditions have been made or will be made unless set forth in writing and signed by the parties. I want to plead guilty pursuant to this plea agreement.

AGREED AND ACCEPTED:


Pantaleo Pellegrini
a/k/a "Leo Pellegrini"

Date: 8/13/2024

I have reviewed and discussed with my client this plea agreement and all of its provisions, including those addressing the charges, sentencing, stipulations (including the attached Schedule A), waiver, forfeiture, restitution, and immigration consequences. My client understands this plea agreement fully and wants to plead guilty pursuant to it.


John D. Lynch, Esq.
Counsel for Defendant

Date: 8/13/2024

Plea Agreement With Pantaleo Pellegrini a/k/a "Leo Pellegrini,"

Schedule A

1. This Office and Pantaleo Pellegrini, a/k/a "Leo Pellegrini," recognize that the United States Sentencing Guidelines do not bind the sentencing judge. Each party nevertheless agrees to these stipulations.

2. The version of the Guidelines effective November 1, 2023 applies in this case.

Count 1: Scheme to Embezzle from the City of Hoboken

3. The applicable guideline is U.S.S.G. § 2B1.1. This guideline carries a Base Offense Level of 6 because the statutory maximum term of imprisonment for a violation of 18 U.S.C. § 666(a)(1)(A) is less than 20 years. See U.S.S.G. § 2B1.1(a)(2).

4. Pellegrini is subject to a 12-level enhancement because his conduct caused more than \$250,000 in loss to the victim. See U.S.S.G. § 2B1.1(b)(1)(G).

5. Pellegrini is subject to a 2-level enhancement because his conduct involved his abuse of a position of public or private trust. See U.S.S.G. § 3B1.3.

6. The total offense level for Count 1 is 20.

Count 2: Subscribing to False Tax Return for Calendar Year 2017

7. The applicable guideline is U.S.S.G. § 2T1.1. This guideline carries a Base Offense Level of 16 because the offense conduct and relevant conduct involved a tax loss of more than \$100,000 for the years 2017, 2018, 2019, 2020, 2021, and 2022. See U.S.S.G. §§ 2T1.1(a)(1); 2T4.1(F).

8. Pellegrini is subject to a 2-level enhancement because he failed to report or to correctly identify the source of income exceeding \$10,000 in any year from criminal activity. See U.S.S.G. § 2T1.1(b)(1).

9. The total offense level for Count 2 is 18.

Grouping of Multiple Counts and Unit Analysis

10. Counts 1 and 2 do not group because embezzlement and subscribing to false tax returns are not closely related offenses in that they

consist of different elements, affect different victims, and involved different conduct. Count 1 constitutes Group 1 and Count 2 constitutes Group 2.

11. Group 1 has the highest offense level (which is 20), and thus, under U.S.S.G. §3D1.4(a), Group 1 counts for one Unit.

12. The offense level applicable to Group 2 (which is 18) is two levels less serious than the offense level applicable to Group 1, so under U.S.S.G. §3D1.4(a), Group 2 counts for one additional Unit.

13. Because Groups 1 and 2 combined constitute two Units, pursuant to U.S.S.G. § 3D1.4 there is a 2-level increase in offense level applied to the group with the highest offense level, which here is Group 1. Accordingly, the combined offense level is 22.

14. As of the date of this letter, Pellegrini has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for the offenses charged. Therefore, a downward adjustment of 2 levels for acceptance of responsibility is appropriate if Pellegrini's acceptance of responsibility continues through the date of sentencing. *See* U.S.S.G. § 3E1.1(a).

15. As of the date of this letter, Pellegrini has assisted authorities in the investigation or prosecution of his own misconduct by timely notifying authorities of his intention to enter a plea of guilty, thereby permitting this Office to avoid preparing for trial and permitting this Office and the court to allocate their resources efficiently. At sentencing, this Office will move for a further 1-point reduction in Pellegrini's offense level pursuant to U.S.S.G. § 3E1.1(b) if the following conditions are met: (a) Pellegrini enters a plea pursuant to this agreement, (b) this Office, in its discretion, determines that Pellegrini's acceptance of responsibility has continued through the date of sentencing and Pellegrini therefore qualifies for a 2-point reduction for acceptance of responsibility pursuant to U.S.S.G. § 3E1.1(a), and (c) Pellegrini's offense level under the Guidelines prior to the operation of § 3E1.1(a) is 16 or greater.

16. If Pellegrini establishes at sentencing that he both has no criminal history points and meets the other criteria in U.S.S.G. § 4C1.1, he will be entitled to a further two-level reduction in his offense level, resulting in a **total Guidelines offense level of 17; otherwise, Pellegrini's total Guidelines offense level will be 19 (the "Total Offense Level").**

17. The parties agree not to advocate for any upward or downward adjustment or departure from the Guidelines range resulting from (a) the Total Offense Level and (b) the criminal history category that the sentencing judge applies under Chapter 4 of the Guidelines without any departure or

variance. But each party may seek a variance from that Guidelines range, which the other party may oppose.

18. If the term of imprisonment does not exceed 37 months, and except as specified in the next paragraph below, Pellegrini will not challenge or seek to reduce by any means any component of the sentence imposed by the sentencing judge for any reason other than ineffective assistance of counsel. The term “any means” includes a direct appeal under 18 U.S.C. § 3742 or 28 U.S.C. § 1291, a motion to vacate the sentence under 28 U.S.C. § 2255, a motion to reduce the term of imprisonment under 18 U.S.C. § 3582(c)(1)(B) or (c)(2), a motion for early termination of supervised release under 18 U.S.C. § 3583(e)(1), and any other appeal, motion, petition, or writ, however captioned, that seeks to attack or modify any component of the sentence. If the term of imprisonment is at least 24 months, this Office will not challenge by appeal, motion, or writ any component of the sentence imposed by the sentencing judge. The provisions of this paragraph bind the parties even if the sentencing judge employs a Guidelines analysis different from the one above.

19. Both parties reserve the right to file or to oppose any appeal, collateral attack, writ or motion not barred by the preceding paragraph or any other provision of this plea agreement. Moreover, the preceding paragraph does not apply to:

- (a) Any proceeding to revoke the term of supervised release.
- (b) A motion to reduce the term of imprisonment under 18 U.S.C. § 3582(c)(1)(A).
- (c) An appeal from the denial of a § 3582(c)(1)(A) motion on the grounds that the court erred in finding no extraordinary and compelling circumstances warranting a reduced term of imprisonment or that the court failed to consider those circumstances as a discretionary matter under the applicable factors of 18 U.S.C. § 3553(a).