

10-0520-cr(L),
10-0615-cr(con)
USA v. Pescatore

1 UNITED STATES COURT OF APPEALS

2 FOR THE SECOND CIRCUIT

3 - - - - -

4 August Term, 2010

5 (Submitted: January 3, 2011 Decided: February 23, 2011)

6 Docket Nos. 10-0520-cr(L), -0615-cr

7 _____
8 UNITED STATES OF AMERICA,

9 Appellee,

10 - v. -

11 MICHAEL PESCATORE,

12 Defendant-Appellant.
13 _____

14 Before: KEARSE, WINTER, and HALL, Circuit Judges.

15 Appeal from an order of the United States District Court
16 for the Eastern District of New York, Thomas C. Platt, Judge,
17 denying defendant's postconviction motion for an order either
18 compelling the government to use a portion of his forfeited assets
19 to satisfy his restitution obligations, or vacating so much of the
20 judgment of conviction as ordered him to pay restitution in excess
21 of his victims' actual losses.

22 Affirmed, and remanded for further proceedings.

23 LORETTA E. LYNCH, United States Attorney for the
24 Eastern District of New York, Brooklyn, New
25 York (Varuni Nelson, Beth P. Schwartz,
26 Kathleen A. Nandan, Assistant United States
27 Attorneys, Karen R. Hennigan, Special
28 Assistant United States Attorney, Brooklyn,
29 New York, of counsel), for Appellee.

1 JAMES R. PROCCARO, Jr., Port Washington, New
2 York, for Defendant-Appellant.

3 KEARSE, Circuit Judge:

4 Defendant Michael Pescatore, who was convicted of
5 operating chop shops in violation of 18 U.S.C. §§ 2322 and 2, and
6 of extortion offenses in violation of 18 U.S.C. §§ 1951 and 2, and
7 who, in his plea agreement with the government, agreed to forfeit
8 \$2.5 million in cash, plus certain real estate, and to pay
9 restitution in an amount not less than \$3 million, appeals from an
10 order of the United States District Court for the Eastern
11 District of New York, Thomas C. Platt, Judge, denying his
12 postconviction motion for an order either compelling the
13 government to use a portion of his forfeited assets to relieve him
14 of his restitution obligations, a process called "restoration,"
15 18 U.S.C. § 981(e)(6), or vacating as illegal the requirement in
16 the amended judgment of conviction that he pay \$3 million in
17 restitution, to the extent that that sum exceeds the total losses
18 suffered by his identified chop shop victims. On appeal,
19 Pescatore contends principally (1) that the government should be
20 compelled to use a portion of the forfeited assets to satisfy his
21 restitution obligations because no law prohibits such restoration;
22 (2) that the judgment ordering him to pay \$3 million in
23 restitution is illegal to the extent that the total amount of
24 victim losses listed in the pages of the presentence report
25 ("PSR") that are attached to the amended judgment is less than
26 \$3 million; and (3) that his obligation should be further reduced

1 because the actual amount of victim losses totals even less than
2 the amount shown in the PSR. In opposition, the government
3 argues (1) that the decision whether to grant Pescatore relief in
4 the form of restoration lay solely within the Attorney General's
5 discretion, which was not abused; (2) that the amended judgment of
6 conviction reduced Pescatore's restitution obligation to
7 \$2,559,611.79 to match the losses identified in the PSR; and (3)
8 that any contention that the \$2,559,611.79 figure is erroneous is
9 subject to plain-error analysis and does not meet that standard.

10 For the reasons that follow, we conclude that the district
11 court did not err in rejecting Pescatore's restoration request;
12 that the amended judgment did not reduce the \$3 million amount
13 that Pescatore was ordered to pay in restitution; and that
14 Pescatore is not entitled to an immediate--if any--order excusing
15 him from paying that amount. The amount to be paid is limited to
16 the restitution amounts needed to make Pescatore's victims whole,
17 plus interest that Pescatore is obligated to pay on the properly
18 ordered restitution amounts that he has not timely paid, see
19 18 U.S.C. § 3612(f)(1), plus any penalties to which he may be
20 subject for unpaid restitution amounts as to which he is or was
21 delinquent and/or in default, see id. §§ 3612(g), 3572(h)-(i). If
22 all required payments of restitution, interest, and restitution-
23 related penalties total less than \$3 million, Pescatore will be
24 entitled to a refund of the remainder. Accordingly, we affirm the
25 denial of Pescatore's motion but remand for further proceedings.

1 I. BACKGROUND

2 To the extent relevant to the present case, Pescatore was
3 first arrested, by law enforcement officers of Suffolk County, New
4 York, in mid-2003. He and others, including Astra Motor Cars,
5 Inc. ("Astra"), of which Pescatore was president and 50-percent
6 owner, were indicted by a New York State grand jury on charges of
7 fraud and enterprise corruption in violation of New York State
8 law; Astra was also indicted on state-law charges of money
9 laundering. In late 2003, the United States commenced an in rem
10 civil action pursuant to 18 U.S.C. §§ 981(a)(1)(A) and (C) and
11 21 U.S.C. §§ 881(a)(6) and (7) (the "civil forfeiture action")
12 against several properties owned in whole or in part, directly or
13 indirectly, by Pescatore, including one property leased to Astra.
14 The complaint in that action alleged, inter alia, that Astra had
15 engaged in illegal trafficking in stolen vehicles and stolen
16 vehicle parts and had defrauded customers. (See United States v.
17 322 Richardson Street, No. 2:03-cv-6456-TCP (E.D.N.Y. filed Dec.
18 24, 2003) ("Forfeiture Complaint" or "complaint") ¶¶ 21-23,
19 56-93.) It also alleged that Astra sold to a narcotics
20 trafficking organization specially-ordered vehicles that could
21 accommodate hidden compartments; that Astra accepted large sums of
22 cash from that organization; and that Astra's other owner, Sanford
23 Edmonston, knew that the buyers were drug dealers and that the
24 cash was proceeds of narcotics trafficking. (See id. ¶¶ 19-20,
25 94-99.) The complaint sought forfeiture of the defendant

1 properties on the ground that they were derived from proceeds
2 traceable to "specified unlawful activity" within the meaning of
3 18 U.S.C. § 1956(c)(7), including the activities alleged in the
4 complaint. (Forfeiture Complaint ¶¶ 100-62, 173-75.)

5 Pescatore, Astra, and numerous others were indicted by a
6 federal grand jury in 2004. An 84-count second superseding
7 indictment (the "Chop Shop Indictment")--alleging, inter alia,
8 operation of chop shops in violation of 18 U.S.C. § 2322,
9 alteration or removal of motor vehicle identification numbers in
10 violation of id. § 511, mail fraud in violation of id. § 1341,
11 conspiracy to defraud the United States in violation of id. § 371,
12 and money laundering in violation of id. § 1956--named Pescatore
13 in most of the counts.

14 In February 2005, Pescatore was also charged, in six
15 counts of a new federal indictment, with extorting money from a
16 number of individuals. In February 2006, the extortion case was
17 tried, and Pescatore was convicted on three of the six counts.

18 A. The Plea Agreement and the Judgment of Conviction

19 In March 2006, pursuant to a plea agreement dated March 9,
20 2006 (the "Plea Agreement" or "Agreement"), Pescatore pleaded
21 guilty to one count of the Chop Shop Indictment (count 22), which
22 charged him with owning, operating, maintaining, or controlling a
23 chop shop, in violation of 18 U.S.C. § 2322. Pescatore admitted
24 that, in that operation from March 1987 through June 14, 2004, he
25 "engaged in receiving stolen motor vehicle parts" that were used

1 "to rebuild damaged motor vehicles" (Plea Hearing Transcript,
2 March 9, 2006 ("Plea Tr."), at 19-20) and hired employees to take
3 apart, rebuild, and sell such vehicles (id. at 21). The scheme
4 also involved, inter alia, altering and removing vehicle
5 identification numbers so that stolen cars could be sold to
6 unwitting customers. (See id. at 22).

7 The Plea Agreement was designed to settle not only the
8 Chop Shop Indictment charges but also the civil forfeiture action
9 and the punishment to be imposed for the three counts on which
10 Pescatore was convicted in the extortion case. The advisory-
11 Guidelines-recommended range of imprisonment for his chop shop and
12 extortion offenses was 188-235 months. In the Agreement, the
13 government agreed to drop the remaining 50-odd counts alleged
14 against Pescatore in the Chop Shop Indictment and agreed that an
15 appropriate total prison term for the chop shop offense and the
16 extortion offenses would be 132 months. (See Plea Agreement
17 ¶¶ 4-5, 7.)

18 In addition to agreeing to plead guilty to count 22 of the
19 Chop Shop Indictment, Pescatore agreed to, inter alia, pay
20 restitution of "no less than \$3 million":

21 The count [to which Pescatore agreed to plead guilty]
22 carries the following statutory penalties:

23

24 e. Restitution: In an amount to be
25 determined by the Court, but no less than
26 \$3 million. The parties agree that restitution
27 with respect to the defendant's tax liabilities
28 may be ordered by the Court
29 (18 U.S.C. §§ 3663 and 3663A).

1 (Plea Agreement ¶ 1.e.). The final sentence of this provision
2 applied to Pescatore's federal tax liabilities but became moot, as
3 Pescatore paid that debt prior to being sentenced.

4 In settlement of the civil forfeiture action, Pescatore
5 agreed to forfeit \$2.5 million in cash, plus real estate (see
6 id. ¶ 9). With respect to the assets to be forfeited, the United
7 States Attorney's Office for the Eastern District of New York
8 ("USAO" or "Office") agreed to recommend that the Department of
9 Justice ("DOJ" or "Department") grant restoration, relieving
10 Pescatore of all or part of his restitution obligation:

11 The Office will recommend that any net proceeds
12 derived from the sale of the Forfeited Assets be made
13 available to eligible victims, pursuant to 18 U.S.C.
14 § 981(e), 28 C.F.R. Pt. 9 and Attorney General Order
15 No. 2088-97 (June 14, 1997), it being understood that
16 the Office has authority only to recommend and that
17 the final decision whether to grant such relief rests
18 with the Department of Justice, which will make its
19 decision in accordance with applicable law.

20 (Id. ¶ 17.)

21 Pescatore was sentenced some 2½ years after his March 2006
22 plea of guilty. At the October 24, 2008 sentencing hearing,
23 Pescatore informed the court that, in the interim, he had timely
24 turned over many millions of dollars in assets (worth \$9 million,
25 see Hearing Transcript, January 29, 2010, at 17, 18) in complete
26 satisfaction of his forfeiture obligations, and he urged the
27 district court to impose a prison term of no more than 132 months
28 in accordance with the Plea Agreement.

29 MR. STAMBOULIDIS [Pescatore's then-counsel]:

30

1 We had entered an agreement with the government
2 that's documented in that written plea agreement. We
3 stand here with the government with little if any
4 disagreement as to what should happen here today. As
5 we indicated to the court in the plea agreement, and
6 at the time of the plea the parties, the government
7 and Mr. Pescatore, are asking for a concurrent
8 sentence on both matters.

9

10 We obviously are here to ask for the
11 court's--to honor and accept the plea, which I
12 believe you indicated in words or substance that you
13 have no problem with, but obviously now that you
14 have the benefit of a presentence report and much
15 more information than you had then to make up your
16 mind.

17 (Sentencing Transcript, October 24, 2008 ("Sentencing Tr."),
18 at 3-4.)

19 The court indicated that it was prepared to sentence
20 Pescatore to, inter alia, 132 months' imprisonment in accordance
21 with the Plea Agreement, but it expressed concern that discussion
22 in the PSR "about 180 months in custody as the agreed upon
23 amounts" (id. at 11) could prove confusing to the Bureau of
24 Prisons. Pescatore and the Assistant United States Attorney
25 ("AUSA") agreed that it would be appropriate that the PSR be
26 amended to match the Plea Agreement. (See id. at 12-14.) The
27 record does not indicate that any other objection had been made to
28 the PSR.

29 With regard to restitution, the government asked the court
30 to order payment of \$3 million in accordance with the Plea
31 Agreement, and Pescatore reminded the court that the USAO had
32 agreed to recommend restoration:

33 [AUSA] GATZ:

1 I just ask the court to enter a restitution
2 amount in the amount of \$3 million as per the plea
3 agreement, and the government does stand by its
4 agreement to recommend concurrent sentences on both
5 of the matters.

6

7 MR. STAMBOULIDIS: With respect to Mr. Pescatore
8 being ordered to pay any more money,

9 I just want to remind the court this man paid
10 millions of dollars in forfeiture, agreed-upon
11 forfeiture, ahead of schedule in many instances, as I
12 indicated, and we had an understanding and I would
13 ask the court to keep that in mind when it orders
14 restitution that the forfeited moneys, the US
15 Attorney's Office was going to make a recommendation
16 to whoever the people are in Washington, main
17 justice or whoever they are called, the people in
18 Washington consider applying any forfeiture money he
19 already paid in, including giving over his house and
20 millions of dollars on top of that, to be applied to
21 any restitution.

22 THE COURT: If it's within the parameters.

23 I think they would regard it as supplement, any
24 amount ordered here of the \$3 million forfeiture
25 [sic], which the government is seeking. I don't
26 think they have to take it into account what's been
27 paid heretofore.

28 I may be wrong, Mr. Stamboulidis, but I think
29 that's right.

30 MR. STAMBOULIDIS: They don't have to, but they
31 should and, I think, in many cases they do.

32 MS. GATZ: Your Honor, as per the agreement the
33 government negotiated it and we will stand by it. We
34 will recommend that the \$3 million restitution be
35 taken from the prior forfeiture.

36 However, I told Mr. Stamboulidis and the
37 defendant is aware, we cannot require them to do
38 that. We make the recommendation and they consider
39 that.

40 (Sentencing Tr. 14-16.) The government asked the court to order
41 that the \$3 million in restitution "be paid in full by the close

1 of the year 2009" (id. at 21), a delay of some 14 months in light
2 of the restoration recommendation to be made by the USAO to the
3 DOJ. Pescatore asked that the due date for payment be delayed
4 for at least three years rather than 14 months, so that he could
5 receive credit for restitution payments that would be made by
6 codefendants in the interim. (See id. at 21-24.) The government
7 opposed that request, stating that Pescatore's victims had been
8 "calling . . . for the past five years asking for their
9 restitution." (Id. at 23.) The court granted the government's
10 request and ordered that the restitution be paid on or before
11 December 31, 2009. (See id. at 23-24.)

12 A judgment was entered sentencing Pescatore in accordance
13 with the Plea Agreement. It ordered, inter alia, that
14 "\$3,000,000.00" in "restitution should be paid in full by the
15 close of the year 2009." Judgment dated November 1, 2008,
16 at 4, 5. The restitution order did not state, or otherwise
17 incorporate, the names of the victims to whom restitution was to
18 be made or the amount of loss sustained by each victim.

19 In January 2009, the government asked the court to correct
20 the judgment pursuant to Fed. R. Crim. P. 36,

21 in order to expressly incorporate the Pre-Sentence
22 Report ("PSR") dated February 21, 2008, at pages
23 23-46 and 58-60, which identifies the victims and the
24 actual losses incurred by each victim as a result of
25 said schemes. The reason for this is, in order for
26 the Asset Forfeiture and Money Laundering Section of
27 the Department of Justice to process the restoration
28 request submitted by this office pursuant to the
29 applicable regulations, the judgment must
30 specifically identify the victims. In that it was
31 the parties' and the Court's intention that the
32 victims identified in the PSR be included in the

1 judgment, the government respectfully submits that
2 the failure to do so was a clerical error which may
3 be corrected at any time.

4 (Letter from AUSA Kathleen Nandan to Judge Platt dated January 28,
5 2009 ("Government's January 2009 Letter"), at 1-2.) On January
6 30, 2009, the district court, noting the absence of any objection,
7 granted the government's request by endorsement. (The judgment
8 with PSR pages appended is hereinafter referred to as the
9 "Judgment" or "amended Judgment"; the appended PSR pages are
10 hereinafter referred to as the "Loss Chart" or "PSR Loss Chart".)

11 B. Pescatore's Motion To Compel Restoration or To Vacate and
12 Modify the Restitution Requirement

13 In April 2009, AUSA Nandan notified Pescatore that the DOJ
14 had denied the restoration request. Pescatore was subsequently
15 informed that Nandan could not disclose the reason for the denial
16 because the Department considered the details of its response to
17 the USAO to be privileged.

18 In late October and early November 2009, Pescatore,
19 represented by new counsel citing Santobello v. New York, 404 U.S.
20 257 (1971), moved in the district court for an order compelling
21 restoration as "specific performance" of ¶ 17 of the Plea
22 Agreement, and, alternatively, sought a writ of coram nobis
23 declaring ¶ 1.e. of the Agreement unenforceable as a matter of
24 public policy to the extent that \$3 million exceeds the total
25 losses of Pescatore's chop shop victims ("restoration/restitution
26 motion"). In support of restoration, Pescatore pointed out that
27 the Plea Agreement stated that the DOJ would make its decision in

1 accordance with applicable law, and he argued that it should be
2 compelled to apply a portion of his forfeited assets to satisfy
3 his restitution obligation because no law forbade it to do so.
4 The government responded that there had been no breach of the Plea
5 Agreement by the government. The AUSA stated that the USAO had
6 fulfilled its promise to recommend restoration (see Motion
7 Hearing Transcript, January 29, 2010 ("Motion Tr."), at 18 ("We
8 made a recommendation to the Department of Justice"; "we made the
9 recommendation, we made the request")); that "[t]he request was
10 denied because the defendant actually does have assets" (id.);
11 and that DOJ's decision to deny restoration "is not reviewable in
12 a court of law" (id.).

13 In support of his request for modification of the
14 restitution order, Pescatore pointed out that the purpose of
15 restitution is not punishment, but compensation of victims, and
16 that the losses listed in the PSR Loss Chart attached to the
17 Judgment totaled less than \$3 million. He also argued that in
18 reality the total amount of victims' losses was even less than the
19 total indicated by the Loss Chart. He asked that the Plea
20 Agreement be voided and that the restitution amount be
21 recalculated to reflect the actual losses suffered by his victims.

22 The government, in opposition to Pescatore's request for a
23 reduction of his restitution obligation, stated, inter alia, that

24 [t]he Court's order of mandatory restitution in the
25 amount of \$3 million is consistent with the Mandatory
26 Victim[s] Restitution Act . . . and is the **minimum**
27 **amount** agreed to in the plea agreement The
28 plea agreement states that restitution shall be "in
29 an amount to be determined by the Court, but no less

1 than \$3 million." The Court properly
2 considered the loss sustained by each victim as a
3 result of the defendant's offenses, and properly
4 incorporated the analysis set forth by the
5 Pre-sentence Report.

6 The defendant pled guilty, and was sentenced
7 pursuant to an agreement with the government wherein
8 restitution of at least \$3 million was agreed upon.
9 The defendant was represented by counsel at
10 sentencing who provided argument relative to
11 restitution. The Court properly considered all
12 relevant matters and ordered restitution in the
13 lowest agreed upon amount.

14 (Letter from Special AUSA Karen R. Hennigan to Judge Platt dated
15 December 30, 2009 ("Government's December 2009 Letter"), at 2-3
16 (emphasis in original).)

17 At the January 29, 2010 hearing on Pescatore's motion,
18 the colloquy with respect to restitution included the following:

19 MR. FROCCARO [Pescatore's new attorney]:
20

21 Your Honor, and this is in no way, shape, or
22 form a reflection on your Honor, but in the parties'
23 plea agreement there was an agreement that he would
24 pay no less than \$3 million in restitution.

25 When he was sentenced, there was no probation
26 list attached identifying the victims and the amounts
27 of the losses.

28

29 You went in accordance with the
30 agreement, judge, with the understanding that there
31 would be in actuality at least \$3 million in losses.

32 THE COURT: What?

33 MR. FROCCARO: That there would be at least
34 \$3 million in actual losses to the victims.

35 THE COURT: Was that raised at the sentencing
36 time?

1 MR. FROCCARO: You know, Judge, the lawyers
2 didn't raise it. And I cited in my papers to your
3 Honor that it is plain error that the lawyers--

4 THE COURT: Whoa! Did anybody say to the court
5 at the date of sentence that the \$3 million figure
6 which was mentioned, I guess I ordered it[] be paid
7 by December 31, that that was in error?

8 MR. FROCCARO: They didn't. And that was their
9 mistake, Judge. And that constitutes plain error
10 under Second Circuit case law.

11 (Motion Tr. 4-5.)

12 Froccaro argued that the victims' losses totaled "at
13 least \$1.2 million less than what your Honor ordered" (id. at 5);
14 and although saying that he was unable to state a "definite
15 figure" (id. at 6), he said, "Judge, this loss is on the PSR for
16 1.8" (id. at 18); "Judge, I took a calculator out, I added up the
17 loss amount in the PSR, and it added up to 1.8" (id. at 22; but
18 see id. at 21 ("I never agreed to the \$1.8 million, your
19 Honor.")). Froccaro acknowledged that Pescatore had not appealed
20 to challenge the \$3 million amount. (See id. at 6.)

21 The government, represented at the hearing by AUSAs
22 Hennigan and Gatz, appeared to take divergent positions on whether
23 the \$3 million amount was proper. Hennigan pointed out that
24 "there is a plea agreement wherein the defendant got the benefit
25 of a bargain, got the benefit of an agreement that required him to
26 pay \$3 million as of the 31st of December 2009, which was passed"
27 (id. at 9); but she also stated that, from the numbers in "the
28 presentence report that was incorporated into the sentence" (id.
29 at 10), she calculated the victims' losses "to be about
30 \$2.7 million" (id. at 11); and she said that "[i]n the event that

1 there is ever some overpayment, the government would certainly
2 consider that" (id. at 9).

3 AUSA Gatz took the position that Pescatore should be bound
4 by the Judgment, based on his express agreement to pay restitution
5 of not less than \$3 million:

6 Your Honor, I just want to remind the court that
7 the defendant agreed to pay \$3 million, in the plea
8 agreement. He said before the court I will pay
9 \$3 million and no less in restitution. And your
10 Honor ordered that. And we are done with the J&C.
11 It was filed probably almost a year ago.

12 So this satellite litigation is improper,
13 frankly, as a whole because the defendant agreed to
14 the \$3 million in the plea agreement.

15 (Motion Tr. 14.)

16 The court ultimately rejected all of Pescatore's
17 arguments. Having requested in vain that Pescatore provide
18 "specifics" (id. at 8) and "proof" (id. at 12) as to the
19 contention that his victims' losses totaled no more than
20 \$1.8 million, the court found that that contention was not
21 substantiated, "not on the representations you made here today,
22 which [are] solely an effort to get more time" (id. at 22).
23 Further noting that, of the amount he did not dispute, Pescatore
24 "ha[d]n't even produced a dollar in good faith" (id. at 28), the
25 court stated that Pescatore should at least pay the undisputed
26 amount immediately (see id. at 27 ("Pay what you say you owe.");
27 id. at 22 ("Pay them the 1.8").) And although noting that
28 compliance with the Judgment was already nearly 30 days overdue,
29 the court gave Pescatore a new 30-day period within which to pay
30 the \$3 million ordered in the Judgment; the court denied

1 Pescatore's request for a longer period and stated that after 30
2 days the government should begin to levy on Pescatore's property.
3 (See id. at 20-24.)

4 MS. HENNIGAN: Your Honor, are you ordering that
5 the defendant pay the \$3 million within the next 30
6 days?

7 THE COURT: 3 million bucks.

8

9 Wasn't my order for \$3 million?

10 MS. HENNIGAN: Yes.

11 MS. GATZ: Yes.

12 THE COURT: That is the judgment.

13 MS. HENNIGAN: Yes.

14 MS. GATZ: Yes.

15 THE COURT: Enforce it.

16 (Motion Tr. 21-22.)

17 MS. GATZ: Your Honor, at this point you are not
18 setting aside the J&C, which requires the defendant
19 to pay the \$3 million. You are not setting aside the
20 J&C, the judgment and conviction, which requires the
21 defendant to pay the \$3 million. You are not
22 setting that aside at this point.

23 THE COURT: No.

24 (Id. at 24-25.)

25 MS. HENNIGAN: . . . [Y]our Honor, for
26 clarification. Your Honor is suggesting that
27 [Pescatore] pay what he does not dispute, but you are
28 holding him accountable for the \$3 million.

29 THE COURT: Yes, I am.

30 (Id. at 27.)

1 applicable on account of that delay. Further proceedings in the
2 district court will be required, after Pescatore has paid
3 \$3 million, to determine whether he is entitled to any refund.

4 A. Restoration

5 Civil forfeiture actions such as that commenced by the
6 government against Pescatore in 2003 and settled pursuant to the
7 Plea Agreement are governed by 18 U.S.C. § 981. That section
8 "subject[s] to forfeiture to the United States" property that was
9 involved in, inter alia, various offenses under Title 18,
10 including money laundering in violation of § 1956 and altering or
11 removing motor vehicle identification numbers in violation of
12 § 511. 18 U.S.C. §§ 981(a)(1)(A) and (F)(i). To the extent
13 pertinent to the present appeal, § 981(e) provides that

14 [n]otwithstanding any other provision of the law,
15 . . . the Attorney General . . . is authorized to
16 retain property forfeited pursuant to this section,
17 or to transfer such property on such terms and
18 conditions as he may determine--

19

20 (6) as restoration to any victim of the
21 offense giving rise to the forfeiture

22 18 U.S.C. § 981(e)(6) (emphases added). Thus, the Attorney
23 General is allowed to choose between restoration and retention.
24 Pescatore has not called to our attention, and we are not aware
25 of, any provision in this or any other section that requires the
26 Attorney General to choose either option over the other. The
27 authorization either "to retain . . . or to transfer," with no

1 accompanying statutory constraints, makes the decision between the
2 two choices a matter of discretion.

3 Nor does anything in the Plea Agreement, which we
4 interpret in accordance with traditional principles of contract
5 law, see generally United States v. Brumer, 528 F.3d 157, 158 (2d
6 Cir. 2008), purport to place any constraints on the Attorney
7 General's exercise of that discretion. Paragraph 17 of the
8 Agreement obligated the USAO to "recommend" that the DOJ grant
9 Pescatore relief in the form of restoration, and Pescatore has
10 provided no reason to discredit the government's representation to
11 the district court that the Office made the promised
12 recommendation. The Agreement further stated expressly that the
13 USAO "ha[d] authority only to recommend and that the final
14 decision whether to grant such relief rest[ed] with the
15 Department" (Plea Agreement ¶ 17), and Pescatore concedes that
16 this called on the DOJ to "exercise its discretion" (Pescatore
17 brief on appeal at 12). The promise that the Department would
18 "make its decision in accordance with applicable law" (Plea
19 Agreement ¶ 17) is not, as Pescatore would have it (see, e.g.,
20 Pescatore brief on appeal at 4, 9, 10, 12, 14,), the equivalent
21 of a promise to grant restoration so long as it is not prohibited.
22 The unambiguous statement that the Department, upon receiving the
23 recommendation, would make its decision "in accordance with
24 applicable law" plainly means that the Department would do
25 anything the law requires and nothing the law prohibits. The Plea

1 Agreement contains no promise that the DOJ would exercise its
2 discretion to grant Pescatore relief that was not required.

3 To the extent that the government suggests here, as it
4 argued in the district court, that the decision of the DOJ to deny
5 restoration "is not reviewable in a court of law" (Motion Tr. 18),
6 we need not address that issue, given that the government has
7 explained the basis for the DOJ's decision, and the record cannot
8 support a conclusion that that basis evinced any abuse of
9 discretion. Forfeiture and restitution are separate remedies with
10 different purposes, and the DOJ Manual dealing with forfeitures
11 and with compensation for crime victims indicates that discretion
12 may be exercised to transfer forfeited assets to victims "where
13 . . . other property is not available to satisfy the order of
14 restitution" (Appendix to Government brief on appeal (United
15 States Department of Justice, Asset Forfeiture Policy Manual 164
16 (2010))). At the hearing on Pescatore's restoration/restitution
17 motion, the government explained that Pescatore's restoration
18 "request was denied because the defendant actually does have
19 assets" (Motion Tr. 18; see also Government brief on appeal at
20 16), and Pescatore in no way suggested that he lacked the
21 wherewithal to satisfy his restitution obligations (see Motion
22 Tr. 16 (Mr. Froccaro: "I have never said he doesn't have
23 assets").) Accordingly, the criteria for restoration set out in
24 the DOJ Manual were not met.

25 In sum, we see nothing in the statutory provisions, DOJ's
26 normal operating procedures, or the Plea Agreement that required

1 the Department to use the forfeited assets to relieve Pescatore of
2 his restitution obligations, and the record shows no failure on
3 the part of the government to consider his request in good faith.
4 The district court properly denied Pescatore's motion to compel
5 the government to grant restoration.

6 B. Restitution

7 The Mandatory Victims Restitution Act ("MVRA"), codified
8 largely at 18 U.S.C. §§ 3663A and 3664, provides, in part, that in
9 sentencing a defendant convicted of a felony "offense against
10 property under" Title 18, "including any offense committed by
11 fraud or deceit," the court "shall order, in addition to . . . any
12 other penalty authorized by law, that the defendant make
13 restitution to the victim of the offense." 18 U.S.C.
14 §§ 3663A(a)(1) and (c)(1)(A)(ii). "In each order of restitution,
15 the court shall order restitution to each victim in the full
16 amount of each victim's losses as determined by the court and
17 without consideration of the economic circumstances of the
18 defendant." Id. § 3664(f)(1)(A).

19 The purpose of restitution is to compensate victims for
20 their losses. See, e.g., Hughey v. United States, 495 U.S. 411,
21 416 (1990), superseded by statute, Crime Control Act of 1990, Pub.
22 L. No. 101-647 § 2509, 104 Stat. 4789, 4863 (codified at 18 U.S.C.
23 § 3663(a)(3)); United States v. Boccaqna, 450 F.3d 107, 115 (2d
24 Cir. 2006) ("Boccaqna"); United States v. Reifler, 446 F.3d 65,

1 137 (2d Cir. 2006) ("Reifler"); United States v. Nucci, 364 F.3d
2 419, 423-24 (2d Cir. 2004) ("Nucci").

3 In determining the appropriate measure of value
4 for property relevant to restitution, a district
5 court must consider that the purpose of restitution
6 is essentially compensatory: to restore a victim, to
7 the extent money can do so, to the position he
8 occupied before sustaining injury. See Hughey v.
9 United States, 495 U.S. 411, 416, 110 S.Ct. 1979, 109
10 L.Ed.2d 408 (1990) (observing that the "meaning of
11 'restitution' is restoring someone to a position he
12 occupied before a particular event"); United States
13 v. Coriaty, 300 F.3d 244, 253 (2d Cir.2002) (holding
14 that "statutory focus" of the MVRA is "upon making
15 victims whole"). Because the MVRA mandates that
16 restitution be ordered to crime victims for the
17 "full amount" of losses caused by a defendant's
18 criminal conduct, see 18 U.S.C. § 3664(f)(1)(A);
19 United States v. Reifler, 446 F.3d at 134 . . . , it
20 can fairly be said that the "primary and overarching"
21 purpose of the MVRA "is to make victims of crime
22 whole, to fully compensate these victims for their
23 losses and to restore these victims to their original
24 state of well-being." United States v. Simmonds, 235
25 F.3d [826, 831 (3d Cir. 2000)].

26 Boccagna, 450 F.3d at 115. Section 3663A does not authorize the
27 court to order restitution to victims in excess of their losses.
28 See, e.g., Reifler, 446 F.3d at 122-35; Boccagna, 450 F.3d at 109;
29 Nucci, 364 F.3d at 423-24. And as "'[f]ederal courts have no
30 inherent power to order restitution'" but only "'[s]uch authority
31 [as is] conferred by Congress' through statute," United States v.
32 Gottesman, 122 F.3d 150, 151 (2d Cir. 1997) (quoting United States
33 v. Helmsley, 941 F.2d 71, 101 (2d Cir. 1991) (emphasis ours)), the
34 court has no authority under the MVRA to adopt or enforce an
35 agreement calling for restitution in excess of that authorized by
36 statute.

1 The chop shop offense of which Pescatore was convicted was
2 plainly an offense "against property" and was "committed by fraud
3 or deceit" within the meaning of 18 U.S.C. § 3663A(c)(1)(A)(ii).
4 His operations involved, inter alia, receiving stolen car parts
5 and using those parts to rebuild damaged motor vehicles, and
6 transferring stolen cars to other individuals for replacement of
7 the vehicle identification numbers with false numbers so that the
8 cars could be sold to unwitting customers. (See Plea Tr. 19-22.)
9 Thus, the MVRA was applicable and required the district court to
10 order that Pescatore pay restitution to each identified victim of
11 his offense in the full amount of the victim's losses. The court
12 was not authorized to require restitution in excess of those
13 losses.

14 Pescatore does not dispute the applicability of the MVRA;
15 his contention is that the Plea Agreement and the Judgment are
16 illegal because they require him to pay restitution in excess of
17 his victims' losses. The government, for its part, does not
18 contend on this appeal that it was permissible for the court to
19 order restitution in excess of the victims' losses. Instead, its
20 brief on appeal suggests that the amended Judgment against
21 Pescatore in fact reduced the restitution order to \$2,559,611.79:

22 [a]llthough Pescatore challenges the \$ 3 million
23 figure to which he agreed, the fact is that the
24 judgment was amended to incorporate the portion of
25 the PSR identifying the victims of Pescatore's crimes
26 and their actual losses, which total
27 \$ 2,559,611.79. . . .

28

1 The judgment against him already has been
2 amended to incorporate the victim and loss
3 information from the PSR, making his restitution
4 obligation no more than the actual losses suffered by
5 his victims of his crimes.

6 (Government's brief on appeal at 18, 20 (emphasis added).)

7 We disagree with the government's characterization of the
8 Judgment. However, given the posture of the case, we also
9 disagree with Pescatore's contention that he should immediately be
10 relieved of the requirement that he pay \$3 million in connection
11 with his restitution obligations.

12 1. The Amount Ordered in the Judgment

13 Despite the government's contention on appeal that the
14 amended Judgment requires Pescatore to pay no more in restitution
15 than \$2,559,611.79, nothing in the record--pertinent parts of
16 which are quoted in Part I.B. above--supports that contention. To
17 begin with, the record does not include any document ordering
18 Pescatore to pay any amount other than \$3,000,000 or any order or
19 opinion stating that the \$3 million amount originally ordered has
20 been reduced. Further, the government's letter to the district
21 court, requesting that the original judgment be "corrected," did
22 not ask the court to change the restitution ordered to a sum other
23 than \$3 million; it asked only that the court amend the judgment
24 by attaching the PSR pages that identified the victims and
25 itemized their losses--and it stated that the reason for the
26 request was that the DOJ required that the judgment specifically
27 identify the victims in order "to process the restoration

1 request." (Government's January 2009 Letter at 1.). Nothing in
2 that letter stated that \$3 million was the wrong amount. Nor was
3 a lesser total amount immediately apparent from the proffered PSR
4 pages. While the Loss Chart detailed the losses suffered by each
5 of 80 victims, it did not state a total. From the government's
6 submission, the district court might easily have inferred that the
7 Loss Chart supported the entire already-ordered \$3 million.
8 Indeed, the Government's January 2009 Letter described the
9 requested amendment as a "clerical" correction (*id.* at 2), hardly
10 a term that is applicable to an undiscussed reduction of a
11 liability by nearly half a million dollars. In sum, neither the
12 letter nor the attached PSR pages alerted the court that the
13 Judgment as thus augmented might be viewed as reducing Pescatore's
14 restitution obligation from \$3 million to \$2,559,611.79.

15 Moreover, such a view was nowhere evident in the
16 government's opposition to Pescatore's November 2009 request to
17 have the ordered \$3 million reduced to match the amount of his
18 victims' losses. The government's preargument letter to the
19 district court stated, *inter alia*, that "[t]he Court's order of
20 mandatory restitution in the amount of \$3 million is consistent
21 with the Mandatory Victim[s] Restitution Act." (Government's
22 December 2009 Letter at 2.) The letter contained no reference to
23 \$2,559,611.79. Nor at oral argument was there any mention of that
24 number. AUSA Hennigan stated that based on the PSR pages
25 incorporated in the Judgment, she calculated the victims' losses
26 "to be about \$2.7 million" (Motion Tr. 11); but that statement

1 apparently was not meant to suggest that any less than \$3 million
2 was ordered in the Judgment, for she had referred to the
3 possibility that there might be an "overpayment" (id. at 9), and
4 when the court asked whether the Judgment ordered payment of
5 \$3 million, Hennigan answered affirmatively (id. at 21). AUSA
6 Gatz echoed that affirmative answer (see id.); and she argued
7 unequivocally that Pescatore had "agreed to pay \$3 million" in
8 restitution "and no less," that the court had "ordered" that
9 amount in the "J&C," and that Pescatore's attempt to have that
10 amount reduced was "improper" (id. at 14).

11 Finally, as revealed by the colloquy described in Part
12 I.B. above, the district court itself plainly did not believe it
13 had amended the judgment to reduce the restitution amount below
14 \$3 million. (See, e.g., id. at 21 (The Court: "Wasn't my order
15 for \$3 million? That is the judgment.").)

16 The record thus in no way supports the government's new
17 contention that, because the judgment was amended to append the
18 PSR Loss Chart listing Pescatore's victims and their losses, that
19 "clerical" step reduced Pescatore's restitution obligation to
20 \$2,559,611.79. The Judgment orders Pescatore to pay restitution
21 of \$3 million.

22 The government's present acknowledgement that, as revealed
23 by the pertinent PSR pages, "[a]ll the losses sustained by the
24 victims of crimes in which Pescatore was involved add up to
25 \$2,559,611.79" (Government brief on appeal at 17 (footnote
26 omitted)) means that those losses total some \$440,000 less than

1 the Judgment orders Pescatore to pay. Pescatore contends that the
2 discrepancy is even greater, arguing that the actual losses listed
3 in the PSR Loss Chart total "at least \$1 million less" than
4 \$3 million. (Pescatore brief on appeal at 8 (emphasis in
5 original).) We address these two discrepancies--the first
6 actual, the second alleged--in reverse order.

7 2. Pescatore's Challenge to the Accuracy of the PSR's
8 \$2,559,611.79 Loss Total

9 As indicated above, 18 U.S.C. § 3664(f)(1)(A) required
10 that the amount of each victim's loss be determined by the
11 district court and included in the restitution order. Although
12 the original judgment entered in November 2008 did not comply with
13 this requirement, the amended Judgment appended the PSR Loss Chart
14 that identified 80 chop shop victims in whose losses Pescatore was
15 involved; those pages showed the precise amount of each victim's
16 loss. Although the Loss Chart did not state an overall total of
17 those items, the total is \$2,559,611.79. Pescatore contends that
18 the actual total amount of his victims' losses is less.

19 Pescatore had received the February 21, 2008 PSR well in
20 advance of his sentencing hearing on October 24, 2008. The record
21 does not indicate that in connection with sentencing he made any
22 objection whatever to the PSR's specification of victims or
23 losses, or to the total loss figure--\$2,559,611.79--that was in
24 fact stated elsewhere in the PSR. Further, in January 2009, when
25 the government asked the court to amend the original judgment by
26 appending specific pages of the PSR, Pescatore made no objection:

1 He did not suggest that any individual or entity identified in
2 those pages was not a victim in whose loss he was involved; he did
3 not suggest that any loss amount shown on those pages was
4 incorrect; he did not suggest that the loss amounts listed
5 totaled less than \$2,559,611.79. And when the amended Judgment
6 was entered, Pescatore did not appeal.

7 Pescatore's contention that his victims' losses total
8 less than \$2,559,611.79 was not advanced until he made his
9 restoration/restitution motion, some nine months after the
10 amended Judgment was filed. Given the lack of any timely
11 objection to the correctness of the PSR Loss Chart's listing of
12 Pescatore's individual victims, showing losses that total
13 \$2,559,611.79, Pescatore's contention that the Judgment is
14 inaccurate because the appended PSR Loss Chart is inaccurate is
15 reviewable only for plain error. See Fed. R. Crim. P. 52(b);
16 United States v. Catoggio, 326 F.3d 323, 326 (2d Cir. 2003);
17 United States v. Coriaty, 300 F.3d 244, 252 (2d Cir. 2002); United
18 States v. Kinlock, 174 F.3d 297, 299 (2d Cir. 1999).

19 Under the standard set by the Supreme Court for the
20 application of Rule 52(b), before an appellate court is allowed to
21 correct an error that was not timely raised in the district court
22 four conditions must be met. "[T]here must be (1) 'error,' (2)
23 that is 'plain,' and (3) that 'affect[s] substantial rights'"; and
24 "[i]f all three" of those "conditions are met, an appellate court
25 may then exercise its discretion to notice a forfeited error, but
26 only if (4) the error 'seriously affect[s] the fairness,

1 integrity, or public reputation of judicial proceedings.'"
2 Johnson v. United States, 520 U.S. 461, 467 (1997) (quoting
3 United States v. Olano, 507 U.S. 725, 732 (1993)) (other internal
4 quotation marks omitted).

5 Pescatore's contention that the actual losses suffered by
6 his chop shop victims are less than the \$2,559,611.79 detailed in
7 the PSR Loss Chart that was made part of the Judgment does not
8 meet even the first threshold condition of the plain-error test.
9 His restoration/restitution motion asserted that "the aggregate
10 amount of loss or restitution to the victims identified in the PSR
11 is more than \$1 million lower than Mr. Pescatore was ordered by
12 the Court to pay" (Memorandum of Law in Support of Defendant
13 Michael Pescatore's Santobello Motions at 7 (emphasis in
14 original)), but it proffered no facts to support that assertion.
15 The motion did not challenge the PSR's identification of any
16 particular victim; and it did not challenge the amount of any
17 specific PSR-itemized loss. Rather, it claimed that that lower
18 amount was revealed by "[s]imple arithmetic" (id. at 7 n.5). Yet
19 the motion did not proffer a precise amount by which Pescatore
20 contended the PSR was in error. Nor was a precise figure--or any
21 evidence--proffered at oral argument of the motion, despite the
22 court's request for "proof" (Motion Tr. 12). Although Froccaro,
23 Pescatore's attorney, stated that he used his calculator to
24 determine that "the loss amount in the PSR . . . added up to 1.8"
25 (id. at 22), Froccaro also said, "I never agreed to the \$1.8

1 million," (id. at 21), and said he could not give the court a
2 "definite figure" (id. at 6).

3 The district court thus ruled--properly--that it could not
4 uphold Pescatore's challenge to the accuracy of the PSR based on
5 his vague and conclusory assertions (see, e.g., Motion Tr. 22
6 ("not on the representations you made here today")).

7 Our own mathematical review confirms that the relevant
8 victims' losses listed in the Loss Chart appended to the Judgment
9 total \$2,559,611.79. Although Pescatore's brief on appeal
10 provides somewhat more enlightenment than was proffered to the
11 district court as to the nature of his claim of arithmetic error,
12 that claim improperly disregards the fact that in many instances
13 his offense with respect to a particular vehicle caused losses to
14 more than one victim. Given Pescatore's failure to proffer any
15 evidence to show that the PSR Loss Chart is inaccurate, we cannot
16 conclude that the amended Judgment's incorporation of the PSR's
17 listing of losses totaling \$2,559,611.79 is error, much less
18 "plain" error.

19 3. Pescatore's Challenge to the \$3 Million Requirement

20 Pescatore's contention that the Judgment is in error to
21 the extent that it orders him to pay more than \$2,559,611.79 is
22 also subject to plain-error review and is far more problematic.
23 In the original judgment entered in November 2008, the order that
24 Pescatore pay restitution in the amount of \$3 million did not
25 include or incorporate any identification of Pescatore's victims

1 or determination of each victim's loss. Hence that judgment's
2 order that Pescatore pay restitution did not comply with the MVRA.
3 Pescatore did not appeal to complain of that defect.

4 More importantly, when the government asked the district
5 court to amend the original judgment by appending the PSR Loss
6 Chart itemizing Pescatore's victims and their losses, which
7 would apparently bring the Judgment into compliance with
8 § 3664(f)(1)(A), Pescatore did not ask the district court to also
9 amend the original \$3 million figure so that the restitution
10 ordered would not exceed the \$2,559,611.79 in losses listed in the
11 Loss Chart. Nor, after the amended Judgment was filed in January
12 2009, did Pescatore appeal to complain that the Judgment required
13 him to pay more in restitution than the \$2,559,611.79 the
14 government had proven in losses. Rather, he waited until October
15 2009 to complain of the Judgment, i.e., six months after being
16 notified that the DOJ would not relieve him of his restitution
17 obligation, and nine months after the Judgment was filed.
18 Accordingly, Pescatore's present challenge to the Judgment's order
19 that he pay \$3 million in restitution cannot be sustained unless
20 he meets the plain-error test, described in Part II.B.2. above.
21 We conclude that he meets the first three elements of that test,
22 but not the fourth.

23 Given the government's concession on this appeal that it
24 proved losses totaling only \$2,559,611.79, the amended Judgment's
25 retention of the order that Pescatore pay \$3 million in
26 restitution was error. And in light of the authorities cited

1 above, that error is plain. Further, there can be no doubt that,
2 at least at the time the Judgment was amended and itemized only
3 \$2,559,611.79 in losses, the error affected Pescatore's
4 substantial rights, for it required him to pay some \$440,000 more
5 than the MVRA authorized. But these are just the threshold
6 conditions that, if met, permit us to "exercise [our] discretion
7 to notice a forfeited error . . . only if [] the error seriously
8 affect[s] the fairness, integrity, or public reputation of
9 judicial proceedings." Johnson, 520 U.S. at 467 (internal
10 quotation marks omitted) (emphasis added). In the present case,
11 if Pescatore had proceeded to make timely payment of
12 \$2,559,611.79, we would, in the interest of justice, recognize
13 that his restitution obligation was satisfied; or if he had timely
14 paid the ordered \$3 million, we would conclude that justice
15 entitled him to a refund.

16 In fact, however, Pescatore, without obtaining a stay of
17 the Judgment, simply flouted it. He moved on December 22, 2009--
18 and renewed his motion on December 31, 2009--for a stay of the
19 Judgment's requirement that he pay on or before December 31, 2009;
20 but the court did not grant a stay. Pescatore nonetheless made
21 no payment at or before that first deadline.

22 At the January 29, 2010 argument on Pescatore's request to
23 reduce the restitution obligation, the court--despite repeatedly
24 noting that Pescatore "ha[d]n't complied with the order of this
25 court" (Motion Tr. 24), was nearly "30 days overdue" (id. at 20,
26 23; see, e.g., id. at 24, 25), and "ha[d]n't even produced a

1 dollar in good faith" (id. at 28)--granted Pescatore a new 30-day
2 period in which to make a restitutionary payment (see id. at 20).
3 That 30-day period ended on March 1, 2010, and nothing in the
4 record suggests that Pescatore made any payment by that date.

5 After his March 1, 2010 deadline had passed, Pescatore
6 asked this Court to grant him a stay. That motion was promptly
7 denied on March 5. No party has informed us that Pescatore has
8 made any payment yet.

9 We note also that following this Court's denial of a stay,
10 Pescatore made no effort whatever to expedite this appeal; instead
11 he missed several filing deadlines, two of which resulted in
12 dismissals (followed eventually by reinstatements) of the appeal.
13 As a consequence of the lack of any urgency on Pescatore's part,
14 this appeal was not submitted for decision until January 2011,
15 nearly a year after the denial of his request to modify the
16 restitution order, and more than 10 months after the expiration of
17 the new 30-day period granted him at the January 2010 hearing--
18 when he was already in noncompliance--to make payment in full.

19 Although the fact that the government had shown losses
20 totaling only \$2,559,611.79 means that the Judgment's order for
21 restitution in the amount of \$3 million was in error, it is
22 fundamental law that that error did not give Pescatore the right
23 simply to ignore the court's order. It is a

24 basic proposition that all orders and judgments of
25 courts must be complied with promptly. If a person
26 to whom a court directs an order believes that order
27 is incorrect the remedy is to appeal, but, absent a
28 stay, he must comply promptly with the order pending
29 appeal.

1 Maness v. Meyers, 419 U.S. 449, 458 (1975) (emphasis added).

2 [A]n order issued by a court with jurisdiction over
3 the subject matter and person must be obeyed by the
4 parties until it is reversed by orderly and proper
5 proceedings. This is true without regard even for
6 the constitutionality of the Act under which the
7 order is issued.

8 United States v. United Mine Workers of America, 330 U.S. 258, 293
9 (1947) (footnote omitted); see, e.g., Howat v. Kansas, 258 U.S.
10 181, 190 (1922) ("until [the] decision" of a court of competent
11 jurisdiction "is reversed for error by orderly review, either by
12 itself or by a higher court, its orders based on its decision are
13 to be respected"); SEC v. Charles Plohn & Co., 433 F.2d 376, 379
14 (2d Cir. 1970) ("It is axiomatic that a court order must be
15 obeyed, even assuming its invalidity, until it is properly set
16 aside." (internal quotation marks omitted)).

17 In light of Pescatore's election to disregard these
18 principles and disobey the Judgment, although we agree that he
19 cannot be compelled to pay more than \$2,559,611.79 as pure
20 restitution, we cannot conclude that he has met the final prong of
21 the plain-error test so as to require that he be given immediate
22 relief from the \$3 million figure, for a defendant's unexcused
23 failure to comply with a restitution order has monetary (as well
24 as other potential) consequences. See, e.g., 18 U.S.C. §§ 3572
25 (penalties), 3612 (penalties and interest); 3613 (civil
26 enforcement), 3613A (inter alia, modification of supervised
27 release terms; contempt of court), 3614 (resentencing).

28 The consequences most relevant to this appeal are the
29 accrual of interest and penalties with respect to restitution

1 payments not made when due. If a restitution payment of more than
2 \$2,500 is not made as ordered by the court, "[i]n general[, t]he
3 defendant shall pay interest," 18 U.S.C. § 3612(f)(1). In
4 addition, a "payment of restitution is delinquent if a payment is
5 more than 30 days late," and is "in default if a payment is
6 delinquent for more than 90 days." 18 U.S.C. §§ 3572(h) and (i).
7 The penalties for delinquency and default are substantial:

8 If a fine or restitution becomes delinquent, the
9 defendant shall pay, as a penalty, an amount equal to
10 10 percent of the principal amount that is
11 delinquent. If a fine or restitution becomes in
12 default, the defendant shall pay, as a penalty, an
13 additional amount equal to 15 percent of the
14 principal amount that is in default.

15 18 U.S.C. § 3612(g) (emphases added); see also id. § 3612(i)
16 ("Payments relating to fines and restitution shall be applied in
17 the following order: (1) to principal; (2) to costs; (3) to
18 interest; and (4) to penalties."). These penalties for default
19 and delinquency are not paid to the defendant's victims, but
20 rather become assets of the United States Treasury. See
21 Administrative Office of the United States Courts, Guide to
22 Judiciary Policy vol. 13, § 810.50.10(a)(2) (Aug. 3, 2010)
23 ("Interest assessed on restitution is paid to the victim. Any
24 penalty assessed on restitution is deposited into Miscellaneous
25 Fines, Penalties, and Forfeitures Fund . . .").

26 Assuming that Pescatore has made no restitutionary
27 payments during the pendency of this appeal, he has accumulated
28 obligations of interest on the \$2,559,611.79, as well as penalties
29 that are sizeable. Thus, it is not clear that \$3 million will

1 exceed the sum of his victims's losses, the statutory interest to
2 which the victims are entitled because of his delay in making
3 payment, and the statutory penalties that may be applicable on
4 account of that delay. In all the circumstances, although we
5 agree that Pescatore cannot be compelled to pay more than
6 \$2,559,611.79 as pure restitution, we cannot conclude that he has
7 met the final prong of the plain-error test in any way that
8 requires that he be given immediate relief from the requirement
9 that he pay \$3 million.

10 We note that Pescatore acknowledged in his plea allocution
11 that his chop shop operation began in 1987 and ended in mid-2004.
12 Thus, his victims have been without compensation for their losses
13 for the better part of a decade, or longer. We conclude that, in
14 light of the choices made by Pescatore throughout this case,
15 including:

16 ■ his initial agreement to pay no less than
17 \$3 million in restitution,

18 ■ his failure to timely object to or appeal from the
19 amended Judgment to challenge its retention of the
20 \$3 million restitution obligation despite the
21 amendment identifying victims whose losses totaled
22 only \$2,559,611.79,

23 ■ his failure to challenge the accuracy of the PSR
24 Loss Chart before sentencing, at sentencing, or upon
25 the government's request that the Loss Chart be made
26 part of the Judgment,

27 ■ his unsubstantiated challenges to the accuracy of
28 the Loss Chart, made in conclusory fashion, more
29 than a year late, and without even an offer of proof,

30 ■ his tortoise-like pace in pursuing relief, both in
31 the district court and on this appeal, to achieve
32 delays that he had requested and been denied,

1 ■ his decision, having repeatedly been denied a stay,
2 simply to disobey the Judgment, and

3 ■ the fact that his failure to make any payments by
4 the court-imposed deadlines will require him to pay
5 interest on, and expose him to the possibility of
6 restitution-related penalties of 10 and 15 percent
7 of, any unpaid portion of \$2,559,611.79,

8 we conclude that the interests of justice, fairness, and the
9 public reputation of judicial proceedings are best served if
10 Pescatore remains required to make the ordered \$3 million payment,
11 subject to his right to a refund of any moneys remaining after his
12 victims have been paid restitution, with interest, and after
13 whatever applicable restitution-related penalties have been
14 satisfied.

15 CONCLUSION

16 We have considered all of Pescatore's arguments on this
17 appeal and have found in them no basis for reversal. On remand,
18 the district court will determine, inter alia, (a) the dates on
19 which payments toward Pescatore's \$3 million obligation are made
20 or are otherwise satisfied by government seizure of his
21 properties, (b) the amounts of interest accruing on any unpaid
22 portion of the principal sum of \$2,559,611.79 during Pescatore's
23 periods of noncompliance with court-ordered deadlines, (c) the
24 extent to which the statutory restitution-related penalties on
25 such unpaid principal are applicable, and (d) if the total of

1 restitution, interest, and restitution-related penalties does not
2 exhaust the \$3 million, the amount to be refunded to Pescatore.

3 The order of the district court (a) denying an order
4 compelling restoration, and (b) denying immediate relief from the
5 \$3 million restitution order is affirmed. Pescatore is to make
6 payment of \$3 million within 60 days of the issuance of the
7 mandate herein; interest on any unpaid portion of \$2,559,611.79
8 shall not cease to accrue during that period. The matter is
9 remanded to the district court for proceedings not inconsistent
10 with this opinion.

11 The mandate shall issue forthwith.