



NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY
WESTERN DISTRICT OF MISSOURI

MATT J. WHITWORTH

Contact Don Ledford, Public Affairs • (816) 426-4220 • 400 East Ninth Street, Room 5510 • Kansas City, MO 64106
www.usdoj.gov/usao/mow/index.html

MARCH 19, 2009
FOR IMMEDIATE RELEASE

SEDALIA BUSINESS OWNER PLEADS GUILTY TO MAKING FALSE STATEMENTS

ADMITS EMBEZZLING MORE THAN \$160,000 FROM EMPLOYEE 401(k) PLAN

KANSAS CITY, Mo. – Matt J. Whitworth, Acting United States Attorney for the Western District of Missouri, announced that the owner of a Sedalia, Mo., business pleaded guilty in federal court today to making false statement to a government agency as part of a scheme to embezzle more than \$160,000 from the company's employee benefit plan.

Raymond A. Potts II, 52, of Sedalia, pleaded guilty before U.S. District Judge Scott O. Wright this morning. **Potts** is the owner of Potts Contracting Group, Inc., a Sedalia construction firm that performs sheet metal roofing work on state and federal government building contracts.

By pleading guilty today, **Potts** admitted that he directed the filing of compliance reports with the Department of Labor for work performed on the youth center at the Whiteman Air Force Base, indicating that fringe benefits had been paid to an employee benefit plan as required by law. In reality, **Potts** admitted, he embezzled \$161,000 from the 401(k) retirement plan since January 2001 by failing to forward to the plan prevailing wage pension contributions. The government contends that **Potts** embezzled \$382,334 from the plan.

Potts has a history of not following the law regarding employee fringe benefits, according to today's plea agreement, which notes that the current activity violates a prior court injunction. In 1997, following a civil investigation by EBSA into essentially identical violations, the Department of Labor filed a civil suit which resulted in a consent judgment restraining **Potts** and his business from further violations, and ordering Potts Contracting Group to pay \$68,419 to the plan, which was paid.

Under federal statutes, **Potts** is subject to a sentence of up to five years in federal prison

without parole, plus a fine up to \$250,000 and an order of restitution. A sentencing hearing will be scheduled after the completion of a presentence investigation by the United States Probation Office.

This case is being prosecuted by Assistant U.S. Attorney Roseann Ketchmark. It was investigated by the Department of Labor, Employee Benefits Security Administration.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

www.usdoj.gov/usao/mow/index.html