



# NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY  
WESTERN DISTRICT OF MISSOURI

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**FOR IMMEDIATE RELEASE**

## **SEDALIA BUSINESS OWNER INDICTED FOR EMBEZZLING FROM EMPLOYEE 401(k) PLAN**

### **FUNDS SPENT ON PRIVATE AIRPLANE, BOAT, VEHICLES, \$100,000-PLUS ANNUAL SALARY**

**KANSAS CITY, Mo.** – John F. Wood, United States Attorney for the Western District of Missouri, announced that the owner of a Sedalia, Mo., business was indicted by a federal grand jury on charges related to embezzling nearly \$86,000 from the company's employee benefit plan.

**Raymond A. Potts II**, 51, of Sedalia, was charged in an 11-count indictment returned by a federal grand jury in Kansas City on Wednesday, June 4, 2008. **Potts** is the owner of Potts Contracting Group, Inc., a Sedalia industrial and commercial construction firm that specializes in government contracting.

According to the federal indictment, **Potts** and his firm sponsored an employee pension benefit plan – a 401(k) retirement plan – with **Potts** serving as the fiduciary of the plan. From Sept. 30, 2003, until May 30, 2007, **Potts** allegedly failed to forward a total of \$85,936 in prevailing wage fringe benefits to the plan. Instead of forwarding employee fringe benefit monies to the plan, the indictment alleges, **Potts** kept the money for his own use and benefit.

During this time period, the indictment alleges, **Potts** paid a number of luxury expenses from his business bank account from which funds should have been transferred to the pension plan, including payments for a private airplane, a boat, Kansas Speedway tickets, a Chevrolet Avalanche truck, a Mercedes Benz for his wife, a Volvo for his wife and various gifts and party expenses. Also during the same time period, the indictment says, **Potts** received an annual salary in excess of \$100,000 from that account.

The federal indictment also charges **Potts** with four counts of making false statements

regarding an employee benefit plan. **Potts** allegedly made false statements in the annual reports filed with the Department of Labor in order to conceal his embezzlement. **Potts** is also charged with six counts of mail fraud related to mailing the fraudulent reports as well as mailing fraudulent Statement of Compliance documents that falsely claimed prevailing wage fringe benefits were being paid to his employees performing work at Whiteman Air Force Base in 2003.

Wood cautioned that the charges contained in this indictment are simply accusations, and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

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

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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](http://www.usdoj.gov/usao/mow/index.html)