



# PRESS RELEASE

Internal Revenue Service - Criminal Investigation  
Cincinnati Field Office  
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## **BUSINESS OWNER SENTENCED IN EMPLOYMENT TAX FRAUD AND OBSTRUCTION CASE**

COLUMBUS – John H. Gregory, 57, of Reynoldsburg, Ohio was sentenced to twelve months and one day in prison, three years of supervised release, and ordered to pay \$1,136,292.34 in restitution to the Internal Revenue Service (IRS) for obstructing a federal investigation and failing to account for and pay over employment taxes to the IRS. Gregory previously pleaded guilty to these charges on August 29, 2013.

Carter M. Stewart, United States Attorney for the Southern District of Ohio and Kathy A. Enstrom, Special Agent in Charge, Internal Revenue Service Criminal Investigation (IRS) announced the sentence handed down today by U.S. District Judge Gregory L. Frost.

According to court documents, between July 2007 and October 2010 Teach Tec was a corporation doing business in Columbus, Ohio. Gregory exercised control over all of Teach Tec's business affairs, including approving payments made by Teach Tec and having control over Teach Tec's bank accounts. Gregory was responsible for collecting, truthfully accounting for, and paying over Teach Tec's payroll taxes to the IRS.

Teach Tec withheld payroll taxes from its employees' paychecks, including federal income taxes and Federal Insurance Contributions Act taxes (FICA), but made only one small payment to the IRS, despite such payments being required on a quarterly basis.

Gregory willfully failed to account for and pay over to the IRS nearly all of the payroll taxes due and owing on behalf of Teach Tec and its employees. Specifically, Gregory failed to pay any of the payroll taxes due and owing to the IRS for the Second Quarter of 2010. Records reflect that for that quarter, Teach Tec owed \$17,148.37 in Tax due and owing, however Teach Tec made no payment of taxes for that quarter. As a result of this scheme, the Department of Treasury, Internal Revenue Service, suffered a total tax loss of \$1,136,292.34.

In December 2011 Gregory knowingly falsified and made a false entry in the employment records with the intent to impede, obstruct, and influence the investigation and the proper administration of a grand jury investigation.

Gregory provided false documents to the grand jury pursuant to a subpoena request in the investigation of Kevin Hightower. The false documents Gregory provided to the grand jury purported to explain several payments totaling \$66,865.00 from Teach Tec to several entities controlled by Kevin Hightower and his associates. The records provided to the Grand Jury fraudulently claimed Teach Tec was paying Hightower and his associated companies for employing Teach Tec clients. In fact, none of the individuals named on the documents produced by Gregory to the Grand Jury were ever employed by Kevin Hightower or his related entities. Gregory in fact falsified these records to conceal the fact that he had assisted Kevin Hightower in withdrawing funds from the Fred D. Hightower Charitable Trust for his own personal use, rather than for charitable purposes.

“Business owners have a significant responsibility to collect and turn over all IRS withholding taxes,” said Kathy A. Enstrom, Special Agent in Charge, IRS, Criminal Investigation, Cincinnati Field Office. “Those who fail to do so to gain a competitive advantage that will not be tolerated and they will be prosecuted to the fullest extent of the law.”

This case was prosecuted by Assistant U.S. Attorney Laura M. Fulton and was investigated by special agents of IRS-Criminal Investigation.

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