



Department of Justice

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Northern District of Georgia

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FORMER HOME DEPOT EMPLOYEE PLEADS GUILTY TO VENDOR KICKBACK SCHEME AND TAX EVASION

Atlanta, GA - ANTHONY M. TESVICH, 42, of Atlanta, Georgia, has pleaded guilty to one count of conspiracy to commit wire fraud and three counts of tax evasion, arising out of a scheme to defraud Home Depot.

United States Attorney David E. Nahmias said, "This defendant has now admitted to taking millions of dollars in secret payoffs from Home Depot's vendors and not reporting or paying taxes on that corrupt income. Vendor kickbacks to corporate employees corrupt fair competition and the honest operations of American businesses. Those who pay, receive, or solicit such payoffs may face federal prosecution."

"Today's plea underscores the importance of holding accountable those who participate in kickback schemes that subvert the competitive process," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division in Washington, D.C.

IRS Criminal Investigation Special Agent In Charge Reginael D. McDaniel said, "A criminal tax investigation is often a key component in the successful prosecution of a corporate fraud case because it targets the individuals who benefit financially from the scheme. Individuals involved in elaborate financial schemes often believe they can avoid detection by federal law enforcement; however, IRS Criminal Investigation and its law enforcement partners will be there to defend against those whose goals are to defraud and cheat."

According to United States Attorney Nahmias and information presented in court: From October 2002 through October 2007, TESVICH participated in a conspiracy to defraud Home Depot by taking kickbacks from vendors seeking to do business with Home Depot, paying kickbacks to fellow employees to further that scheme while he worked for Home Depot and continuing to pay kickbacks to his former colleagues when he left Home Depot to further the interests of those vendors. TESVICH took the payoffs from foreign suppliers/vendors to insure those vendors' products were chosen for inclusion in Home Depot stores throughout the country. After TESVICH left the

company, he gave substantial cash payments - which he called "french fries" and "milk shakes" - to co-conspirator employees at Home Depot. One co-conspirator also received a luxury SUV from TESVICH. According to the Plea Agreement, this scheme involved payoffs totaling more than \$2.5 million.

TESVICH also pleaded guilty to evading federal taxes on his corrupt income for tax years 2003 (\$212,937 in unpaid taxes); 2004 (\$821,981 in unpaid taxes); and 2005 (\$386,997 in unpaid taxes).

TESVICH could receive a maximum sentence of 20 years in prison on the conspiracy to commit wire fraud charge, and a maximum sentence of 15 years in prison on the tax evasion charges. TESVICH also could be fined up to \$250,000 on each count. In determining the actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders. TESVICH is scheduled to be sentenced on September 2, 2008, at 2:30 p.m., before United States Judge Richard Story in Atlanta.

Anyone with information on such corporate kickbacks and fraud is asked to call the FBI at 404-679-9000.

This case is being investigated by the Internal Revenue Service-Criminal Investigation, the Bureau of Alcohol, Tobacco, Firearms, and Explosives, and the Federal Bureau of Investigation. Home Depot has cooperated in the federal investigation.

This case is being prosecuted by John R. Fitzpatrick, Trial Attorney for the United States Department of Justice Antitrust Division, Atlanta Field Office; Assistant United States Attorney Russell Phillips, and Assistant United States Attorney Sally Molloy.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney or Charlyse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.