



Department of Justice

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FORMER HOME DEPOT EMPLOYEE SENTENCED TO PRISON FOR ORCHESTRATING VENDOR KICKBACK SCHEME

Defendant Also Filed False Tax Returns

Atlanta, GA--ANTHONY M. TESVICH, 42, of Atlanta, Georgia, was sentenced today by United States District Judge Richard W. Story to serve over 6 years in federal prison on charges of conspiracy to commit wire fraud and filing false tax returns, in connection with a scheme to defraud Home Depot.

United States Attorney David E. Nahmias said, "This defendant and his co-conspirators inside Home Depot took payoffs from certain foreign vendors in exchange for giving those suppliers' products an unfair advantage in the company's many stores across the country. This corruption hurt competing vendors who played by the rules, Home Depot, and its customers. But the biggest losers in the end are those who took part in this criminal activity and then failed to pay taxes on their illegal income. They will now spend time in a federal prison, starting with this defendant, the ringleader of the conspiracy."

"The receipt of kickbacks by purchasing officials undermines American businesses who depend on the honesty of their employees at all levels," said Christine A. Varney, Assistant Attorney General in charge of the Department's Antitrust Division in Washington, D.C. "The Antitrust Division will hold accountable those executives who participate in kickback schemes that subvert the competitive bidding process by placing their own interests above those of the companies that employ them."

IRS Criminal Investigation Special Agent In Charge Reginael D. McDaniel said, "The sentencing of this defendant sends a clear message to any employee who may be considering taking illegal funds for personal profit - IRS Criminal Investigation and its law enforcement partners will diligently hold the line against corporate employees who succumb to greed and corruption."

TESVICH was sentenced to serve 6 years, 6 months in prison, to be followed by 3 years of supervised release, and was ordered to pay \$8,292,949 in restitution. Judge Story also ordered TESHVICH to forfeit all assets obtained with proceeds of the fraud scheme, including property in Smyrna, Georgia; Desert Hot Springs, California; and Mobile, Alabama. TESHVICH pleaded guilty to the charges on June 30, 2008.

According to United States Attorney Nahmias and the information presented in court: From October 2002 through October 2007, TESHVICH 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. TESHVICH took the payoffs from foreign suppliers/vendors to insure those vendors' products were chosen for inclusion in Home Depot stores throughout the country. After TESHVICH left the company, he gave substantial cash payments - which he called "french fries" and "milkshakes" - to co-conspirator employees at Home Depot. One co-conspirator also received a luxury SUV from TESHVICH. This scheme involved payoffs totaling more than \$2.5 million.

TESVICH also evaded 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).

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 been cooperating in the ongoing federal investigation.

This case was prosecuted by John R. Fitzpatrick and Barbara W. Cash, Trial Attorneys for the United States Department of Justice Antitrust Division, Atlanta Field Office, and Assistant United States Attorneys Russell Phillips, Sally Molloy, Michael J. Brown, and Gerald S. Sachs.

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.