

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,)	CASE NO. 1:16 CV 2149
)	
Plaintiff,)	Judge Donald C. Nugent
vs.)	
)	JUDGMENT ORDER
DOUGLAS A. KENNY,)	
)	
Defendant.)	
)	
)	

For the reasons set forth in this Court's Memorandum Opinion and Order, Plaintiff's Motion for Summary Judgment (ECF #21) is GRANTED on all counts. Judgment is entered in favor of the Plaintiff, the United States of America and against Defendant, Douglas A. Kenny on all counts as follows:

- (1) For unpaid federal income (Form 1040) taxes for the tax years 2002-2015 under Count One, in the amount of \$1,462,615.70, plus interest and other statutory additions that may have accrued after February 14, 2018;
- (2) For unpaid trust fund penalty liabilities related to payroll obligations for the tax periods ending June 30, 2011, September 30, 2011, December 31, 2011, March 31, 2012, June 30, 2012, September 30, 2012, and December 31, 2012, under Count Two, in the amount of \$10,689.00, plus interest and other statutory additions that may have accrued after February 14, 2018;

(3) For Unpaid unemployment (Form 940) taxes, unpaid federal employment (Form 941) taxes, and a miscellaneous penalty under 26 U.S.C. §6721 for the tax periods ending December 31, 2002, March 31, 2005, September 30, 2005, December 31, 2005, March 31, 2006, June 30, 2006, and September 30, 2006 on Count Three, in the amount of \$44,326.20, plus interest and other statutory additions that may have accrued after February 14, 2018.

(4) The issuance of a permanent injunction against Defendant and any entities or businesses he operates or may operate in the future requiring them to comply with income tax and employment tax obligations under 26 U.S.C. §6072 and 26 C.F.R. §1.6072-1; 26 U.S.C. §1401-1403 and 26 C.F.R. §1.1401-1; 26 U.S.C. §6151; 26 U.S.C. §6654, and 26 C.F.R. §1.6654-1; 26 U.S.C. §§3102, 3402, 3111, and 3301; 26 U.S.C. §§6302, 6157 and 26 C.F.R. §§31.6302-1, 31.6302(c)-1 and (c)-3. This includes an obligation to make timely quarterly estimated income tax payments toward his income tax liabilities; to timely file all income (Form 1040) tax returns due after the date of this order; to deposit in an appropriate federal depository bank, in accordance with federal deposit regulations, withheld employee income tax, withheld employee FICA tax, and employer FICA tax, all as required by the Internal Revenue Code either directly or through a commercial payroll services provider approved in advance by the United States of America; to timely pay all required outstanding liabilities due on each return required to be filed herein.

In order to ensure compliance with this injunction, Mr. Kenny is ordered to sign and deliver to a revenue officer, or some other person designated by the IRS, affidavits verifying that the requisite payments have been made in a timely manner. Such affidavits shall be executed

and delivered by the deadline for making each quarterly estimated income tax payment. Mr. Kenny, shall also, on the first day of each month, sign and deliver to a revenue officer, or to some other person or location designated by the IRS, affidavits verifying that the requisite deposits of withheld income tax, withheld FICA tax, and employer FICA tax have been made in a timely manner. For a period of five years from the date of the injunction, Mr. Kenny shall notify a revenue officer, or some other person or location designated by the IRS, in writing and within 14 days, if he comes to form, incorporate, own, or work in a managerial capacity for another or a successor business entity.

In addition, Mr. Kenny and any entities or businesses he operates or will operate in the future is enjoined from assigning or transferring money or property to any other person or entity for the payment of salaries or wages of his employees except for a commercial payroll services provider approved in advance by the United States, and is enjoined from assigning or transferring any property or from making any payments to other entities until the initial deposits required by this Order are made and until the judgment in this case is paid.

The Court shall retain jurisdiction to construe, enforce, or implement this Order upon the application of any party.

IT IS SO ORDERED.


Donald C. Nugent
United States District Judge

Date: May 30, 2018