

McMahon, C.

USDC SDNY  
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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,  
  
Plaintiff,  
  
v.  
  
MEDWAY CONSTRUCTION INC.,  
  
Defendant.

14 Civ. 5652 (CM)

**ORDER GRANTING PERMANENT  
INJUNCTION**

**ECF CASE**

WHEREAS, on July 24, 2014, the United States filed the instant action seeking a permanent injunction against Medway Construction Inc. ("Medway") under 26 U.S.C. § 7402(a). *See* Dkt. Entry No. 1.

WHEREAS, on the same day the United States requested an order to show cause why a preliminary injunction should not be issued against Medway. *See* Dkt. Entry No. 2.

WHEREAS, on July 24, 2014, the Court entered the Order to Show Cause and scheduled a hearing for August 6, 2014. *See* Dkt. Entry. No. 2

WHEREAS, a preliminary injunction hearing was held on August 6, 2014, at which hearing Medway consented to the entry of a preliminary injunction. *See* Minute Entry for proceedings held on August 6, 2014.

WHEREAS, on August 8, 2014, the Court entered a preliminary injunction with the consent of all parties. *See* Dkt. Entry No. 7.

WHEREAS, the parties have conferred and agree that the entry of a permanent injunction is in the interests of justice and would otherwise be appropriate under 26 U.S.C. § 7402(a).

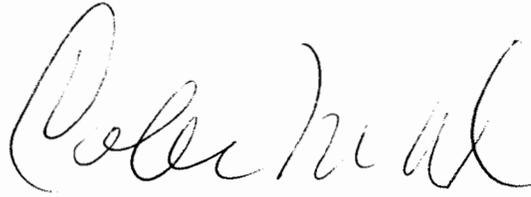
IT IS HEREBY ORDERED that a permanent injunction is entered against Medway Construction Inc. ("Medway") under the following terms:

1. Medway must comply with its tax payment and reporting requirements, including timely filing of IRS Forms 940, 941, and 1120;
2. Medway must file all outstanding tax returns that are due but have not already been filed within thirty (30) days of entry of this Order or within ninety (90) days of the entry of the preliminary injunction, whichever is longer;
3. Medway is permanently enjoined from failing to withhold and pay over to the IRS all employment taxes, including federal income tax, FICA taxes, and FUTA taxes, required by law;
4. Medway shall establish an appropriate depository account at a federal deposit bank in which it must deposit all federal tax deposits in accordance with applicable federal deposit regulations, *e.g.*, 26 C.F.R. § 31.6302, and shall provide proof to the United States Attorney's Office that it has established such an account as required by law within thirty (30) days of entry of this order;
5. Medway is prohibited from assigning or transferring any property or making any disbursement of funds for any purpose until such federal tax deposits have been made, including, but not limited to, that Medway is prohibited from transferring any money or property to any other entity in order to have the net salaries or net wages of Medway's employees paid by the entity; and
6. Medway is permanently enjoined from engaging in any other similar conduct that substantially interferes with the proper administration and enforcement of the Internal Revenue laws.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this matter to enforce compliance with this Order and issue any such other relief as this Court deems proper.

IT IS FURTHER ORDERED that, having granted the relief requested by the Government's complaint, this matter is hereby closed.

Dated: New York, New York  
September 15, 2014



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HON. COLLEEN MCMAHON  
UNITED STATES DISTRICT JUDGE

*cmc*