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Middle District of Tennessee

FOR IMMEDIATE RELEASE

Wednesday, July 17, 2013

Two Defendants In Sommet Case Plead Guilty

NASHVILLE, Tenn. July 17, 2013 Marsha Whitfield, 39, and D. Edwin Todd, 68, both of Franklin, Tennessee, pleaded guilty today in U.S. District Court, to charges related to their roles in a multi-million-dollar fraud perpetrated by the Sommet Group, LLC, announced David Rivera, Acting U.S. Attorney for the Middle District of Tennessee. Sommet was a payroll-processing company and former sponsor of the Nashville arena once known as the Sommet Center.

Whitfield entered into a plea agreement, through which she pleaded guilty to one count of wire fraud and one count of conspiracy to commit wire fraud, theft or embezzlement from an employee benefit plan, money laundering, and tax fraud. Todd entered a guilty plea to one count of conspiracy, the sole count of the indictment in which he was charged.

As outlined in Marsha Whitfield's plea agreement, Todd was a co-owner of Sommet, and Marsha Whitfield was vice president of Sommet's payroll department. Sommet purported to be a payroll-processing company. For a fee, business clients provided Sommet their gross payroll and Sommet promised to allocate and distribute the funds in the appropriate amounts to state and federal taxing authorities, a health-insurance plan, 401(k) plans, and client employees' paychecks.

Marsha Whitfield admitted in her plea agreement, that instead of distributing those client funds in appropriate amounts at appropriate times, she and Todd diverted those funds to personal use, among other things. As a result, clients' employees' 401(k) funds were not fully deposited into their 401(k) accounts, their medical and prescription-drug claims were not fully paid by health insurance, and their taxes were not fully or timely paid to the IRS. Marsha Whitfield also admitted that she gave clients false excuses and misleading explanations when they inquired or complained that Sommet had failed to pay obligations such as payroll, health insurance, 401(k) accounts and other financial obligations.

Whitfield and Todd each face up to 5 years in prison and a \$250,000 fine on the conspiracy charge. Whitfield faces up to an additional 20 years in prison and a fine of \$250,000 on the count of wire fraud.

The remaining defendant, L. Brian Whitfield, is scheduled for trial on January 21, 2014, in U.S. District Court in Nashville. He is presumed innocent unless and until proven guilty.

The case was investigated by agents with the IRS-Criminal Investigation, the FBI and the Department of Labor-Employee Benefits Security Administration. The United States is represented by Assistant United

States Attorney Kathryn Ward.

Component(s):

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