



## ***PRESS RELEASE***

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FOR IMMEDIATE RELEASE

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### **FORMER CEO OF 1POINT SOLUTIONS SENTENCED TO 151 MONTHS IN PRISON**

*Nashville, Tennessee – September 4, 2009* - Edward M. Yarbrough, United States Attorney for the Middle District of Tennessee, announced that United States District Judge, Robert Echols sentenced Barry Stokes, 52, the former CEO of 1Point Solutions, an employee-benefits administration company based in Dickson, Tennessee, to 151 months in prison for orchestrating an extensive fraud in which he embezzled over \$19 million from thousands of victims' 401(k), health-savings, and dependent-care accounts. The sentencing hearing followed Stokes's early guilty plea to multiple charges on September 9, 2008.

During the September 2008 plea hearing, Stokes pleaded guilty to twenty-nine counts of embezzlement of Employee Retirement Income Security Act (ERISA) funds, in violation of Title

18, United States Code, Section 664; one count of mail fraud, in violation of Title 18, United States Code, Section 1341; two counts of wire fraud, in violation of Title 18, United States Code, Section 1343; six counts of money laundering, in violation of Title 18, United States Code, Section 1957; and four counts of criminal contempt, in violation of Title 18, United States Code, Section 401(3).

As part of his guilty plea, Stokes also admitted to extensive details of how he devised, operated, and concealed his sophisticated scheme to embezzle from hundreds of employee-benefit plans. Stokes further admitted that he never properly invested any of the 401(k) funds with which he had been entrusted, and instead embezzled approximately \$14.5 million in 401(k) rollovers, conversions, and contributions. In addition, Stokes admitted to embezzling approximately \$4.8 million in funds from other employee-benefit programs, such as flexible-spending accounts, health-savings accounts, and dependent-care accounts. In all, Stokes embezzled over \$19 million while victimizing approximately 35,000 individual employees across the entire United States, including many in the Middle District of Tennessee.

At sentencing, Judge Echols heard statements from victims, many of whom had lost all or part of their retirement savings as a result of Stokes's fraud. The Government also presented evidence demonstrating that Stokes had committed fraud in his company's related bankruptcy proceeding (and had separately violated a temporary restraining order in a related civil case) by, among other conduct, moving his valuable Japanese woodblock art collection from Dickson, Tennessee to Austin, Texas and sending a friend a false "paid in full" receipt for a car he still partially owned. After considering that and other evidence, Judge Echols imposed a 151-month prison sentence. In addition to the prison term, Judge Echols sentenced Stokes to serve three

years of supervised release following his incarceration and ordered him to pay over \$19.9 million in restitution to victims.

In response to the sentence, United States Attorney Edward Yarbrough stated, “The United States Attorney’s Office is pleased that the Court saw fit to impose a significant sentence on Mr. Stokes for his fraud that hurt so many innocent victims. Such financial crimes cause damage far beyond just the monetary losses, and the United States Attorney’s Office will continue to aggressively prosecute those who commit such frauds.”

The case was investigated by the Federal Bureau of Investigation, the Internal Revenue Service, the Department of Labor, and the United States Postal Inspection Service. The United States was represented by Assistant U.S. Attorney Ty Howard.

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