



# Department of Justice

**United States Attorney David Kustoff  
Western District of Tennessee**

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Former Vice President of Sales for UnumProvident Corporation  
Sentenced on Federal Charges of Fraud

Memphis, TN – JAMES MICHAEL FOLEY, 49, of Memphis, Tennessee was sentenced to 51 months incarceration to be followed by 3 years of supervised release by United States District Court Judge Samuel H. Mays announced David Kustoff, United States Attorney for the Western District of Tennessee today. He was also ordered to pay restitution in the amount of \$3,488,481.41. Foley plead guilty on December 21, 2006 to a two (2) count Information.

According to the Information, Foley was formerly the Vice-President of Sales for UnumProvident Corporation now known as Unum Group and was involved in selling large blocks of insurance to corporations. As further noted in the Information, Foley sold policies to approximately ten (10) client companies directly. These policies were not considered commission policies; however, according to the Information, Foley caused the underwriting department of UnumProvident to name his friend as the broker of record on the policy at a certain commission level even though there was actually no broker involved in the selling of the policy. The Information states that Foley would then receive 90 percent of the commission paid to his friend and would alter the Schedule A paperwork by removing the name of the broker and the amount of the commission paid. The Schedule A is the paperwork furnished to the client company by the insurance provider. Because of this scheme, Foley caused losses to UnumProvident of approximately \$6,124,731.20. Foley, then, knowingly caused the Schedule A, from the client company, specifically Helena Chemical Company in Memphis, to be delivered to the US Department of Labor in violation of Title 18 USC Sections 1341, 1346 and 2.

According to Count Two (2) of the Information, Foley made false statements on and did knowingly cover up and fail to disclose facts on a document, with respect to the policy with Helena Chemical Company, that was required by Title 1 of the Employee Retirement Income Security Act of 1974 (ERISA). This was in violation of Title 18, USC Sections 1027 and 2.

This case was investigated by the United States Department of Labor. According to Assistant United States Attorney Stuart Canale, Unum Group cooperated fully with the investigation.

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