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PRESS RELEASE

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Vice President of Sales for UnumProvident Corporation Pleads to Information on Charges of Fraud

Memphis, TN – David Kustoff, United States Attorney for the Western District of Tennessee, announced today that JAMES MICHAEL FOLEY, 49, of Germantown, Tennessee plead guilty today to an two (2) count Information.

According to the Information, Foley was the Vice-President of Sales for UnumProvident Corporation 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 a 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. This was done without the knowledge and consent of the client corporations. 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, the Information shows that Foley caused losses to UnumProvident of approximately \$6,124,731.20. Foley, then, knowingly caused the form from the client company named in the Information, 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 required by Title 1 of the Employee Retirement Income Security Act of 1974 (ERISA) with respect to the policy with Helena Chemical Company. This was in violation of Title 18, USC Sections 1027 and 2.

Foley faces a maximum penalty of 25 years in prison and a \$500,000 fine when sentenced. Sentencing is set for March 23, 2007.

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

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