



Department of Justice

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JURY FINDS GOFF GUILTY

Montgomery, Alabama — John W. Goff, age 60, was convicted today by a jury sitting in the Middle District of Alabama, Montgomery, Alabama, of twenty-five felonies. Goff was convicted of one count of embezzling over \$4 million from XL America Corporation, a Philadelphia-based international insurance company. Goff was convicted of twenty-three counts of mail fraud in a scheme that spanned five States and defrauded hundreds of insured businesses and independent insurance agents. Goff was also convicted of making with the intent to deceive a material false statement about his finances in an application for an insurance license with the Alabama Department of Insurance. The embezzlement and material false statement charges carry a maximum punishment of 10 years imprisonment and a fine up to \$8 million. Each of the mail fraud counts has a maximum punishment of 20 years imprisonment and the same fine amount.

Goff's scheme was to provide "low ball" insurance workers' compensation quotes to insured businesses to induce them to enter into workers' compensation policies with him. At the end of the one year policy period, an audit of the insured business's payroll would be performed and some of the insured businesses would receive a large invoice for an audit premium to make up for the "low ball" quote. Thus, Goff would victimize the insured business. Goff would then claim to the victim insurance company that he either could not collect or was having trouble collecting the large audits and blame the insurance company for being late performing or

otherwise causing a problem with the audits. Goff would then pocket the audit premiums and after protracted bogus civil litigation and claims of financial difficulty, would engage in a fraudulent settlement with the insurance company for approximately fifty cents on the dollar. This practice unjustly enriched Goff in an amount in excess of \$8 million.

Goff also kept the money he was supposed to pay as commissions to the independent insurance agents through whom he gained access to the insured businesses. Further, as part of his scheme, Goff, despite being in a position of trust, failed to disclose to the insured businesses and independent agents that he was keeping all the premiums he collected on their behalf and was not forwarding the premiums to the insurance company. Goff used the money he obtained through his fraudulent scheme to fund his lavish lifestyle including, but not limited to, his salary of \$1 million a year, his private jet, his \$1.2 million home on his large country estate, his homes on the Gulf Coast, his memberships in exclusive country clubs, and his luxury automobiles.

Acting United States Attorney Louis V. Franklin, Sr., said that he “was pleased with the verdict and proud of the jury who listened attentively to the evidence in the case.” Mr. Franklin noted that the Alabama Department of Insurance, the FBI, many private individuals, and his office had been maliciously attacked by Goff who has shown absolutely no remorse for his crimes. “The execution of justice in this case was, therefore, particularly satisfying” said Mr. Franklin. The lead prosecutor in the case, J.B. Perrine, said that “the jury faithfully and properly carried out its responsibility to hold Goff accountable for his egregious abuse of trust and complete disregard of his fiduciary responsibilities to the hundreds of insured businesses and independent insurance agents who trusted him to look after their best interests and send their hard earned premium dollars to the insurance company to pay for the workers’ compensation

policies that were vital to their businesses.” Mr. Perrine said that “Goff’s crime was particularly despicable because he cloaked himself in a guise of respectability and legitimacy which enabled him to perpetrate his crimes on unsuspecting victims.” Mr Perrine said that he “hopes that the jury’s verdict sends a stern warning to everyone who holds funds belonging to others to properly invest, safeguard, and account for those funds.”

Sentencing has been set for June 2, 2009, at 10:00 a.m.

The case was investigated by the Federal Bureau of Investigation, Mobile Division. Ms. Debra K. Mack, Special Agent in Charge of the Mobile Division, said “the FBI considers corporate fraud a priority. In this case, the wide-scale fraud, and the effects on numerous individuals and businesses made this case significant. The FBI will continue to aggressively investigate and pursue those individuals who put their own greed above what is right.” The lead investigator on this case was Special Agent James K. Murray of the Montgomery Resident Agency of the FBI. This case was prosecuted by Acting United States Attorney Franklin and AUSAs Perrine and Stephen Feaga.