



## U.S. Department of Justice

*United States Attorney  
Northern District of Illinois  
Western Division*

*Scott A. Verseman  
Assistant U.S. Attorney*

*308 West State Street - Room 300  
Rockford, Illinois 61101*

*PH: (815) 987-4444  
FAX: (815) 987-4236*

March 18, 2005

### **FORMER OWNER OF INSURANCE AGENCY SENTENCED TO 20 MONTHS IN PRISON FOR EMBEZZLING MORE THAN \$240,000 OF INSURANCE PREMIUMS**

ROCKFORD -- PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois, and KENNETH T. LAAG, Postal Inspector-In-Charge of the Chicago Office of the United States Postal Inspection Service, today made the following announcement:

Today, in federal court in Rockford, United States District Judge Philip G. Reinhard sentenced **JAMES J. MARTIN**, 50, the former owner of an independent insurance agency in Rockford known as H.L. Todd & Company, Inc. ("H.L. Todd"), to 20 months in prison, without parole, for embezzling \$243,830 of insurance premiums. Judge Reinhard also ordered Martin to pay \$208,095 in restitution to the victims of his crime.

Martin pled guilty to the insurance embezzlement charge on January 10, 2005. In his written plea agreement, Martin admitted that from April 29, 1996 through May 20, 2002, he embezzled premiums which belonged to H.L. Todd's customers and insurance companies for which H.L. Todd sold policies. Specifically, Martin admitted that he embezzled a total of \$42,488 in premiums that had been paid to H.L. Todd by customers. These premiums were supposed to be remitted to the insurance companies from whom the customers were purchasing policies. As a result of Martin's embezzlements, the insurance companies failed to issue the policies paid for by the customers. Martin admitted that he concealed his embezzlements by issuing false certificates of insurance to these customers, causing them to believe the policies had been issued.

Martin further admitted in his plea agreement that he embezzled a total of \$201,342 in premium refunds from insurance companies that H.L. Todd was supposed to remit to its customers. A substantial portion of the embezzled refunds consisted of overpayments on workers compensation premiums that had been paid by customers of H.L. Todd. Martin admitted that he concealed these embezzlements by failing to notify the customers of their premium refunds.

The case was investigated by the Chicago office of the Postal Inspection Service. The case was prosecuted in federal court by Assistant United States Attorney SCOTT A. VERSEMAN. The investigation began after an audit of H.L. Todd by the Illinois Department of Financial and Professional Regulation, Division of Insurance. The Division of Insurance and the Financial Crimes Unit of the Illinois State Police-Springfield assisted in the federal investigation.

#####