

Ex-Latex CEO Gets Prison For Embezzlement

The Associated Press

BRIDGEPORT, Conn. (AP) — A former chief executive of mattress manufacturer Latex International was sentenced Tuesday to nearly six years in prison for embezzling about \$1.7 million in what prosecutors said was a scheme to pay for "an absurdly extravagant lifestyle."

Kevin Coleman of Waseca, Minn., was sentenced in federal court in Bridgeport to 70 months in prison. Coleman pleaded guilty to single counts of wire fraud and tax evasion in February.

U.S. District Judge Stefan Underhill also ordered Coleman to pay more than \$1.7 million in restitution to the Shelton, Conn., company, and to pay more than \$1.3 million in back taxes, penalties and interest.

Prosecutors had sought a prison sentence of substantially more than four years for Coleman, 51, saying in a presentencing filing, "instead of fulfilling responsibilities and obligations to the company's owners and employees, he pillaged Latex to fund an absurdly extravagant lifestyle."

Prosecutors said Coleman used company funds to buy, among other luxuries, hundreds of thousands of dollars worth of jewelry for his wife, a mistress in London, and an emerald cut diamond for a ring for himself valued at about \$57,000. Prosecutors said he was making between \$359,000 and \$460,000 at the time.

Defense attorney Robert M. Frost Jr. had asked for a sentence of no more than four years, saying Coleman accepted responsibility for behavior he said was fueled by alcohol and drug abuse. Frost said Coleman has undergone treatment and has been sober for six months. He said Coleman is "deeply remorseful and he has a better understanding what caused him to engage in such reckless conduct."

Coleman's co-defendant Joanne Osmolik, former Latex vice president for human resources, was sentenced in April to four years for embezzling another \$1.7 million, and also ordered to pay restitution.

She and Coleman were ordered to jointly pay Latex \$450,000 in legal fees.

Prosecutors said Latex laid off 43 workers, closed a plant in England and suspended its employees' 401K plan because of the financial impact of the fraud.

"Coleman's sentencing, coming on the heels of his co-conspirator receiving a 4-year prison sentence for her actions, closes this unfortunate chapter in our company's otherwise long and successful heritage," said Dave Fisher, the company's president and CEO, said in statement Tuesday.

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