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Eastern District of Arkansas

FOR IMMEDIATE RELEASE

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Former President Of Life Insurance Company Pleads Guilty To Embezzlement Charge

LITTLE ROCK, AR – Christopher R. Thyer, United States Attorney for the Eastern District of Arkansas; David T. Resch, Special Agent in Charge of the Little Rock Field Office of the Federal Bureau of Investigation; and Deborah Perry, Regional Director of the United States Department of Labor, Employee Benefits Security Administration; announced today that John Mathis Lile, III, age 56, of Little Rock has pleaded guilty to theft or embezzlement in connection with health care.

Lile was President of the now defunct Cosmopolitan Life Insurance Company ("Cosmo"), which funded and managed self-insurance health care plans for small businesses around the State. Last April, the Grand Jury for the Eastern District of Arkansas indicted Lile for misusing Cosmo funds. Appearing today before the Honorable Susan Webber Wright in United States District Court, Lile admitted that he abused his position by using a company-issued American Express credit card to pay for thousands of dollars in personal expenses over a three-year period. His charges ran the gamut, including family vacations to Las Vegas, Destin, and Italy, restaurant supplies, cruises, tanning, Hannah Montana tickets, and outlet shopping, among numerous other expenses.

Under the terms of the plea agreement, Lile has agreed to pay full restitution to Cosmo and to serve one year and one day in federal prison. In return, the United States agreed to dismiss a related charge tied to ALBA. The prison sentence and restitution will be imposed by the Court at a later date.

"It is unconscionable for executives to abuse their positions of power by stealing from the very companies that they are bound to serve," stated Thyer. "The negative consequences of such greed are still greater when those companies play important roles in the health care industry. Honest, hard-working people must be able to trust that the organizations upon which they rely for healthcare will not be bled dry from the inside."

"I hope this sends a clear message to all who sponsor or transact business with employee benefit plans that the federal government will aggressively pursue those who commit crimes against employees and retirees of private-sector health and pension plans" said Perry.

SAC Resch added, "the FBI enjoys a strong partnership with the United States Department of Labor Employee Benefits Security Administration. We will continue to work with the Department of Labor and the United States Attorney's Office to aggressively pursue these types of crimes."

The FBI and the United States Department of Labor led the investigation. First Assistant United States Attorney Patrick C. Harris and Assistant United States Attorney Alexander D. Morgan prosecuted the case for the United States.

Component(s):

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