



# Department of Justice

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Western District of Kentucky

FOR IMMEDIATE RELEASE  
FRIDAY, FEBRUARY 20, 2009  
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## **TWO LOUISVILLE BUSINESSMEN SENTENCED FOR INSURANCE SCHEME TO DEFRAUD ANTHEM BLUE CROSS BLUE SHIELD**

*- Ronald Jarboe also sentenced for wire fraud, lying to federal agents,  
and destroying evidence*

LOUISVILLE, KY - Ronald E. Jarboe, age 54, of Louisville, Kentucky, and Dana R. Reinhart, age 55, of Louisville, Kentucky, were sentenced on February 18, 2009, after previously pleading guilty to conspiracy to commit health care fraud, and making false statements in relation to health care matters, Acting United States Candace Hill of the Western District of Kentucky announced today. Jarboe had also previously pleaded guilty to additional charges of making of false official statements, wire fraud, and destruction of subpoenaed records. Jarboe is the part owner and operator of Freedom Express, a Louisville-based trucking company. Reinhart owned and operated an insurance brokerage company called Corporate Financial Associates. Jarboe was sentenced to 1 year and 9 months imprisonment and 3 years supervised release. Reinhart was sentenced to 3 years probation with 6 months home confinement. Both defendants paid full restitution prior to sentencing. Jarboe paid \$7,000 in restitution to Cendant Corporation, which owns Budget Rental, and \$47,297.89 to Anthem Blue Cross/Blue Shield. Reinhart paid \$47,297.89 in restitution to Anthem Blue Cross/Blue Shield prior to sentencing. In addition, defendant Reinhart agreed to surrender his insurance broker's license as part of the Plea Agreement.

The Indictment to which Jarboe and Reinhart pleaded guilty charged that from April 2003 and continuing until February 2004, they conspired to and made false statements to Anthem Blue Cross and Blue Shield in order to obtain healthcare insurance for Jarboe's company, Freedom Express. Jarboe obtained healthcare insurance for his employees through Reinhart, who was a Louisville-based insurance agent. Reinhart and Jarboe misrepresenting to Anthem the number of employees working for Freedom Express and was able to pay a lower premium to Anthem. They also misrepresented to Anthem the "hire date" of Freedom Express's employees in order to make it look as if these employees were hired after the policy went into effect. In addition, Reinhart and Jarboe misrepresented the health condition of Freedom Express's employees so that Anthem would charge Freedom Express a lower premium rate.

Jarboe also pleaded guilty to lying to federal investigators during the course of the investigation. More particularly, on November 22, 2005, Jarboe falsely told investigators that he had provided all documents related to a December 2, 2004, federal subpoena and that no records related to the subpoena were destroyed.

#### **Wire Fraud - False Statement on a Property Insurance Claim**

Jarboe also pleaded guilty to wire fraud in relation to an insurance claim he made to Avis Rental, a division of Cendant Corporation, in September 2004 relating to a trailer of Freedom Express that was involved in an August 18, 2004, accident. Jarboe fraudulently told the insurance company that he suffered approximately \$12,000 in damages. The actual damages were less than \$1,000.

The case was prosecuted by Assistant United States Attorney Bryan Calhoun and Letricea Jefferson-Webb, and it was investigated by the Department of Labor, the Kentucky Office of Insurance, and the United States Secret Service.

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