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**Department of Justice**

U.S. Attorney's Office

Middle District of Tennessee

FOR IMMEDIATE RELEASE

Friday, February 26, 2016

## **South Carolina Man Sentenced to Prison for Role in Nationwide Health Care Benefits Scheme**

### **Over 17,000 Victims Left in Wake of Bogus Health Care Plan**

*Nashville, Tenn. - February 26, 2016* - William M. Worthy, II, 53, of Isle of Palms, South Carolina, was sentenced to 82 months in prison today for his role in a nationwide health care fraud scheme that defrauded over 17,000 victims, announced David Rivera, United States Attorney, and Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division.

Worthy was sentenced by U.S. District Judge Aleta A. Trauger, who also imposed a term of three years' supervised release upon Worthy's release from prison. A restitution hearing has been scheduled for June 1, 2016. Worthy pleaded guilty on November 3, 2015, to one count of wire fraud and one count of conspiring to commit mail fraud, wire fraud, health plan embezzlement and money laundering.

As part of his guilty plea, Worthy admitted that he participated in a scheme to defraud thousands of individuals who purchased purported health care coverage from Worthy and his co-conspirators, when in fact the health care plans were not backed by insurance companies. The purported health care plans were marketed by Smart Data Solutions, LLC, a company located in Springfield, Tennessee, owned and managed by Bart Sidney Posey, Sr., 48, of Springfield, who is charged as a co-conspirator in this case.

Smart Data Solutions LLC, and related entities, were seized and liquidated by the State of Tennessee in 2010 when the Davidson County Chancery Court found that these entities were acting as an unlicensed insurance company and posed a significant hazard to the public. Worthy also admitted that he and his co-conspirators embezzled funds from premiums paid by individuals who had signed up for these unauthorized health plans, diverting more than \$5.4 million in premiums for their own personal use. He further admitted that the majority of claims submitted in connection with these unauthorized health plans were never paid and accepted responsibility for more than \$7.3 million of losses from the fraud.

Worthy was charged along with Posey Sr., Richard Hall Bachman, 67, of Austin, Texas, and Angela Slavey Posey, 49, of Springfield, Tennessee, in a 57-count indictment returned on June 26, 2013. The three co-defendants are pending trial. An indictment is merely an accusation and all defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

This case was investigated by the United States Postal Inspection Service, the FBI, the United States Department of Labor- Employee Benefits Security Administration and Office of Inspector General, the United States Secret Service, the IRS- Criminal Investigation and the Tennessee Office of the Attorney General. The United States is represented by Assistant United States Attorneys Sandra G. Moses and William F. Abely and Senior Trial Attorney Nicholas Acker of the Criminal Division's Fraud Section.

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**Topic(s):**

Financial Fraud

**Component(s):**

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