

THE UNITED STATES ATTORNEY'S OFFICE
MIDDLE DISTRICT *of* TENNESSEE

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Department of Justice

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Middle District of Tennessee

FOR IMMEDIATE RELEASE

Tuesday, November 20, 2018

Bart Posey, Sr. Sentenced to Federal Prison for \$22 Million Healthcare Fraud Scheme

Multi-Million Dollar Fraud Impacted 17,000 Victims

NASHVILLE, Tenn. – November 20, 2018 – The former owner of American Trade Association (“ATA”) and Smart Data Solutions (“SDS”) will spend the next 14 years in federal prison for defrauding thousands of people across the nation, announced U.S. Attorney Don Cochran for the Middle District of Tennessee.

Bart Sidney Posey, 51, of Springfield Tennessee, was sentenced today by U.S. District Judge Aleta Trauger for leading a multi-million dollar health insurance fraud scheme that left over 17,000 victims in its wake. Judge Trauger also ordered Posey to pay \$6,524,888.86 in restitution and ordered that he be immediately taken into custody to begin serving his sentence.

“The massive fraud committed by this individual caused unimaginable turmoil and loss for thousands of our nation’s vulnerable citizens who believed they had health insurance coverage only to discover at the most critical time that they had purchased a product that was essentially useless,” said U.S. Attorney Cochran. “To listen to the accounts of the life altering consequences for so many people is truly heart wrenching and drives our prosecutors to seek justice on their behalf.”

Posey pleaded guilty in January and admitted that, from January 2008 through March 2010, he and his co-conspirators engaged in a widespread fraud designed to defraud consumers looking for health insurance. Through ATA and SDS, Posey sold and caused others to sell bogus health insurance products to unsuspecting consumers. Posey admitted that he duped consumers by denying legitimate health insurance claims, selling an insurance product that was not backed by a legitimate underwriter, and embezzling millions of dollars of insurance premiums paid to his company by victims. Posey used those premium payments to buy, among other things; a Harley Davidson motorcycle; a sports car; college football tickets; and to pay off a \$500,000 personal

mortgage. The scheme left more than 17,000 victims across the country and many were left financially devastated and unable to obtain health insurance to cover life sustaining medical treatment.

This case was investigated by the FBI; the United States Postal Inspection Service; the United States Department of Labor Employee Benefits Security Administration and Office of Inspector General; the United States Secret Service; and the IRS-Criminal Investigation. Assistant United States Attorneys Thomas J. Jaworski and Kathryn W. Booth prosecuted the case.

Topic(s):

Financial Fraud

Health Care Fraud

Component(s):

USAO - Tennessee, Middle

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