



PRESS NOTICE

BILL NETTLES
UNITED STATES ATTORNEY
DISTRICT OF SOUTH CAROLINA

*1441 Main Street, Suite 500 * Columbia, SC 29201 * (803) 929-3000**

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FOR IMMEDIATE RELEASE

CONTACT PERSON: BETH DRAKE
Beth.Drake@usdoj.gov
(803) 929-3000

**FORMER UPSTATE RESIDENT GUILTY OF ONE MILLION DOLLAR
INSURANCE PREMIUM THEFT**

Columbia, South Carolina ---- United States Attorney Bill Nettles stated today that William Madison Worthy, age 49, formerly of Spartanburg, South Carolina and now residing in Charleston County, today entered a plea of guilty to theft of insurance premiums in violation of Title 18, United States Code, Section 1033. The guilty plea was taken by United States District Court Senior Judge, Henry M. Herlong, Jr., sitting in Greenville, South Carolina. Mr. Worthy will be sentenced at a later date and faces incarceration of up to ten (10) years and a fine of up to \$250,000.00.

At the guilty plea hearing Assistant United States Attorney David C. Stephens advised the Court of the following facts. For a number of years Mr.

Worthy has been involved in various aspects of the insurance industry. One of his roles was as the owner of a company that served as Third Party Administrators (TPA) for self insured health insurance plans. A TPA collects premiums, pays claims and other expenses out of the premiums and then earns a fee for this service.

One such self insured plan that Mr. Worthy served as TPA for was known as the Church Plan since the majority of its members were employed by churches. There were other members of this plan who were not churches making the plan subject to oversight by the U.S. Department of Labor, Employee Benefits Security Administration (D.O.L.E.B.S.A.), which oversees non-religious employee benefit plans. Through such oversight it appeared that certain premiums were being diverted by Mr. Worthy. An investigation was conducted by the D.O.L.E.B.S.A. along with the Federal Bureau of Investigation (F.B.I.). Based on this investigation it was determined that Mr. Worthy had diverted approximately \$972,000.00 of premium money which caused the insurance plan to fail. Based on this embezzlement and subsequent plan failure, approximately \$1.7M in claims were either left unpaid or were paid out of pocket by those people who were members of the insurance plan. As part of the plea agreement Mr. Worthy has agreed that in addition to any other sentence he will be ordered to make restitution for all such unpaid or self paid claims.

Mr. Nettles stated that health care fraud such as this is one of his highest priorities and he commended D.O.L. Investigator Holley Morris and F.B.I. Special

Agent Paul Jacobs for their extraordinary work on this case.

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