



Department of Justice

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Western District of Kentucky

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TWO LOUISVILLE BUSINESSMEN INDICTED IN INSURANCE SCHEME TO DEFRAUD ANTHEM BLUE CROSS BLUE SHIELD

– Ronald Jarboe also charged with wire fraud, lying to federal agents, and destroying evidence

LOUISVILLE, KY - A federal grand jury in Louisville returned an indictment on September 19, 2007, against **Ronald E. Jarboe**, age 53, of 708 Flat Rock, Louisville, Kentucky; and **Dana R. Reinhart**, age 54, of 5003 Dunvegan Road, Louisville, Kentucky, with conspiracy to commit health care fraud, false statements in relation to health care matters, making of false official statements, wire fraud, and destruction of subpoenaed records, U.S. Attorney David L. Huber of the Western District of Kentucky announced today. 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.

The Indictment alleges that between April 2003 and continuing until February 2004 Jarboe and Reinhart 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. More particularly, Jarboe obtained healthcare insurance for his employees through Reinhart, who was a Louisville-based insurance agent. The conspiracy and the false statements to Anthem involved Reinhart and Jarboe misrepresenting to Anthem the number of employees working for Freedom Express. By misrepresenting the number of employees, Jarboe was able 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.

In addition to being charged with conspiracy and making false statements in relation to a healthcare matter, Jarboe is also charged with 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 is also charged with wire fraud in relation to an insurance claim he made in September 2004 relating to a trailer of Freedom Express that was involved in an August 18, 2004, accident. Jarboe is also charged with making a false statements to investigators in relation to this incident. On December 5, 2005, he falsely told investigators that Freedom Express's trailer was destroyed in the August 18, 2004, accident and that it was cut up by an individual who received the scrap metal from the trailer as payment for the labor. Despite telling the insurance company and federal investigators that the trailer was destroyed in the accident, the trailer only suffered minimal damage.

The maximum penalties for Jarboe are 60 years imprisonment, \$1,500,000 in fines, and up to three years supervised release. The maximum penalties for Reinhart are 10 years imprisonment, \$500,000 in fines, and three years supervised release.

The case is being prosecuted by Assistant United States Attorney Bryan Calhoun, and it was investigated by the Department of Labor and the Kentucky Office of Insurance.

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The indictment of a person by a Grand Jury is an accusation only and that person is presumed innocent until and unless

proven guilty.

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