

**Department of Justice**

U.S. Attorney's Office

Middle District of Tennessee

---

FOR IMMEDIATE RELEASE

Wednesday, January 17, 2018

**Former Owner Of Springfield, Tennessee-Based Smart Data Solutions, LLC Pleads Guilty to Multi-Million Dollar Healthcare Benefits Scheme**

**Multi-Million Dollar Fraud Impacted 17,000 Victims**

Bart Sidney Posey, Sr., 50, a Springfield, Tenn. resident and former owner of the Springfield-based companies American Trade Association (ATA) and Smart Data Solutions (SDS), pleaded guilty yesterday before United States District Judge Aleta A. Trauger, to leading a multi-million dollar insurance fraud scheme that harmed thousands of victims across the country, announced U.S. Attorney Don Cochran for the Middle District of Tennessee.

According to court documents, from January 2008 through March 2010, Posey 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.

Posey operated his companies much like a Ponzi scheme – paying off some insurance claims with new premiums to create the appearance of a legitimate insurance carrier and to keep the scheme going. Posey admitted that some of his victims had pre-existing conditions and were stuck with thousands of dollars of unpaid medical bills due to his fraud.

As part of his plea agreement, Posey pleaded guilty to mail fraud and to embezzling health care fraud premium payments. He faces up to twenty years in prison on the mail fraud conviction and up to ten years for the embezzlement conviction. Posey also agreed to forfeit over \$6 million. He will be sentenced on April 30, 2018.

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 Ryan R. Raybould, Henry C. Leventis and Thomas J. Jaworski are prosecuting the case.