

Former CFO Of Insurance Brokerage Company Sentenced To 37 Months In Prison And Agreed To Pay \$674,093 In Restitution For Embezzlement And Tax Evasion

Money supported a family owned business, personal expenses and gambling activity

LOUISVILLE, KY -- The former Chief Financial Officer of Market Finders Insurance Corporation was sentenced today in United States District Court, by Chief Judge Joseph H. McKinley, Jr., to 37 months in prison and agreed to pay \$674,093 in restitution, for committing tax evasion and embezzlement announced United States Attorney Russell M. Coleman.

Sylvia Rebecca Smith, 63, of Louisville, was charged by criminal Information with one count of wire fraud for devising an embezzlement scheme to obtain money from her employer, Market Finders Insurance Corporation ("Market Finders") and then diverting those funds to PBS Insurance Underwriting Corporation, and two counts of failing to report embezzled funds as income on her tax returns. At the time, Smith was the bookkeeper for PBS Insurance and her husband was the sole owner.

Smith admitted in a plea agreement, that from July of 2013 through April of 2015, while employed as CFO of Market Finders, she generated fraudulent loan checks from her employer and diverted it into the bank account of PBS.

Specifically, during the relevant time period, the defendant devised a scheme to embezzle funds from Market Finders and Market Finders Insurance Premium Budget Corp. ("Market Finders Premium Budget"), a subsidiary of Market Finders, by creating fraudulent insurance financing contracts between Market Finders Premium Budget and existing insurance clients of PBS Insurance without the knowledge of those existing clients. Smith admitted to manipulating the records so that her theft of funds would not be detected by her employer.

Smith admitted that she and her husband used a portion of the fraudulent loan proceeds to fund her husband's business and to pay for personal expenses for herself and her husband and to pay for gambling activity.

Further, Smith used a portion of the proceeds to make payments on the previous loans she had falsely created from Market Finders Premium Budget. When the scheme was discovered by Market Finders and brought to an end, Smith had not repaid approximately \$674,093.

Additionally, Smith admitted to failing to report approximately \$258,504 in embezzled funds as income for tax year 2013 and omitted approximately \$514,696 in embezzled funds as income for tax year 2014 on Form 1040 of the U.S. Individual Income Tax Return.

This case is being prosecuted by Assistant United States Attorney Stephanie Zimdahl and is being investigated by the Louisville Metro Police Department, the Internal Revenue Service, and the Federal Bureau of Investigation.