



NEWS RELEASE

OFFICE OF ATTORNEY GENERAL HENRY McMASTER
STATE OF SOUTH CAROLINA

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Horry County Woman Pleads Guilty To Seven Counts of Insurance Fraud

Columbia, S.C. - Attorney General Henry McMaster announced today that Kathy Smith, 51, of 4152 Lincoln Heights Road in Little River, pleaded guilty on August 9, 2005, to two (2) counts of Breach of Trust with Fraudulent Intent (over \$5,000), a felony violation of §16-13-230 (B)(3) of the Code of Laws, and punishable to ten (10) years imprisonment (each count), and five (5) counts of Breach of Trust with Fraudulent Intent (between \$1000 and \$5000), a felony violation of §16-13-230 (B)(2) of the Code of Laws, punishable to 5 years imprisonment (each count).

Smith is a former insurance agent who was doing business as the Smith Insurance Agency, located in Loris. During the period January 2001 through June 2003, Smith accepted premiums from various insureds and failed to remit them to the appropriate insurance companies. Most of the insurance policies involved in this case were auto and homeowner's policies.

Judge Edward G. Welmaker, presiding over the General Sessions Court of Horry County, sentenced Smith to ten (10) years imprisonment, suspended to five (5) years probation, and ordered her to pay over \$42,500 in restitution to the seven (7) insurance companies she defrauded. The companies and restitution amounts are listed below:

Orion/Royal SunAlliance Co.	\$17,367.73
Foremost Insurance Company	\$1,023.30
Florida Select Insurance Co.	\$2,402.00
Bristol West Insurance Co.	\$10,923.56
Progressive Insurance Co.	\$1,553.00
Southern United Insurance Co.	\$1,769.96
Omni/Hartford Insurance Co.	\$7,518.00

The case was investigated by the South Carolina Law Enforcement Division (SLED) and the National Insurance Crime Bureau (NICB), and prosecuted by the Attorney General's Office.

Dorchester County Man Pleads Guilty To Arson and Insurance Fraud

Columbia, S.C. – Attorney General Henry McMaster announced today that George Elmore, 55, of 128 Calloway Drive in St. George, pleaded guilty on August 11, 2005, to one (1) count of Arson – Third Degree and one (1) count of Presenting a False Claim for Payment. Third Degree Arson is a felony violation of §16-11-110(c) of the Code of Laws, and is punishable to ten (10) years imprisonment. Presenting a False Claim is a felony violation of §38-55-170(2) of the Code of Laws, and punishable to five (5) years imprisonment.

On February 22, 2000, Elmore burned his 1987 BMW in an attempt to collect the insurance proceeds. He reported that he saw smoke coming from the radio area of the vehicle and pulled the vehicle over on the side of the roadway. His daughter called 911, and emergency units responded, putting out the fire. The vehicle was listed as a total loss.

On February 23, 2000, Elmore presented a claim to Farm Bureau Insurance for payment. The insurance company conducted an investigation, and it was determined that the car burned due to arson. An accelerant was found inside the vehicle, revealing that the fire started inside the vehicle. The insurance company's investigation also uncovered evidence that the vehicle was not operational before the fire occurred.

Judge Perry M. Buckner III, presiding over the General Sessions Court of Orangeburg County, sentenced Elmore to two (2) years imprisonment, suspended upon one (1) year probation for the Presenting a False Claim count and three (3) years imprisonment suspended upon one (1) year probation for Third Degree Arson. The sentences are to run concurrently.

This case was investigated by the South Carolina Law Enforcement Division (SLED) and prosecuted by the Attorney General's Office.

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