

## **Two convicted in Pensacola in \$21 million viatical fraud scheme**

PENSACOLA, Fla. — An Ohio man and his associate were convicted Monday in a scheme that defrauded \$21 million from investors who were promised big profits on viatical life insurance policies supposedly purchased from terminally ill patients.

The policyholders, however, didn't die and about 4,000 investors across the country never again saw money they invested in LifeTime Capital Inc. and related companies set up by David W. Svete in the Dayton, Ohio, area and South Florida, federal prosecutors said.

The U.S. District Court jury convicted Svete and an associate, Ron Girardot, of money laundering, mail fraud and interstate transportation of money obtained through fraud. The jury also directed the forfeiture of \$21 million laundered during the conspiracy.

A third defendant had pleaded guilty earlier, and the jury acquitted three others.

Viatical contractors such as LifeTime Capital, based in Miamisburg, Ohio, pay policyholders to become their life insurance beneficiaries. When a policyholder dies, the contractor collects the benefits and distributes them to investors.

Svete and Girardot, however, misrepresented the health of the policyholders and laundered the investors' money by sending it overseas, according to a grand jury indictment.

Each could face more than 125 years in prison, fines of up to \$42 million and restitution orders when sentenced May 29.

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