



**U.S. Department of Justice**

*United States Attorney  
Eastern District of Arkansas*

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FOR IMMEDIATE RELEASE  
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**LITTLE ROCK INSURANCE COMPANY OWNER PLEADS GUILTY  
TO DEFRAUDING LIFE INSURANCE COMMISSION AND POLICYHOLDERS**

**Little Rock** - United States Attorney Jane W. Duke announced that Frank Witbeck, age 61, of Little Rock pled guilty to defrauding the Arkansas Insurance Department and policyholders of Signature Life Insurance Company of America, Inc. His plea was accepted today by United States District Judge William R. Wilson, Jr.

Whitbeck entered a plea of guilty to one count of mail fraud, in violation of Title 18, United States Code, Section 1341, punishable by not more than 20 years imprisonment, and/or a fine of up to \$250,000. The remaining counts of the Indictment were dismissed by motion of the United States. Whitbeck is scheduled to be sentenced October 23, 2008, at 10:00 a.m. before Judge Wilson.

Whitbeck submitted false information to the Arkansas Insurance Department, thereby misrepresenting the amount of required reserves the company had available to pay potential claims. Specifically, Whitbeck claimed that his company, Signature Life Insurance Company of America, Inc., had made secured loans of some of its assets to unrelated third parties. Contrary to such representations, Whitbeck had diverted the money to other business interests or for his personal use. Upon discovery of the misrepresentations, regulators placed the company into receivership.

“The actions of Mr. Whitbeck seriously jeopardized the viability of Signature Life. If enough policyholders had made claims when the reserves were insufficient, the claims simply would not have been paid. As a result, many policyholders would have suffered substantial

losses.” Duke noted that no claims went unpaid in this case because of insufficient funds of the company. She added, however, “The sole reason insurance companies are required to maintain a certain level of reserves is for the protection of the policyholders. So, the fact that no claims were actually unpaid in this case is of no consequence.”

This matter was investigated by special agents with the Federal Bureau of Investigation, in cooperation with the Arkansas Department of Insurance-Criminal Investigation Division. Assistant United States Attorney George Vena prosecuted this case for the United States.

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