

Congressman convicted of using his insurance agency money to run for congress

By: Norman Lambe, Examiner.com

The Coalition Against Insurance Fraud at www.insurancefraud.org/fraud-of-the-month reported a very disappointing situation. Congressman Rick Renzi, Republican from Arizona, was recently convicted of using approximately \$400,000 worth of insurance premiums from his insurance agency to finance his 2002 run for the United States Congress. When it became apparent a problem existed in the agency finances, the Congressman then attempted to cover the embezzlement up.

Congressman Renzi and his wife owned and operated the Patriot Insurance Agency in Sonoita, Arizona and they marketed to non-profit organizations which included pregnancy crisis counseling centers and right-to-life groups.

The coalition against insurance fraud reports that the Congressman would take the premium monies paid to his agency by his clients and then launder the money through the agency account into his own personal account. The law specifically states that the money a client pays to the agency, is to go into their escrow account, then sent to the various insurance companies the agency sells a policy for to cover their premium payments, otherwise no insurance is available.

It is also reported that funds intended for premium payments were diverted into the Congressman's own account to pay a large IRS bill, as well as other personal expenses. The Congressman's insurance agency then sent the unsuspecting customers fake insurance certificates from an insurance company named Jimcor. Jimcor was not a company but an insurance broker and could not provide any type of coverage.

When the Federal Elections commission began the probe, the Congressman is reported as stating that it was just a loan from him to his election campaign account.

The Congressman was convicted in June of 2013 of corruption charges and faces a long term prison sentence. The ex-Congressman stated that he will fight the charges.

This unfortunate story concerning Mr. Renzi is valuable for those of you who are currently considering buying your insurance through your local agency. I suggest most strongly that you consult with your local Better Business Bureau as well as talking with your friends and family members concerning the business you will be giving large sums of your money to in order to purchase insurance protection on your behalf.

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