



SIGTARP Office of the Special Inspector General for the Troubled Asset Relief Program

Federal Court Sentences Cooperating Defendant for His Role in Multi-million Dollar Life Insurance Scheme That Defrauded TARP Recipient

In July 2019, a federal court sentenced Joseph Edward Waesche to two years of supervised release and ordered him to pay \$569,327 in restitution after he pled guilty in 2013 to his role in defrauding insurance companies, including a subsidiary of Lincoln National Corporation, which received \$950 million in TARP. Waesche's cooperation enabled the government to obtain a conviction after a bench trial of Daniel Carpenter, who controlled a number of companies that offered life insurance policies through employee welfare benefit plans. The scheme defrauded life insurance companies into issuing 84 high-value life insurance policies with an aggregate death benefit of more than \$459 million on the lives of 76 insureds. Waesche testified at trial for three days against Carpenter. The federal court sentenced Carpenter to two and a half years in prison in December 2018.

SIGTARP was joined in the investigation by the Department of Labor Office of the Inspector General and the Department of Labor Employee Benefits Security Administration's Boston Office. The U.S. Attorney's Office for the District of Connecticut prosecuted the case.