

Insurance Times: Faked death earns Conn. man 5-year prison term

August 7, 2001, Vol. XX No. 16

BRIDGEPORT, Conn. (AP) — A man who was believed to have burned to death in a car accident in Mexico in 1998 was sentenced to five years in federal prison on fraud charges.

Prosecutors said Madison Rutherford, 39, formerly of Bethel, faked his own death to collect \$7 million in insurance. He pleaded guilty to wire fraud in February.

At his sentencing, U.S. District Court Judge Stefan R. Underhill ordered Rutherford to pay restitution in an amount to be determined.

"This is a very, very serious offense," Underhill said. "You have left a lot of pain and loss in your wake."

Rutherford was declared dead after the July 11, 1998, accident on a freeway in Mexico.

Among the charred remains, police found four human teeth, some bones, a medical alert necklace containing the words "penicillin" and the name "M. Rutherford" and a black wristwatch inscribed "To Madison-Love Rhynie."

But when Rutherford's widow tried to collect the insurance money soon after the accident, one of the companies ordered an investigation of his death.

A forensic anthropologist quickly discovered that the bones that had been found actually belonged to an American Indian at least 20 years older than Rutherford. The anthropologist also said the fire had been set with an accelerant. Assistant U.S. Attorney Christopher Eisser said that Rutherford apparently desecrated a grave for the human remains that were placed in the car.

Rutherford's now estranged wife, Rhynie Jefferson, will be sentenced next month for her part in the scheme.

Testifying on his son's behalf, John Sankey — Rutherford's father — said he spent more than two years believing his son had died.

"We went over to the home and offered condolences," he said.

Sankey made an impassioned plea for mercy, telling the judge that another son had recently died of leukemia.

Before being led away to prison with tears in his eyes, Rutherford asked for his parents' forgiveness and asked his father to visit him behind bars.

"I am very sorry this whole thing happened," he said.

Most of the sentencing hearing, which lasted more than five hours, focused on Rutherford's dealings as a financial adviser.

To show a pattern of criminal behavior, prosecutors presented evidence that Rutherford had defrauded a client of about \$300,000.

The defense focused on Rutherford's relationship with Jefferson, who is 20 years his elder. He met her when he was a teen-ager.

"There was something pathological about the relationship, mutually," said defense attorney Paul Thomas. "There can be no question that this was a relationship that had unique and ultimately destructive chemistry to it."

Rutherford was arrested in November after a private investigator working for Kemper Life Insurance tracked him to Boston where they discovered him working under the name Thomas Hamilton.

It was not the first time Rutherford had used another name. He was born John Patrick Sankey but began using Rutherford in the late 1980s. He legally changed his name May 23, 1996.

Rutherford spent six months in prison in 1993 after being arrested on larceny charges.