Problem
My apples have horrible spots on them.

Description (Late September)
The brown spots are actually holes and some have crumbly stuff around them.

Questions and Answers

Question: Do you spray for apple diseases and/or pests?
Answer: I spray for apple scab every year, but I don’t spray for pests or insects.

Question: Have you noticed any insects on the tree?
Answer: Yes, I’ve seen some brown moths.

Question: Have you cut into the damaged area of the apple?
Answer: Yes, I have.

Question: Are there any insects inside the fruit?
Answer: There are some worms.

Reference(s)
PNW Insect Management Handbook, and EC631-E 'Managing Diseases and Insects in Home Orchards'

Diagnosis
Codling Moth. The larvae of the adult moth cause the damage. Adults emerge around bloom and lay eggs on leaves, sometimes fruit. Larvae emerge feeding on fruit by boring to the center and eating fruit and seeds. As they mature, they push frass out of the entry hole. The larvae are whitish with black heads when young. They are pinkish with brown heads when mature. They range in size from .1” when hatched to .8” at maturity. Larvae spin cocoons. They may overwinter, or they may emerge in 3-4 weeks. Adults are active in July and August.

Recommendations
Cultural: Disrupt the life cycle of the moth using traps and lures. Collect and bag the affected fruit. Use a sticky substance around the trunk, and clean up debris around trees so larvae do not over-winter.

Chemical: To be effective, insecticide coverage must be maintained whenever fruit and moths are present. Spray 10 days after petal fall and in spring and summer. Applications every 7–14 days may be necessary, especially near commercial orchards. Bifenthrin, carbaryl, Cyd-X, esfenvalerate, Gamma cyhalothrin, kaolin, malathion, and spinosad are registered for homeowner use. Pheromone traps can be used to accurately time the first spray. (Bold: Recommended by both references.)