

This page
was intentionally
left blank



OIFP Criminal Case Descriptions – *Insurance Fraud*

Auto Insurance Fraud

Altering of Vehicle Identification

State v. Rafael “Bugzy” Ramos, Ceaser Labrego, et al.

Investigators from the Office of the Insurance Fraud Prosecutor (OIFP) arrested Rafael “Bugzy” Ramos and Ceaser Labrego for engaging in a scheme to sell re-tagged vehicles, including high end luxury vehicles, in some cases using fraudulently generated automobile documentation. A re-tagged vehicle is one in which the Vehicle Identification Number (VIN) has been altered to conceal the identity of the rightful owner. Further investigation resulted in a State Grand Jury indictment variously charging Rafael “Bugzy” Ramos, Ceaser Labrego, Neil Arruda, Hernando Cardoso, Richard Pina, Manuel Pinto, and Denise Braga Simao with conspiracy, alterations of motor vehicle trademarks and identification numbers, receiving stolen property, tampering with public records or information, attempted theft and theft by deception. In a separate indictment, Michael Garafalo was charged with receiving stolen property.

On October 9, 2003, Pina pled guilty to theft by deception and was admitted into the Pre-Trial Intervention (PTI) Program conditioned upon performing 50 hours of community service. On October 9, 2003, Garafalo pled guilty to receiving stolen property and, on the same date, was admitted into the PTI Program conditioned upon performing 50 hours of community service. On December 15, 2003, Labrego pled guilty to alterations of motor vehicle trademarks and identification numbers. He is

scheduled to be sentenced early in 2004. The remaining defendants are pending trial.

Criminal Use of “Runners”

State v. Ian Haynes

On April 15, 2003, an Accusation was filed charging Ian Haynes, an East Orange police officer, with bribery and corrupt influence for accepting money from a “runner” for East Orange Police Department accident reports. A “runner” is a person paid by a licensed medical service provider to procure patients for a medical practice so that insurance claims can be submitted for providing treatment. On May 31, 2003, Haynes was admitted into the PTI Program conditioned upon completing 50 hours of community service.

State v. Cyrano Green

On March 24, 2003, Cyrano Green was sentenced to three years in State prison after a jury found him guilty of conspiracy, official bribery, and gifts to public servants. Green, acting as a “runner,” conspired with an undercover Newark police officer to provide Green with Newark Police Department automobile accident reports in order to solicit the persons named in those reports to become insurance claimants.

**State v.
Rajauhn Sharrieff, Shirley
Jenkins, Abdul Jenkins
and Bernard Zeigler**

On March 31, 2003, a State Grand Jury returned an indictment charging Rajauhn Sharrieff, Shirley Jenkins, and Abdul Jenkins with conspiracy, several counts of bribery in official matters, and health care claims fraud. In a separate but related indictment, Bernard Zeigler was charged with conspiracy, health care claims fraud, and theft by deception.

The first indictment alleged that, between February of 1999 and October of 1999, Sharrieff, Shirley Jenkins, and Abdul Jenkins conspired to pay bribes to an East Orange police officer who was working in an undercover capacity for OIFP. The undercover investigation focused on allegations that persons were acting as "runners" on behalf of various medical service providers to obtain automobile accident police reports so that the persons identified in those police reports could be solicited to become patients of the medical service providers and file automobile PIP insurance claims. The indictment also alleged that the defendants agreed to pay the undercover East Orange police officer several hundred dollars for a genuine East Orange police automobile accident report, so that the "runners" could coax the persons identified in those reports to submit PIP claims. It also specifically alleged that Sharrieff solicited the undercover police officer to create a fictitious automobile accident police report in which several people were falsely represented to have been involved in a hit and run automobile accident that purportedly occurred on March 11, 1999, in East Orange. The accident purportedly involved four persons who were passengers in Sharrieff's car, though Sharrieff was not reported as the driver of the car at that

time. As a result of the phony accident described in the fictitious police report, Colonial Penn Insurance Company paid approximately \$1,563 for alleged property damage to an automobile. The State also alleged that Zeigler settled a phony bodily injury claim, based in part on the phony accident report, for approximately \$15,000 with Colonial Penn.

Zeigler pled guilty to conspiracy, health care claims fraud, and theft by deception and was sentenced on September 8, 2003, to two years probation conditioned upon paying \$36,563 in restitution to Colonial Penn Insurance Company and payment of a \$3,000 civil insurance fraud fine. Shirley and Abdul Jenkins pled guilty to conspiracy, bribery in official matters, and health care claims fraud. On October 3, 2003, Shirley Jenkins was sentenced to two years probation conditioned on serving 90 days in county jail. On the same date, Abdul Jenkins was sentenced to 364 days in county jail as a condition of three years probation. The case as to Sharrieff is pending trial. Sharrieff was also named in a separate indictment as part of the Allied Trauma investigation.

**State v.
Dr. Angel Lobo
and Mercy Lobo**

A State Grand Jury charged Angel Lobo, M.D., and Mercy Lobo with conspiracy, health care claims fraud, theft by deception, criminal use of "runners," and falsification of medical records. Dr. Angel Lobo, a licensed medical service provider, and his office manager, Mercy Lobo (no relation), operated the medical practice known as Pain Management Clinic located in Paterson. The indictment alleged that Dr. Lobo and Mercy Lobo paid persons to act as "runners" to procure patients for the medical practice so that PIP insurance claims for medical services rendered could be submitted to Parkway Insur-

ance Company and AIG Claims Services, Inc. It also alleged that Dr. Lobo and Mercy Lobo prepared false patient records to reflect that certain health care services were rendered when those services were not, in fact, rendered, so that phony bills could be submitted to the insurance carriers. All of the claims which formed the basis of the health care claims fraud charges were for services rendered to OIFP investigators working undercover as patients treating at the Pain Management Clinic. Parkway Insurance paid PIP claims totaling approximately \$6,481, while AIG Claims Services, Inc., paid PIP claims in the approximate amount of \$2,150. On September 11, 2003, Angel Lobo pled guilty to health care claims fraud and is scheduled to be sentenced early in 2004. On October 30, 2003, Mercy Lobo pled guilty to health care claims fraud and is also scheduled to be sentenced early in 2004.



OIFP Criminal Case Descriptions – Insurance Fraud

State v.

Michael Baer

A State Grand Jury indicted Dr. Michael Baer for health care claims fraud, criminal use of “runners,” and theft by deception. According to the indictment, Dr. Baer, a chiropractor who owned and operated his own chiropractic practice, allegedly submitted false PIP insurance claims on behalf of patients who were undercover investigators, to Hanover Insurance Company and Parkway Insurance Company totaling nearly \$20,153. The indictment also alleged that Dr. Baer knowingly used, solicited, or employed “runners” to procure patients for his chiropractic practice. On June 17, 2003, Baer pled guilty to health care claims fraud and criminal use of “runners.” He is scheduled to be sentenced early in 2004. The matter was also referred to the Chiropractic Licensing Board for appropriate licensing action.

State v.

Mohsen Mosslehi

A State Grand Jury returned an indictment charging Dr. Mohsen Mosslehi with health care claims fraud, criminal use of “runners,” and theft by deception. According to the indictment, Dr. Mosslehi, a chiropractor who owned and operated his own chiropractic practice, allegedly submitted false PIP insurance claims to Colonial Penn Insurance Company and Parkway Insurance Company totaling approximately \$4,363 on behalf of patients who were actually undercover investigators. The indictment also alleged that Dr. Mosslehi knowingly employed “runners” to procure patients for his chiropractic practice. On October 2, 2003, following a 14 day jury trial in Essex County, Mosslehi was acquitted of the charges. The matter, however, was also referred to the

Chiropractic Licensing Board for appropriate licensing action.

State v.

Michael Gardiner and Kim Robinson

A State Grand Jury indicted Michael A. Gardiner, a licensed chiropractor, charging him with conspiracy, health care claims fraud, theft by deception, and criminal use of a “runner,” and his office assistant, Kim Robinson, charging her with conspiracy and health care claims fraud. The indictment alleged that, between April and July of 2000, Gardiner paid a person he believed to be a “runner,” but who was actually an undercover investigator for OIFP, to provide Gardiner with patients for his chiropractic practice so that he could generate PIP insurance claims. The indictment also alleged that the undercover investigator, posing as a “runner,” brought two persons to Gardiner’s chiropractic office, both of whom Gardiner believed to be patients, but who were actually undercover Newark police officers. According to the indictment, Gardiner submitted fictitious PIP insurance claims to the GSA Insurance Company, falsely claiming that he had provided health care services. The indictment also alleged that Kim Robinson knowingly prepared the fraudulent PIP bills for submission to GSA Insurance Company. The fraudulent billing submitted by Gardiner and Robinson totaled approximately \$4,980.

On March 14, 2003, Robinson pled guilty to theft by deception. On May 27, 2003, she was sentenced to three years probation conditioned upon completing 190 days of community service, and ordered to pay a \$500 criminal fine and a \$1,000 civil insurance fraud fine. On July 14, 2003, Gardiner pled guilty to health care claims fraud and criminal

use of “runners.” On October 17, 2003, he was sentenced to three years in State prison.

State v.

Lt. Jerome F. Bollettieri, Sgt. Thomas G. DiPatri (ret.), Sgt. Philip N. Ferrari (ret.) and Charles Warrington, II

In 2002, a State Grand Jury returned an indictment charging former Camden Police Department Lt. Jerome F. Bollettieri and Sgt. Thomas G. DiPatri (ret.) with conspiracy, official misconduct, bribery, and criminal use of “runners.” At the time of the conduct alleged in the indictment, Bollettieri was the officer in charge of the Camden Police Department’s Traffic Records Bureau. According to the indictment, DiPatri, a retired Camden police officer, illegally obtained police accident reports from Bollettieri by paying him bribes. The indictment also alleged that DiPatri obtained the police accident reports to identify persons who were in automobile accidents in order to solicit prospective patients for treatment at American Spinal Care, Inc., (ASC), a Collingswood chiropractic facility which submitted PIP automobile insurance claims to insurance companies. On August 8, 2003, following a six day bench trial, Thomas DiPatri was found guilty of all the charges. On October 3, 2003, DiPatri was sentenced to three years in State prison. The case as to Bollettieri is pending trial.

Fraudulent PIP Insurance Claims Involving Health Care Providers

State v. Franca DiLisio, et al.

On July 30, 2003, a State Grand Jury returned two indictments charging a licensed chiropractic physician and seven other persons variously with health care claims fraud, criminal use of “runners,” theft and attempted theft by deception. One defendant was also charged with misconduct by a corporate official. All of the charges relate to allegations that the defendants staged accidents for the purpose of submitting phony PIP insurance claims to five insurance carriers, or that automo-

were not injured. The first indictment further alleged that, between May 1, 1998 and October 4, 2000, DiLisio and the other defendants submitted a dozen false claims to Allstate Insurance Company, Selective Insurance Company, G.U.F.A.C. Insurance Company, and Colonial Penn Insurance Company for purported chiropractic treatments on 302 separate dates for patients who had not appeared for those treatments. Those claims totaled approximately \$36,380, of which \$3,435 had been paid by insurance carriers.

The second indictment charged Marie Amay, Imaguerite Francois, Mimose Pierre, Joane Amay, and Murielle Francois with health care claims fraud and attempted theft by deception for acting as passengers in staged accidents and generating

Ex-Camden police sergeant is sentenced for bribery

bile insurance companies were billed for chiropractic treatments that were never rendered.

The first indictment alleged that, between May 1, 1998 and October 4, 2000, Franca DiLisio, a licensed chiropractor, arranged staged accidents with the assistance of Gerard Blanc and Rolando Pierre, who acted as a “runner.” It also alleged that the accidents were staged so DiLisio could treat the occupants of the vehicles in the staged accidents for injuries they purportedly sustained, and then bill insurance carriers for PIP insurance claims even though the patients

phony medical treatment claims. DiLisio allegedly submitted 16 PIP insurance claims for these defendants to Allstate Insurance Company, Selective Insurance Company, Colonial Penn Insurance Company, Crawford Insurance Company, and Ohio Casualty totaling \$65,153. None of the 16 PIP claims were paid. Some of these cases are also pending in civil court and/or arbitration. The criminal cases of all eight defendants are awaiting trial.



OIFP Criminal Case Descriptions – Insurance Fraud

**State v.
Lisa Tsilionis, George Tsilionis,
Carl Love, Jr., Rajauhn Sharrieff
and Rudolf Hora**

On December 11, 2003, a State Grand Jury returned an indictment charging Lisa Tsilionis and her former husband, George Tsilionis, who were both chiropractors and the owners and operators of Allied Trauma and Health Care Center, Inc., with conspiracy, health care claims fraud, theft by deception, money laundering, and misconduct by a corporate official. The indictment also charged Carl Love, Jr., and Rajauhn Sharrieff, who operated Essex Shuttle, Inc., a transportation company which purportedly transported patients to and from medical appointments, with conspiracy, health care claims fraud, theft by deception, and misconduct by a corporate official. Another defendant, Rudolf Hora, was charged with conspiracy. Love was also separately charged with unlawful possession of a weapon.

According to the indictment, between July of 1996 and March of 1999, Lisa and George Tsilionis, in their capacities as owners and operators of Allied Trauma, Inc., fraudulently billed numerous insurance companies for chiropractic services and electro-diagnostic tests known as Somatosensory Evoked Potentials (SSEP) that they had not provided. The State also alleged that the Tsilionises, through Allied Trauma, fraudulently billed approximately 30 different insurance carriers over \$1.2 million of which approximately \$435,000 was paid. The indictment further alleged that, between June of 1998 and December of 1998, Love and Sharrieff created a patient transportation business called Essex Shuttle, to disguise il-

legal patient referral fees (known as “runners’ fees”) that Lisa and George Tsilionis paid to Love, Sharrieff, and Hora as purported transportation costs.

The indictment also alleged that Love and Sharrieff, through Essex Shuttle, fraudulently billed various insurance carriers approximately \$5,400 for transportation services that were not rendered. The indictment alleged that Love, who was the president and owner/operator of Essex Shuttle, Inc., as well as another patient transportation corporation operating out of East Orange, used his corporations to solicit patients for Allied Trauma, acting, in essence, as a “runner.” The indictment alleged that, while both of these businesses were purportedly incorporated to transport PIP claimants to and from treating medical service providers, Love actually used his corporations to solicit patients for Allied Trauma so that automobile insurance PIP claims could be submitted to insurance companies. Most of Allied Trauma’s patients were automobile accident insurance claimants who sought treatment at Allied Trauma Chiropractic under their automobile insurance PIP coverage. The indictment alleged that Love accepted payments from the Tsilionises in return for directing patients to Allied Trauma for treatment so that false PIP claims could be submitted to various automobile insurance companies for diagnostic tests and other chiropractic treatments and services that were not actually rendered to the patients. Love Courier, Essex Shuttle, and Allied Trauma all ceased operations following the commencement of the State’s investigation in approximately March of 1999.

As part of the joint investigation conducted by OIFP and the Division

of Criminal Justice's Civil Forfeiture Unit, bank accounts for Love Courier, Inc., and Essex Shuttle totaling approximately \$2,800 were frozen subject to possible forfeiture. Additionally, a lien was filed on Love's residence in West Orange, and he subsequently filed for bankruptcy. The State also seized and forfeited the Tsilonis home in Bergenfield and approximately \$895,000 in bank accounts they controlled. All defendants are awaiting criminal trials.

Fraudulent Automobile Theft Claims

State v.

Geuris Valdez-Fernandez

On March 14, 2003, Geuris Valdez-Fernandez was entered into the PTI Program for 36 months conditioned upon paying restitution to Newark Insurance Company in the amount of \$10,154 and a civil insurance fraud fine of \$4,000. Valdez-Fernandez previously pled guilty to an Accusation charging him with conspiracy. Valdez-Fernandez admitted that, on October 17, 2001, he voluntarily gave his 1998 Toyota Camry to another individual for the purpose of disposing of the vehicle in order to have the insurance company pay off the outstanding loan obligation and to avoid continued automobile payments.

State v.

Diane Hughes

On February 24, 2003, a Monmouth County Grand Jury returned an indictment charging Diane Hughes with theft by deception, tampering with public records, and falsifying records. The indictment alleged that, on May 7, 2001, Hughes reported to the Eatontown Police Department and her insurance company, State Farm, that her 2000 Mazda Millenia had been stolen from the Monmouth Mall when her car had actually already been located by New York City police. Hughes pled guilty to theft by deception and was admitted into the PTI Program on July 3, 2003, conditioned upon paying restitution in the amount of \$20,938 and a \$5,000 civil insurance fraud fine. She was also ordered to perform 75 hours of community service.

State v.

Diana Fonseca

On April 11, 2003, Diana Fonseca was sentenced to three years probation conditioned upon paying restitution in the amount of \$13,527 to Liberty Mutual, a \$5,000 civil insurance fraud fine, and completing 100 hours of community service. Fonseca pled guilty to an Accusation charging her with theft by deception. Fonseca admitted that, on July 27, 2001, she falsely reported her vehicle stolen in order to submit a fraudulent stolen vehicle claim to Liberty Mutual Insurance Company. Liberty Mutual paid the claim totaling \$13,130 to Fonseca and the lien holder. She also admitted that she arranged to have another person dispose of her vehicle so that she could submit the fraudulent insurance claim.

Operation "Give and Go"

On June 18, 2003, OIFP obtained 22 criminal indictments against 38 persons on charges that they planned or participated in owner-involved automobile thefts, otherwise known as automobile "give-ups," in order to collect more than \$790,000 in bogus insurance claims. As a result of a complex undercover investigation probing phony "owner initiated" automobile "give-up" insurance claims, these individuals were charged variously with conspiracy, theft by deception, receiving stolen property, tampering with public records or information, false swearing, alterations of motor vehicle identification numbers, and simulating a motor vehicle insurance identification card.

OIFP initiated this undercover investigation in order to address the increasing problem of automobile theft and automobile insurance "give-ups" in North Jersey. OIFP investigators, working undercover, leased a garage on Tonnele Avenue in Jersey City and, in the guise of an auto repair facility, spread the word that anyone who owned or leased a car and wanted to get rid of it to avoid further car payments or lease payments, or because the car was damaged or needed expensive repairs, could "give it up" at the facility or to the facility operators. An automobile "give-up" is the term given by insurance fraud investigators to the voluntary transfer of an automobile by the owner to another person who then disposes of the vehicle, often for a cash payment, for the purpose of allowing the owner to file a false auto insurance theft claim with his automobile insurance carrier and collect



OIFP Criminal Case Descriptions – Insurance Fraud

insurance money for the phony theft, or to have his car loan or car lease paid off by the insurance carrier.

In the course of the investigation, State Investigators recovered 46 cars and SUVs from several persons who acted as “middlemen” and received the “give-up” automobiles from their owners so that the cars could be falsely reported stolen. Undercover State Investigators also received some vehicles directly from the owners themselves. The total market value of all the vehicles recovered by OIFP investigators exceeded \$1 million. More than 32 phony automobile insurance theft claims stemming from the sting were submitted to 21 insurance carriers, including First Trenton Indemnity, Ohio Casualty Insurance Company, Allstate Insurance Company, Metropolitan Property and Casualty, New Jersey Manufacturers Insurance Company, Progressive Insurance Company, Liberty Mutual Insurance Company, State Farm Insurance Company, Hanover Insurance Company, Prudential Insurance Company, USAA Insurance Company, State and Country Fire Insurance Company, AIG Insurance Company, Rutgers Casualty Insurance Company, Travelers Insurance Company, Selective Insurance Company, Erie Insurance Company, Penn National Insurance Company, Motors Insurance Company, Sompo Japan Insurance Company of America, and Universal Underwriters Insurance Company. Carriers paid approximately \$791,094 for these phony auto insurance theft claims. Another \$48,056 in insurance claims were not paid either because the insurance company was suspicious of the claim or because OIFP’s investigation interrupted the claims process. Forty-six cars obtained by OIFP in the course

of the investigation were returned to the insurance companies or to the legitimate holder of title to the car. Restitution for the amount of claims money paid may be sought from the defendants in court.

Two of the defendants identified during this undercover investigation, Ryan December and Jason December, had been previously arrested on January 12, 2003 by OIFP investigators. Ryan December was charged with conspiracy and receiving stolen property, and Jason December was charged with conspiracy. Arrest warrants were issued for nine of the 38 defendants, including Richard Ruiz, Carmen Marchitello, Anthony Marchitello, Gilberto Pascual, Rafael Padilla, Jason December, Juan Naut, Alex Carvalho, and Guillermo Guzman a/k/a “Junior.” Nineteen of the defendants were issued summonses. Some of the defendants indicted as a result of this undercover operation were charged with “re-tagging” three vehicles. A “re-tagged” vehicle is a car whose VIN has been altered in order to conceal the true identity of the car and its owner, as well as the fact that it has been “given-up,” all to facilitate fraudulent auto theft insurance claims. Two of the defendants who were allegedly involved in automobile re-tagging conduct, Rafael “Bugzy” Ramos and Ceaser Labrego, were previously arrested in August of 2002 by OIFP investigators and charged with conspiracy to commit altering motor vehicle trademarks and conspiracy to commit possession of altered property.

Also, as part of this investigation, three of the defendants charged with receiving stolen property and simulating a motor vehicle insurance identification card, pled guilty. On September 2, 2003, Joaquin

Martinez pled guilty to receiving stolen property, namely, a stolen Cadillac Escalade. On November 7, 2003, he was admitted into the PTI Program conditioned upon performing 60 hours of community service. On November 17, 2003, Gilberto Pasqual pled guilty to receiving stolen property. He is scheduled to be sentenced early in 2004. Edward G. Whyte pled guilty to receiving stolen property on September 29, 2003. On November 14, 2003, he was admitted into the PTI Program conditioned upon performing 60 hours of community service.

Whyte was charged with possessing a stolen 2003 Mercedes Benz on December 20, 2002 that was stolen from a Mercedes Benz dealership located in Plumstead, Pennsylvania, by means of a “key swap.” A “key swap” theft occurs when a person, posing as a customer, enters an automobile dealership and takes a test drive. During the test drive, the genuine ignition key is “swapped” for a fake key, and later the car is stolen by using the genuine ignition key. Of the nine persons for whom arrest warrants were issued, six were arrested by OIFP investigators on June 24, 2003. The six persons arrested were Richard Ruiz, Carmen Marchitello, Anthony Marchitello, Jason December, Guillermo Guzman, and Juan Naut. While conducting these arrests, OIFP investigators also arrested Luis Flores, a fugitive from the Essex County Sheriff’s Office who was being sought on unrelated charges. On December 5, 2003, Guillermo Guzman pled guilty to the attempted theft by deception count of the indictment and is scheduled to be sentenced early in 2004. Guzman also pled guilty on December 5, 2003, to an unrelated Accusation which

charged him with attempted theft by deception. Guzman admitted that on August 4, 2001, he reported his 1984 Oldsmobile Cutlass stolen in Secaucus. He submitted a theft claim to Prudential Insurance Company supported by various fraudulent invoices indicating that he had a \$1,000 stereo system and \$850 worth of rims and tires recently installed in the car. Guzman admitted that the invoices were phony and the stereo system, rims and tires had not actually been installed. Guzman will also be sentenced for this matter early in 2004.

2000, Lowery conspired with Tomassini and Gonzalez to dispose of Lowery's 1988 Chevrolet Corvette, valued at approximately \$8,000, so that Lowery could file a fraudulent stolen vehicle claim with his insurance company. It is alleged that Gonzalez removed the vehicle from Lowery's place of business using a flatbed tow truck and gave the keys to the Corvette to Tomassini, who subsequently returned the keys to Lowery.

According to the indictments, on January 17, 2000, Lowery filed a false stolen vehicle report with the Perth Amboy Police Department. It is further alleged that on January 19, 2000, Lowery submitted a

Cars cleaned, stolen, paid off while you wait

State lawmen's sting took in \$1 million in luxury vehicles for owners low on cash

State v.
Robert Lowery, Carlos Gonzalez
and Antonio Tomassini

On August 1, 2003, a Middlesex County Grand Jury returned separate indictments against three defendants involved in an automobile "give-up" scheme. The first indictment charged Robert Lowery with conspiracy, attempted theft by deception, and tampering with public records or information. The second indictment charged Carlos Gonzalez with conspiracy and attempted theft by deception, and the third indictment charged Antonio Tomassini with conspiracy and attempted theft by deception. The indictments alleged that on January 4,

fraudulent stolen vehicle insurance claim with CNA Insurance Company. On October 16, 2003, Gonzalez was admitted into the PTI Program conditioned upon paying standard fines in the amount of \$125. The case as to the remaining defendants is pending trial.



OIFP Criminal Case Descriptions – Insurance Fraud

“Give and Go” Guilty Pleas

Defendant	Charges	Plea Date	Sentence Date	Sentence
Thomas Wasso	Conspiracy - 3 rd Degree Theft by Deception - 3 rd Degree	8/22/03	11/14/03	(3 rd Degree Conspiracy) 2 years probation; \$30,220.45 restitution
Luis Trabal	Conspiracy - 3 rd Degree Theft by Deception - 3 rd Degree Tampering with Public Records or Information - 3 rd Degree	9/22/03	11/14/03	(3 rd Degree Theft by Deception) 2 years probation; \$33,723.80 restitution
Nidia Munoz	Conspiracy - 3 rd Degree Theft by Deception - 3 rd Degree Tampering with Public Records or Information - 3 rd Degree	9/30/03	11/21/03	(3 rd Degree Tampering with Public Records or Information) 3 years probation; \$19,526 restitution
Carlos M. Grullon	Conspiracy - 3 rd Degree Theft by Deception - 3 rd Degree Tampering with Public Records or Information - 3 rd Degree	10/24/03	12/12/03	(3 rd Degree Theft by Deception) Sentenced to 4 years probation; \$16,520 restitution; \$5,000 civil fine; 200 hours community service
Aldemar Palacios	Conspiracy - 3 rd Degree Theft by Deception - 3 rd Degree Tampering with Public Records or Information - 3 rd Degree	10/24/03	12/12/03	(3 rd Degree Theft by Deception) 3 years probation; \$3,000 civil fine; 150 hours community service
Ysrael Tavarez	Conspiracy - 3 rd Degree Attempted Theft by Deception - 3 rd Degree Tampering with Public Records or Information - 3 rd Degree	10/17/03	12/12/03	(3 rd Degree Attempted Theft by Deception) Admitted into PTI; \$5,000 civil fine; 50 hours community service
Luigi Andriano	Conspiracy - 3 rd Degree Theft by Deception - 3 rd Degree	10/17/03	12/8/03 (Postponed)	(3 rd Degree Conspiracy) Pending sentencing
Renee Perez	Conspiracy - 3 rd Degree Attempted Theft by Deception - 3 rd Degree Tampering with Public Records or Information - 3 rd Degree	10/24/03	1/13/04	(3 rd Degree Attempted Theft by Deception) 1 year probation; \$250 criminal fine

Defendant	Charges	Plea Date	Sentence Date	Sentence
Richard Pina	Theft by Deception - 3 rd Degree Tampering with Public Records or Information - 3 rd Degree	10/9/03	10/9/03	(3 rd Degree Theft by Deception) Admitted into PTI; 50 hours community service
Michael Garafalo	Receiving Stolen Property - 3 rd Degree	10/9/03	10/9/03	(Receiving Stolen Property - 3 rd Degree) Admitted into PTI; 50 hours community service
Joaquin Martinez	Receiving Stolen Property - 3 rd Degree Simulating a Motor Vehicle Insurance Identification Card - 4 th Degree	9/2/03	11/7/03	(3 rd Degree Receiving Stolen Property) Admitted into PTI; 60 hours community service
Edward G. Whyte	Receiving Stolen Property - 3 rd Degree	9/29/03	11/14/03	(Receiving Stolen Property - 3 rd Degree) Admitted into PTI; 60 hours community service
Gilberto Pasqual	Conspiracy - 3 rd Degree Theft by Deception - 3 rd Degree Receiving Stolen Property - 3 rd Degree	11/17/03	1/16/04	(Receiving Stolen Property - 3 rd Degree) 3 years State prison
Maria A. Mora	Conspiracy - 3 rd Degree Theft by Deception - 3 rd Degree Tampering with Public Records or Information - 3 rd Degree	11/20/03	1/23/04	(Theft by Deception - 3 rd Degree) 5 years probation; \$11,342.70 restitution
Gary Albanese	Conspiracy - 3 rd Degree Theft by Deception - 3 rd Degree	12/5/03	1/23/04	(Conspiracy - 3 rd Degree) 2 years probation; \$250 criminal fine; full restitution
Guillermo Guzman	Conspiracy - 3 rd Degree Attempted Theft by Deception - 3 rd Degree	12/5/03	1/23/04	(Attempted Theft by Deception - 3 rd Degree) 2 years probation; \$200 criminal fine



OIFP Criminal Case Descriptions – Insurance Fraud

**State v.
Omar K. Gordon**

On August 5, 2003, a Hudson County Grand Jury charged Omar K. Gordon with attempted theft by deception, tampering with public records or information, and falsifying records. According to the indictment, on August 24, 2001, Omar Gordon reported to the Jersey City Police Department that his 1996 Nissan Maxima had been stolen from the Jersey City Pep Boys parking lot. The indictment also alleged that on September 24, 2001, Gordon submitted an Affidavit of Vehicle Theft to State Farm Insurance Company claiming that he last saw his vehicle on August 23, 2001, in the Pep Boys parking lot and reported it missing on August 24, 2001. The State intends to prove that, because New York City Police Department Detective Kenneth DeStefano recovered Gordon's vehicle in the Bronx, New York, on August 23, 2001, it could not have been in the Pep Boys parking lot as reported by Gordon. His case is pending trial.

**State v.
Joseph Cirino, Jr.**

On August 18, 2003, Joseph Cirino pled guilty to an Accusation charging him with arson of property for the purpose of collecting insurance proceeds. Cirino admitted that, on November 2, 2002, he met a person identified as Robert Halpin in the WalMart parking lot located in Berlin, New Jersey, and gave him his 2000 Honda Accord along with \$500, in order for Halpin to take Cirino's car to an undisclosed location and set it on fire. Cirino planned to discontinue his lease payments and file a fraudulent insurance claim. Cirino admitted that he reported the vehicle stolen and submitted a fraudulent claim to

his insurance carrier, Allstate Insurance Company. On October 31, 2003, Cirino was sentenced to two years probation and ordered to pay a \$3,500 civil insurance fraud fine. On December 10, 2003, a State Grand Jury returned an indictment charging Halpin with conspiracy, arson for hire, aggravated arson, arson to collect insurance proceeds, and theft by deception. Halpin's case is pending trial.

**State v.
Husam A. Hamdan**

On September 15, 2003, Husam Hamdan pled guilty to an Accusation charging him with conspiracy. Hamdan admitted that on June 1, 2003, he offered to pay a co-conspirator to take Hamdan's 1994 Mazda 626 and dispose of it so that he could file a fraudulent stolen vehicle insurance claim with American International Insurance Company of New Jersey. Hamdan also admitted that after he turned over the vehicle to his co-conspirator, he filed a stolen vehicle report with the East Orange Police Department. On November 21, 2003, Hamdan was admitted into the PTI Program conditioned on performing 50 hours of community service.

**State v.
Harold Davis**

On March 24, 2003, Harold Davis pled guilty to an Accusation charging him with attempted theft by deception. Davis, an Atlantic City casino employee, admitted that, on September 27, 2001, he submitted a false automobile insurance claim to Rutgers Casualty, claiming that he had driven his car into New York City on September 11, 2001, and that it sustained damage from falling debris from the terrorist attacks on the World Trade Center Towers. The in-

vestigation revealed that Davis and his car were at his place of employment in Atlantic City on September 11, 2001, and, therefore, that his car could not have sustained damage in New York City as he claimed. Davis admitted that the damage to his vehicle was caused by highway debris. Davis was admitted into the PTI Program on May 1, 2003, conditioned upon performing 75 hours of community service and paying a \$2,500 civil penalty.

**State v.
Donald Bracco**

Donald Bracco pled guilty to an Accusation charging him with tampering with public records or information. Bracco admitted that, on November 30, 2001, he submitted a false report with the Old Bridge Police Department claiming that his 2001 Ford Explorer, which he was leasing from Ford Motor Credit, had been stolen. Bracco knew that the vehicle had not been stolen, but, in fact, had been abandoned in Marlboro, where it had been recovered by the Marlboro Police Department. On March 24, 2003, Bracco was sentenced to three years in State prison, ordered to pay restitution in the amount of \$584, and agreed to pay a \$5,000 civil insurance fraud fine.

**State v.
Ernest Davis**

On February 20, 2003, Ernest Davis pled guilty to an Accusation charging him with attempted theft by deception. Davis admitted that, on December 5, 2001, he filed a false automobile theft claim with his insurance company, Liberty Mutual, claiming that his 1998 Toyota Avalon had been stolen on November 26, 2001, when Trenton police found Davis' Toyota in flames on Broad

Street in Trenton. It was determined that there was no evidence that the vehicle had been stolen and that the fire was the result of arson. Because of the suspicious nature of Davis' theft claim, Liberty Mutual denied the claim and referred it to OIFP. Davis was sentenced to two years probation conditioned upon paying a \$3,000 civil insurance fraud fine.

**State v.
Anna M. White**

A Cumberland County Grand Jury returned an indictment charging Anna M. White with falsifying records. According to the indictment, on June 2, 2001, White submitted a falsified Affidavit of Theft for her 1992 Dodge Caravan to Ohio Casualty Insurance Company in conjunction with a fraudulent insurance claim. White had, in fact, loaned her van to another person who was then involved in an accident. White wanted the insurance carrier to believe her car was damaged after it was purportedly stolen. On February 3, 2003, White pled guilty to falsifying records. On April 25, 2003, she was admitted into the PTI Program conditioned upon performing 30 hours of community service.

**State v.
Trisha Townsend**

Trisha Townsend was charged by a Mercer County Grand Jury with attempted theft by deception. According to the indictment, on May 26, 2001, Townsend falsely reported to the Trenton Police Department that her 1994 Dodge Intrepid had been stolen and filed a fraudulent auto theft claim with her insurance company, New Jersey Manufacturers Insurance Company, four days later. On January 27, 2003, Townsend was admitted into the PTI Program conditioned upon payment of a \$5,000 civil insurance fraud fine.

**State v.
Vincent Torrone**

On March 18, 2003, a Bergen County Grand Jury returned an indictment charging Vincent Torrone with attempted theft by deception. According to the indictment, on February 1, 2001, Torrone, owner of the Import Specialist, a Paramus auto repair shop, reported to the Paramus Police Department that his 1992 Mercury Grand Marquis had been stolen the day before from his place of business. On the same date, Torrone allegedly submitted a vehicle theft claim to the Motor Club of America (MCA) in the approximate amount of \$4,325. MCA denied the claim and referred the matter to OIFP for investigation. The State intends to prove that the 1992 Mercury Grand Marquis which Torrone allegedly reported stolen on February 1, 2001, was actually recovered by the New York Police Department on January 28, 2001, in New York City, thus casting doubt on the veracity of Torrone's report. Torrone's case is scheduled for trial early in 2004.



OIFP Criminal Case Descriptions – Insurance Fraud

State v. Angel Rodrigo

On February 28, 2003, Angel Rodrigo pled guilty to an Accusation charging him with falsifying or tampering with records. Rodrigo admitted that on September 11, 2001, he fraudulently submitted an Affidavit of Vehicle Theft claim to New Jersey Citizens United Reciprocal Exchange, claiming that his 2000 Mercedes-Benz C280 had been stolen on September 2, 2001. The investigation revealed that the vehicle had been recovered by the Hillside Township Police Department on August 28, 2001, four days prior to the time Rodrigo reported last seeing the Mercedes Benz. On May 16, 2003, Rodrigo was sentenced to three years probation conditioned upon completing 100 hours of community service and paying restitution in the amount of \$2,279 as well as a \$2,500 civil insurance fraud fine.

State v. Wendy Montalvo

On April 1, 2003, Wendy Montalvo pled guilty to an Accusation charging her with tampering with public records or information. Montalvo admitted that, on May 3, 2002, she falsely reported to the Kearny Police Department that her 2001 Honda Civic had been stolen in order to submit a fraudulent stolen vehicle theft claim to Liberty Mutual Insurance Company. On May 14, 2003, Montalvo was admitted into the PTI Program conditioned upon completing 25 hours of community service and paying a \$5,000 civil insurance fraud fine.

State v. Michael Scarpa

On May 13, 2003, a Hudson County Grand Jury returned an indictment charging Michael Scarpa with attempted theft by deception, tampering with public records or information, and falsifying records. According to the indictment, on December 22, 2001, Scarpa reported to the Jersey City Police Department that his 1992 Chevrolet Suburban had been stolen from the Hudson Mall in Jersey City. On December 26, 2001, Scarpa submitted a stolen automobile claim with State Farm Insurance Company for \$11,103, the value of the insured car at the time of the claim. State Farm denied the claim and referred the matter to OIFP for investigation. The OIFP investigation revealed that, unbeknownst to Scarpa, on December 18, 2001, four days prior to Scarpa's stolen vehicle report to the Jersey City Police Department, his 1992 Chevrolet Suburban had been "tagged" in the Bronx, New York, as a "derelict" vehicle and, on December 19, 2001, the Suburban was removed and crushed by the New York City Sanitation Department. Scarpa pled guilty to attempted theft by deception and, on November 7, 2003, he was sentenced to one year probation with the conditions that he pay a \$5,000 civil insurance fraud fine and perform 100 hours of community service.

State v.

Jorge L. Velazquez

On June 19, 2003 Jorge Velazquez pled guilty to an Accusation charging him with tampering with public records or information. Velazquez admitted that, on December 25, 2002, he falsely reported to the Elizabeth Police Department that his 1999 Ford Contour had been stolen so that he could submit a false auto insurance theft claim. He admitted that he had actually been involved in a hit-and-run accident in Linden involving a parked car, fled the scene and abandoned the car in another location. He filed a vehicle theft insurance claim with Prudential Insurance Company, but subsequently withdrew the insurance claim. On August 15, 2003, Velazquez was admitted into the PTI Program conditioned upon performing 60 hours of community service and paying a \$5,000 civil insurance fraud fine.

State v.**Mariusz Kwiatkowski**

On June 30, 2003, Mariusz Kwiatkowski pled guilty to an Accusation charging him with tampering with public records or information. Kwiatkowski admitted that, on January 11, 2003, he lost control of his 2003 Nissan, hitting a parked car. Following the accident, Kwiatkowski fled the scene. Kwiatkowski falsely reported to the Lawrence Police Department that his Nissan had been stolen and filed a fraudulent automobile theft claim with Liberty Mutual Insurance Company to cover the damage done to the car in the accident. On September 17, 2003, Kwiatkowski was admitted into the PTI Program conditioned upon performing 75 hours of community service and paying a \$5,000 civil insurance fraud fine.

State v.**Julio Arenas**

On May 13, 2003, a complaint summons was issued to Julio Arenas charging him with attempted theft by deception. The complaint alleged that in December of 2001, Arenas falsely reported his 1998 Cadillac Catera stolen to the Newark Police Department and subsequently filed a phony vehicle theft insurance claim with Liberty Mutual. Arenas subsequently admitted that the Cadillac had not been stolen, but that he had voluntarily destroyed the vehicle by setting it on fire, as part of a scheme to steal insurance money from Liberty Mutual and avoid further expensive car payments. Liberty Mutual denied the claim. On June 24, 2003, Arenas pled guilty to an Accusation charging him with the crime. He was admitted into the PTI Program on August 15, 2003, conditioned upon performing 50 hours of community service.

State v.**Robert E. Smith**

A Burlington County Grand Jury returned an indictment charging Robert E. Smith with theft by deception, unsworn falsification to authorities, and falsifying or tampering with records. According to the indictment, sometime between October 14, 1999 and November 22, 1999, Smith reported to the Moorestown Police Department that his former wife's 1994 Saab 900 had been stolen from the Moorestown Mall parking lot on October 14, 1999. The indictment further alleged that, on October 26, 1999, Smith signed and submitted an affidavit of theft to Allstate Insurance Company falsely stating that the vehicle had been stolen from the Moorestown Mall, causing Allstate to pay approximately \$12,000 on the

theft claim. However, OIFP's investigation revealed that two weeks prior to the purported October 14, 1999 theft date, the car had been involved in a police chase and abandoned in the City of Camden. The investigation further revealed that the Camden Police Department impounded the car and that it was towed to a garage in Pennsauken where it remained until June 18, 2001. On July 24, 2003, Smith pled guilty to theft by deception and was sentenced to two years probation, conditioned on serving 64 days in county jail, and payment of \$9,000 in restitution to the Allstate Insurance Company. He was also ordered to pay a \$5,000 civil insurance fraud fine.

State v.**James Good**

On October 30, 2003, James Good was charged by an Essex County Grand Jury with falsifying records. According to the indictment, on January 10, 2002, Good filed a stolen vehicle claim with his insurance carrier, Liberty Mutual Insurance Company, stating that his 1989 Subaru had been stolen, even though he knew that the vehicle had not been stolen and that he was not entitled to the insurance money. The State intends to prove that, on October 12, 2001, Good's 1989 Subaru was involved in an automobile accident in Newark in which the driver and a passenger fled the scene. It is alleged that Good submitted the false claim with Liberty Mutual in order to cover up for the person driving the car because she had wrongfully left the scene of the accident. His case is pending trial.

State v.



OIFP Criminal Case Descriptions – Insurance Fraud

Jorge A. Salamanca

On October 28, 2003, Jorge Salamanca pled guilty to an Accusation charging him with tampering with public records or information. Salamanca admitted that, on June 11, 2002, he falsely reported to the Elizabeth Police Department that his 1996 Acura had been stolen. He also admitted that he filed a fraudulent stolen car insurance claim with Allstate Insurance. He represented to Allstate that he last saw his vehicle at 5:30 p.m. on June 9, 2002, in Elizabeth, New Jersey. However, the vehicle was found at 1:30 a.m. on June 10, 2002, in Miami, Florida, which would have made it impossible for him to have seen his car at the time and date in Elizabeth that he claimed. Allstate denied the claim and referred the matter to OIFP. Salamanca is scheduled to be sentenced early in 2004.

State v.

Lojza Gruevski

On October 17, 2003, Lojza Gruevski pled guilty to an Accusation charging her with attempted theft by deception. Gruevski admitted that, on May 4, 2001, she falsely reported to Allstate Insurance Company that her 1995 Nissan Pathfinder had been stolen the previous day in New York City, in order to conceal the fact that her uninsured son had been driving the car and was involved in an automobile accident in New York City. Allstate denied the claim and referred the matter to OIFP for investigation. Gruevski was admitted into the PTI Program conditioned on performing 25 hours of community service.

State v.

Martino A. Cartier

On October 14, 2003, Martino Cartier pled guilty to an Accusation charging him with theft by deception. Cartier admitted that, in September of 2001, he brought his 2000 Chrysler Sebring to a body shop in Philadelphia for repairs. When Cartier was unable to pay the remaining mechanic's lien on the vehicle, he conspired with the body shop repair man to abandon the car at Penn Station in Philadelphia. Cartier then falsely reported his car stolen to Allstate Insurance Company, which paid the lien holder \$19,370. On December 1, 2003, Cartier was admitted into the PTI Program conditioned on paying restitution in the amount of \$19,327.

State v.

Modesta Vendittoli

On December 9, 2003, a State Grand Jury returned an indictment charging Modesta Vendittoli with attempted theft by deception and tampering. According to the indictment, on January 28, 2002, Vendittoli reported to the Secaucus Police Department that her 1999 Acura had been stolen from the Harmon Meadow Plaza parking lot in Secaucus while she was inside shopping. Allegedly, Vendittoli also reported the purported theft to her insurance carrier, First Trenton Indemnity Insurance Company. The State intends to prove that Vendittoli's Acura had, in fact, been impounded by the Jersey City Police Department on January 19, 2002, nine days prior to the reported theft in Secaucus. Vendittoli's case is pending trial.

Other Fraudulent Automobile Related Insurance Claims

State v.

Narenda Solanki

Narenda Solanki pled guilty in 2002 to an Accusation charging him with falsifying records. Solanki admitted that, on May 29, 1998, he falsely reported to the North Brunswick Police Department that his car had been burglarized and that approximately \$8,000 in cash and gift items were stolen from the vehicle. Solanki also admitted that he made a theft claim to State Farm Insurance Company in the amount of \$8,000 and, in order to support his claim, submitted phony receipts that were provided to him by Timetron Watch Company located in Edison. On March 28, 2003, Solanki was admitted into the PTI Program and ordered to pay a \$5,000 civil insurance fraud fine. The investigation is continuing and further civil or criminal insurance fraud penalties against other persons who may have assisted Solanki are pending.

State v.

Alloy Johnson

On January 2, 2003, a Middlesex County Grand Jury handed up an indictment charging Alloy Johnson with theft by deception and forgery. According to the indictment, on January 15, 2000, Johnson, without authorization, cashed and kept for himself the proceeds of a New Jersey Manufacturers Insurance Company settlement check in the amount of \$2,173 by forging the endorsement signature of Sean Caposella, Vice-President of Jefferson Loan Company. The settlement check was issued by New Jersey Manufacturers and

made payable to Johnson and Jefferson Loan Company as a result of a vehicle theft claim submitted by Johnson in November 1999, in which he claimed his 1990 Acura had been stolen. Johnson was supposed to endorse the check over to Jefferson Loan Company to pay the balance of the loan that Johnson owed on the Acura. Instead, Johnson cashed the check and kept the money for his own use. On June 17, 2003, Johnson pled guilty to uttering a forged document and on September 4, 2003, he was sentenced to three years probation conditioned upon paying restitution to the Jefferson Loan Company in the amount of \$2,173.

State v.

Daniel Pascuite

On March 12, 2003, Daniel Pascuite pled guilty to an Accusation charging him with attempted theft by deception. Pascuite admitted that, on December 16, 2000, he falsely reported to Clarendon National Insurance Company that the rims and tires from his 1999 Chevrolet Corvette had been stolen. He also admitted that, on May 10, 2001, he submitted altered receipts to the insurance company in order to steal claim money to which he was not entitled. On July 16, 2003, Pascuite was admitted into the PTI Program with the condition that he perform 50 hours of community service.

State v.

Peter Mangiola

On February 10, 2003, Peter Mangiola pled guilty to an Accusation charging him with attempted theft by deception. Mangiola admitted that, on October 17, 1996, he fraudulently reported to General Accident Insurance Company that several items, including a Nikon camera and a pair of Ray Ban sunglasses, had been stolen from his automobile. Mangiola submitted two fraudulent credit card receipts as proof of the value of the camera and sunglasses and General Accident paid his claim in the amount of \$1,277. Mangiola also admitted that, on May 5, 1999, he submitted the same two fraudulent receipts to Hanover Insurance Company, reporting that the same items, along with clothing and computer equipment valued at \$5,921, were stolen from his car. Hanover



OIFP Criminal Case Descriptions – Insurance Fraud

denied the claim and referred the case to OIFP. On May 2, 2003, Mangiola was sentenced to two years probation conditioned upon paying \$1,278 in restitution to the insurance company. He was also ordered to pay a \$10,000 civil insurance fraud fine.

**State v.
Zurab Tandilashvili**

On November 21, 2003, Zurab Tandilashvili pled guilty to an Accusation charging him with forgery. Tandilashvili admitted that, on November 1, 2001, he submitted false garage rental and car rental receipts totaling \$3,450 in support of an automobile insurance liability claim to Allstate Insurance Company. The insurance claim related to an automobile accident which occurred on August 14, 2001, in New York City in which Tandilashvili's vehicle was struck by an Allstate insured vehicle. On November 21, 2003, Tandilashvili was admitted into the PTI Program conditioned upon performing 50 hours of community service and paying a civil insurance fraud fine in the amount of \$5,000.

**State v.
Pretam R. Parsam**

On April 17, 2003, Pretam Parsam pled guilty to an Accusation charging him with attempted theft by deception. Parsam admitted that, on June 24, 2002, he falsely reported the attempted theft of his 1993 Honda Accord to the Morris Township Police Department. Parsam also admitted that, on July 17, 2002, he falsely reported to the Morris Township Police Department that a Sony television-stereo combo valued at \$1,244 had been stolen at the time of the attempted theft of his automobile. Parsam presented a phony

store receipt to a Morris Township police officer in support of his claim that the television was stolen. Parsam subsequently submitted an insurance claim to Liberty Mutual Insurance Company with the intent to defraud the insurance company into replacing the television and repairing damage to his vehicle allegedly sustained in the attempted theft. On May 30, 2003, Parsam was admitted into the PTI Program conditioned upon completing 50 hours of community service and paying a \$1,500 civil insurance fraud fine.

**State v.
Michael Marchevsky**

On October 22, 2003, Michael Marchevsky was admitted into the PTI Program conditioned upon performing 100 hours of community service and paying a \$2,500 civil insurance fraud fine after he pled guilty to an Accusation charging him with attempted theft by deception. In July of 2002, Marchevsky's 2000 Ford F150 pick-up truck was burglarized and a window shattered. Marchevsky claimed that several items valued at over \$4,000, including speakers and a laptop computer, had been stolen from his truck. Marchevsky subsequently filed a loss of property insurance claim with Selective Insurance Company of America in the approximate amount of \$4,980. Marchevsky admitted that he submitted a phony receipt from AVIV Electronics in support of his claim and that, in fact, he had not suffered the loss as claimed.

Personal Injury Claims Adjuster Fraud

State v. Joseph DeGregorio

A State Grand Jury returned an indictment in 2001 charging Joseph DeGregorio with theft by unlawful taking. The indictment alleged that DeGregorio, who worked as an adjuster/paralegal for personal injury lawyers, misappropriated approximately \$87,000 in insurance claim settlement checks from various claimants who were clients of the law firm that employed him. The settlement checks were deposited into DeGregorio's bank account which was in the name of JRD Adjusting, a corporation he created. Following indictment, DeGregorio fled to Florida where investigators from OIFP arrested him. DeGregorio pled guilty to theft by deception and, on September 19, 2003, he was sentenced to four years in State prison and ordered to pay restitution in the amount of \$102,000.

Receiving Stolen Property

State v. Thomas Robinson, David Levine and Robert VonSee

On April 1, 2003, Thomas Robinson was charged by a Passaic County Grand Jury with conspiracy and receiving stolen property. Also named in a separate but related indictment were David Levine and Robert VonSee, who were charged with conspiracy and theft by deception. The indictment against Robinson alleged that, between June of 1997 and January of 1999, Robinson provided stolen cars to Frank Thomas Holgate who owned

and operated Best Buys Auto Parts and Cars in Cedar Grove. Some of the stolen cars were dismantled and the parts sold. False insurance claims were submitted with respect to some of the stolen cars. Among the stolen vehicles supplied by Robinson were a 1992 Ford valued at approximately \$10,000, a 1995 Dodge valued at approximately \$14,425, a 1995 Honda valued at approximately \$13,775, a 1990 Mazda valued at approximately \$6,500, a 1990 Toyota valued at approximately \$9,725, a 1991 Toyota valued at approximately \$7,825, a 1994 Toyota valued at \$15,750, a 1995 Toyota valued at approximately \$22,725, and a 1997 Volkswagen valued at approximately \$18,000. Holgate pled guilty to receiving stolen property and, on October 31, 2003, was sentenced to four years probation conditioned upon serving 275 days in county jail. Holgate's restitution will be determined by the Court.

Robinson pled guilty to conspiracy and receiving stolen property and on October 31, 2003, was sentenced to five years probation conditioned upon serving 364 days in county jail. Robinson was also ordered to pay \$24,000 in restitution.

The indictment charging Levine and VonSee alleged that, between August 11, 1998 and October 14, 1998, VonSee "gave up" his 1990 Mercedes Benz to Levine who then provided the vehicle to Holgate. Levine assisted VonSee in falsely reporting his 1990 Mercedes stolen. Levine also allegedly falsely reported the Mercedes stolen to the Wayne Police Department. VonSee filed a

fraudulent auto theft insurance claim with First Trenton Indemnity Insurance Company which paid \$31,518. On May 19, 2003, VonSee pled guilty to the charges and was admitted into the PTI Program conditioned upon completing 75 hours of community service and paying \$27,669 in restitution to First Trenton Indemnity. On June 9, 2003, Levine pled guilty to conspiracy and was admitted into the PTI Program conditioned upon completing 75 hours of community service.

State v. Artan Rosania

On January 31, 2003, Artan Rosania was sentenced to three years in State prison following his guilty plea to receiving stolen property. The charges related to the fact that Rosania, as a salesman for Newton Motor Sports, sold car keys for luxury automobiles to undercover State Investigators so the cars could be stolen. OIFP investigators along with Organized Crime and Racketeering Bureau investigators in the Division of Criminal Justice investigated the case.

State v.



OIFP Criminal Case Descriptions – Insurance Fraud

Andrzej Domanski

On June 12, 2003, Andrzej Domanski pled guilty to an Accusation charging him with receiving stolen property. Domanski admitted that, on February 20, 2003, he took possession of a 2001 BMW X5 automobile for compensation, knowing the car had been falsely reported stolen in East Orange two days earlier. On July 18, 2003, Domanski was sentenced to two years probation, receiving credit for two days served in county jail.

State v. M. M.

On October 2, 2003, OIFP investigators executed a search warrant and arrested a suspect known in the investigation as M.M. Numerous cars and car parts were seized during the search, suggestive of the operation of a “chop shop” and probable automobile insurance fraud. M.M. was charged with receiving stolen property, dealing in stolen property, and certain alterations of motor vehicle identification numbers. Bail was set at \$50,000 with a 10% cash option. The identity of M.M. has not been released to preserve the integrity of OIFP’s ongoing investigation.

Staged and

Fictitious Accidents

State v. Anhwar Bandy, Alejandro Ventura, Elvin Castillo, Raynaldo Cuevas, Cesar Caba, Victor Almonte, et al.

The prosecution of this large-scale staged accident ring advanced significantly in 2003. Twenty-eight persons were named in ten separate State Grand Jury indictments in 2002 charging them variously with racketeering, conspiracy, health care claims fraud, attempted theft and theft by deception, use of a 17 year old or younger to commit a criminal offense, and possession of a weapon without a permit. All of the charges relate to allegations that the defendants participated in phony automobile accidents in and around Union County to submit false insurance claims.

The main indictment in this case charged racketeering and related crimes, alleging that Anhwar Bandy, who owned, controlled, or operated as the chief corporate officer of six North Jersey chiropractic clinics, and Alejandro Ventura, Elvin Castillo, Raynaldo Cuevas, Cesar Caba and Victor Almonte, all of whom were associated with Anhwar Bandy or the clinics, allegedly fabricated eight phony automobile accidents. It also alleged that, as a result of these eight phony automobile accidents, claimants submitted PIP insurance claims in excess of \$331,000 to several insurance companies. Additionally, the indictment alleged that insurance claims in excess of \$2 million were also submitted in conjunction with more than 90 other phony accidents. According to the indictment, the accidents were constructed by obtaining cars, soliciting drivers and passengers, faking acci-

dents, and then sending the occupants of the cars to treat at chiropractic clinics in order to submit the fraudulent insurance PIP claims. As part of the conspiracy to construct phony accidents, the State alleged that Ventura, Castillo, Cuevas, Caba, and Almonte acted as “runners” and recruited persons to participate in the phony automobile accidents. The State also alleged that the persons who participated in the phony accidents became patients at several of the Bandy owned, controlled, or operated chiropractic clinics, as well as at other medical service provider offices, even though they were not hurt in the phony accidents. The indictment also alleged that the “runners” were sometimes known as “constructors” because they allegedly constructed these automobile accidents. The other indictments charged the remaining 22 defendants for their participation in the eight phony accidents as passengers, drivers and/or claimants. These 22 defendants were named based on their participation as passengers, vehicle operators, and insurance claimants treating at various chiropractic clinics in order to submit insurance claims as part of the conspiracies involving these phony automobile accidents. The State further alleged that most of the claim money was paid to Bandy owned, operated, or controlled chiropractic clinics. The victimized insurance companies included Allstate Insurance Company, Kemper Insurance Company, MDA/Newark Insurance Company, Prudential Insurance Company, Republic Western Insurance Company (U-Haul of Arizona), Selective Insurance Company, Sentry Insurance Company, State Farm Insurance Com-

pany, Bayside Casualty, Clarendon National, Continental Insurance, Farm Family Insurance Company, Liberty Mutual Insurance Company, Maryland Insurance Company, the Moxon Company, National Continental Progressive, National General Insurance Company, N.J. Cure, Ohio Casualty Insurance Company, Parkway Insurance, Progressive Casualty, Red Oak Insurance Company, United States Automobile Association (USAA), and New Jersey Manufacturers Insurance Company.

During calendar year 2003, three of the six indicted racketeers pled guilty to conspiracy to commit racketeering and face prison sentences. Another defendant also pled guilty to health care claims fraud and faces a prison sentence. To date, approximately 24 of the 28 indicted defendants charged with participating in the ring have pled guilty.

State v. Dannie Campbell, et al.

On March 19, 2003, a State Grand Jury returned three indictments charging Dannie Campbell and ten other defendants with conspiracy, health care claims fraud, and attempted theft by deception. According to the indictments, between July of 1997 and March of 1999, Dannie Campbell masterminded two fictitious automobile accidents involving other co-conspirators in order to have the co-conspirators treat for injuries purportedly sustained in the phony accidents and submit Personal Injury Protection (PIP) insurance claims to an insurance company. The State alleges that the first phony automobile accident planned by Campbell took place on July 24, 1997, in Hillside, involving co-defendants George Holly, Jr., Shaheen Johnson, Nathaniel

Jones, and Rashonda Harris, all of whom claimed to have sustained injuries requiring medical treatment. PIP insurance claims of approximately \$47,700 were submitted to Keystone Insurance Company/AAA Mid-Atlantic Insurance Company under Holly’s automobile insurance policy for this purported accident. The State further alleges that the second phony accident planned by Campbell took place on September 16, 1998 in Newark involving co-defendants Robert Paul Mitchner a/k/a “Shaboor,” Chad Watson, Ramil Robinson, Duane Smith, Monesha Gray, and Deborah Mathis and that they also submitted phony PIP insurance claims to Keystone Insurance Company/AAA Mid-Atlantic Insurance Company totaling approximately \$42,950. In both cases, Keystone Insurance Company/AAA Mid-Atlantic Insurance Company became suspicious of the claims, denied payment, and referred the matters to OIFP. On October 24, 2003, Campbell failed to appear in Court and a bench warrant was issued for his arrest. The cases as to the other defendants are pending trial.

State v. Ali Harvey, Roy Bailey



OIFP Criminal Case Descriptions – Insurance Fraud

and Irene Smith

An Essex County Grand Jury handed up an indictment in 2002 charging Roy Bailey and Irene Smith with conspiracy to commit theft by deception and attempted theft by deception. According to the indictment, on February 11, 1997, Ali Harvey, Bailey, and Smith reported to the Newark Police Department that they were passengers in an automobile which was struck by another vehicle that had run a stop sign and fled. The indictment alleged the accident never occurred and that they treated at an East Orange chiropractic clinic for injuries they falsely claimed to have sustained in the phony accident so that bodily injury and PIP claims could be submitted to State Farm Insurance Company. State Farm denied the claims and referred the case to OIFP for investigation. Harvey pled guilty to an Accusation charging him with conspiracy. He was admitted into the PTI Program and ordered to complete 50 hours of community service. On November 22, 2002, Bailey was arrested pursuant to a bench warrant issued for unrelated charges and arraigned in Essex County Superior Court. He later failed to appear for a court hearing and a second bench warrant was issued for his arrest. Smith pled guilty to the charges in the indictment and was sentenced on March 7, 2003, to two years probation conditioned upon completing 100 hours of community service.

State v. Rene Obredor

On March 7, 2003, Rene Obredor was sentenced to one year probation conditioned upon completing 50 hours of community service and paying a \$750 criminal fine. Obredor had pled guilty to an Accusation charging him with attempted theft by deception, admitting that he caused a purported Glenwood Police Department automobile accident report to be falsified so as to reflect that, on or about February 11, 1999, he was injured in an automobile accident. Obredor also admitted that he used the false police accident report to support an automobile insurance PIP claim which was submitted to First Trenton Indemnity Insurance Company and New Jersey Manufacturers Insurance Company, along with several other falsified claim documents. At his guilty plea hearing, Obredor admitted that he sought medical treatments for purported injuries arising from the accident, even though he was not really injured in an automobile accident as he had claimed to the insurance companies. The insurance companies denied fraudulent PIP claims of approximately \$5,000 and referred the case for investigation.

State v. Yvonne Blakney, et al.

Loreen Blakney falsely reported to the Camden Police Department on August 9, 1997, that her vehicle was struck by an unidentified hit-and-run driver while she was driving. She also claimed that Lareen Blakney-Reed, Loreen's twin sister; Yvonne Blakney, Lareen's daughter; and Danielle Miller, a friend, were passengers in the vehicle. Following the falsely reported accident, they received treatment from medical service providers, causing General Accident Insurance Company to pay PIP medical payments totaling over \$47,000. All four defendants pled

guilty to charges arising out of this illicit scheme. In November of 2002, Lareen Blakney-Reed was sentenced to 18 months probation and ordered to pay \$12,041 in restitution, while Danielle Miller was sentenced to one year probation and ordered to pay \$9,143 in restitution. On December 13, 2002, Loreen Blakney was sentenced to three years probation and ordered to pay \$15,916 in restitution. On January 31, 2003, Yvonne Blakney was sentenced to two years probation conditioned on paying \$10,634 in restitution to General Accident Insurance Company and serving 100 hours of community service.

State v. Robin Ellison, et al.

A Burlington County Grand Jury returned an indictment in 2002 charging Robin Ellison, Denise Gaines, Patricia Oglesby, and Deborah Thomas with conspiracy, health care claims fraud, and theft by deception. According to the indictment, on April 10, 1998, Gaines, Oglesby and Thomas were passengers in a vehicle being driven by Ellison in Philadelphia, Pennsylvania, when they conspired to falsely claim that an automobile accident had occurred. Ellison reported the collision to the Philadelphia Police Department and all four defendants told the responding officer that they were injured in the phony accident. Ellison also reported to State Farm Insurance Company that her vehicle was involved in a motor vehicle accident.

The indictment alleged that all four defendants subsequently submitted fraudulent PIP claims to State Farm for reimbursement for health care services for injuries they claimed to have sustained. Oglesby, Gaines, and Thomas pled guilty to

one count each of theft by deception. On January 10, 2003, Oglesby was sentenced to five years probation conditioned upon serving 180 days in county jail, payment of \$2,011 in restitution to State Farm and payment of a \$2,500 civil insurance fraud fine. Gaines was also sentenced on January 10, 2003 to three years probation conditioned upon serving 180 days in county jail, payment of \$7,560 in restitution to State Farm, and payment of a \$2,500 civil insurance fraud fine. On January 17, 2003, Thomas was sentenced to five years probation conditioned upon serving 180 days in county jail, paying restitution in the amount of \$7,560 to State Farm, and paying a \$2,500 civil insurance fraud fine. Ellison pled guilty to conspiracy and health care claims fraud and on January 17, 2003, she was sentenced to three years in State prison, payment of \$16,741 in restitution to State Farm, and a \$5,000 civil insurance fraud fine. On August 4, 2003, Pauline Whitfield pled guilty to an Accusation charging her with health care claims fraud and impersonation, admitting that she also fraudulently claimed to have been injured in the same automobile accident as the other four defendants. In particular, she admitted that she had misrepresented herself to be Paulette Jones to the investigating officer and to State Farm Insurance Company for the purpose of submitting fraudulent health insurance claims in the amount of \$16,908, of which State Farm paid approximately \$5,900. On December 19, 2003, Whitfield was sentenced to five years probation conditioned upon serving 364 days in county jail, ordered to pay \$5,913 in restitution to State Farm, and to pay a \$5,000 civil insurance fraud fine.

State v.

John Groff, et al.

A State Grand Jury returned an indictment charging John Groff, Luis Ruiz and 27 others with conspiracy and attempted theft by deception in July of 2001. Groff and Ruiz, who essentially acted as “runners,” conspired



with 27 other defendants to stage a total of seven automobile accidents in and around Camden County. As a result of these phony accidents, phony PIP claims totaling nearly \$97,000 were submitted to five insurance carriers, including Allstate Insurance Company, State Farm Insurance Company, Liberty Mutual Insurance Company, Prudential Insurance Company, and Material Damage Adjustment Corporation. False police reports were made to six police departments, including Pennsauken, Voorhees, Cherry Hill, Bellmawr, Camden, and Gloucester Township. Due to the suspicious nature of the claims, the carriers refused payment and referred the case to OIFP for further investigation. Ruiz pled guilty to conspiracy to commit theft by deception in January of 2002 and was sentenced to three years in State prison with one year of parole ineligibility. He was also ordered to pay a \$20,000 civil insurance fraud fine. Groff pled guilty to attempted theft by deception, admitting that he conspired with the 28 other defendants to “stage”



OIFP Criminal Case Descriptions – *Insurance Fraud*

the phony accidents. On September 19, 2003, he was sentenced to seven years in State prison with three and a half years of parole ineligibility. The other defendants were admitted into the PTI Program conditioned upon paying a \$1,000 civil insurance fraud fine and continued cooperation with the State.

***State v.
Neil Arruda
and Simone Fernandes***

On August 29, 2003, a State Grand Jury returned two separate indictments against Neil Arruda and his girlfriend, Simone Fernandes, arising out of an OIFP investigation of M&A Auto Body. The first indictment charged Arruda with conspiracy, theft by deception, and false incrimination. Fernandes was charged in the second indictment with conspiracy, theft by deception, and hindering apprehension or prosecution. The indictments alleged that, between March of 1998 and February of 2000, Arruda orchestrated five staged accidents with the help of nine co-conspirators, including Fernandes, which generated over \$80,000 in fraudulent automobile insurance claims submitted to various insurance companies. On November 21, 2003, Fernandes pled guilty to theft by deception. She is scheduled

to be sentenced in early 2004. Seven of the co-conspirators had been previously charged by OIFP in three separate indictments returned, respectively, by the Essex County Grand Jury on May 9, 2003, and by the Union County Grand Jury on April 9, 2003. An eighth co-conspirator had been previously charged by a State Grand Jury.

***State v.
Rui Salgado, Anthony Padovano,
Ricardo Ventura
and Joseph Caponegro***

In another case stemming from the M&A Auto Body investigation, a Union County Grand Jury returned an indictment charging Rui Salgado, Anthony Padovano, Ricardo Ventura, and Joseph Caponegro with conspiracy and theft by deception. According to the indictment, on October 22, 1999, Padovano intentionally drove his 1998 Toyota into a 1998 Ducati motorcycle and a 1999 Kawasaki Ninja motorcycle, both of which were parked without riders in front of Caponegro's house. The State alleged that Padovano falsely reported to the Union Township Police Department that the collision was an accident so that he could submit false insurance claims. The indictment also alleged that Padovano, Caponegro, Salgado, and Ventura conspired to stage the purported accident and shared in the proceeds of the insurance claim monies paid by Rider Insurance Company, Elco Administrative Services, and Prudential Insurance Company in the amount of \$13,334. Ventura pled guilty to theft by deception and, on October 3, 2003, was sentenced to three years probation conditioned upon serving 180 days in county jail and ordered to pay a \$500 criminal fine. Padovano and

Caponegro were acquitted by a jury following a trial in Union County. On October 14, 2003, Salgado pled guilty to an amended charge of hindering apprehension or prosecution and was sentenced to one year probation conditioned upon paying a \$750 criminal fine.

State v. Antonio Oliveira, Francisco da Cruz, Maria Antunes and Nelson Soares

As part of the M&A Auto Body investigation, Antonio Oliveira, Francisco da Cruz, and Maria Antunes were variously charged in two separate Essex County indictments with conspiracy, theft by deception, and unsworn falsification to authorities. The first of the two indictments alleged that, between March 11, 1998 and October 26, 1998, Oliveira and da Cruz conspired to obtain a 1999 Isuzu Rodeo from a body shop in Newark, and intentionally drove it into a 1993 Nissan in Newark so that property damage insurance claims could be submitted to Liberty Mutual Insurance Company. In total, approximately \$18,263 in property damage was paid on this alleged fraudulent insurance claim. The second indictment alleged that, between October 6, 1998 and January 19, 1999, Oliveira and Antunes staged an accident involving a 1994 Honda Civic. The indictment further alleged that Antunes reported the accident to the Newark Police Department and submitted a false automobile accident report to Liberty Mutual Insurance Company claiming property damage in the amount of \$8,195. Oliveira pled guilty to theft by deception, and on December 12, 2003, was sentenced to two years probation and ordered to pay a criminal fine of

\$1,000. Pursuant to the plea agreement, as to Oliveira, the second indictment was dismissed at sentencing. Antunes pled guilty to unsworn falsification to authorities, and on December 12, 2003, was sentenced to two years probation and payment of a \$500 criminal fine. On October 20, 2003, da Cruz pled guilty to the amended charge of making a false report to law enforcement authorities and was sentenced to probation and payment of a \$500 fine.

A State Grand Jury returned another indictment, also stemming from the M&A investigation, charging Nelson Soares with conspiracy, theft by deception, and hindering apprehension. This indictment alleged that, on August 21, 1998, Soares and several others rented a U-Haul truck to purposely cause an accident to generate a phony insurance claim. According to the indictments, Soares then drove the U-Haul truck into a 1994 BMW and allegedly falsely reported to the Newark Police Department that an automobile accident had occurred. Soares is currently a fugitive and his case is pending trial.

State v. Eric Boyer, et al.

On May 19, 2003, 22 individuals were named in four State Grand Jury indictments charging conspiracy,

health care claims fraud, and attempted theft by deception. The indictments alleged that one of the conspirators, Eric Boyer, masterminded three staged accidents involving 21 other co-conspirators which resulted in the submission of multiple phony PIP insurance claims to several insurance companies. The indictments alleged that, between October of 1998 and October of 1999, Boyer planned and orchestrated the three fictitious automobile accidents with 21 other defendants who posed as passengers in the accidents. According to the indictments, these three fictitious accidents resulted in the submission of over \$204,378 in fraudulent PIP insurance claims to Progressive Insurance Company, State Farm Insurance Company, and Alamo-National Union Fire Insurance Company. One of the indictments alleged that Boyer orchestrated a staged accident which purportedly occurred on October 5, 1998, in East Orange. The indictment alleged that Boyer recruited Shaquan McLaurin, Kirk McNeil, Alnicca Franklin, Otis Christopher, Rodney Mayes, and Raynelle Hamilton to claim that, on October 5, 1998, they were passengers in a van driven by Boyer and that they were supposedly injured in an accident which, in fact, never occurred. The indictment alleged that these defendants were treated for their purported injuries and approximately \$66,052 in PIP insurance claims were submitted to Progressive as a result. Progressive denied the claims.

According to another one of the indictments, Boyer orchestrated a staged accident on November 1, 1998, in West Orange in which a van allegedly driven by Tamika



OIFP Criminal Case Descriptions – Insurance Fraud

Sutton collided with a vehicle driven by Valentino White. It is alleged that the passengers in the van were Sakinah Hill, Shinaka Hill, Louis McKenzie, Kevin Douglas, and Emilio Mayes, and the passengers in White's vehicle were Vanessa Miller, Raphael McCray, and another person who was not identified in the indictment. It is also alleged that the occupants of both vehicles were treated for purported injuries sustained in the staged accident and subsequently submitted PIP insurance claims to Progressive and State Farm. The PIP insurance claims submitted to both carriers totaled approximately \$62,865, of which the carriers paid \$5,389.

Another one of the indictments alleged that Boyer arranged a staged accident which occurred on December 1, 1998, in Irvington. According to the indictment, Boyer arranged for Tamika Sutton to report that she had been driving a rented van which had been struck by a hit and run vehicle. It is alleged that passengers in the van driven by Sutton were Sheri Brown, Robert Henderson, Ona Jones, Ali Sawab, Shonique Carney, and Sareesah Houston. As was alleged in all of the other phony accidents, the indictment alleged that all of the occupants in the rented van claimed they sustained injuries, were treated for the purported injuries, and submitted PIP insurance claims totaling \$75,460 to Alamo-National Union Fire Insurance Company.

On September 15, 2003, McNeil pled guilty to attempted theft by deception and is scheduled to be sentenced early in 2004. On November 10, 2003, McKenzie pled guilty to attempted theft by deception and is also scheduled to be sentenced early in 2004. All remaining defendants are pending trial.

State v. Iris Salkauski, et al.

On January 13, 2003, a State Grand Jury returned ten separate indictments charging 48 persons with conspiracy, theft by deception, and attempted theft by deception for their alleged participation in a staged accident ring. The indictments alleged that the 48 defendants planned or participated in at least ten "staged" automobile accidents over a two and one half year period from December 9, 1996 through May 27, 1998, in the Camden County area. As a result of the "staged" accident scheme, Allstate Insurance Company received PIP claims totaling \$567,940.

The OIFP investigation determined that the defendants would allegedly "stage" fake automobile accidents by purposely crashing cars into one another or into fixed objects. The motor vehicle accidents would be reported to area police departments, principally the Camden and Pennsauken Police Departments, after which the "victims" would seek and obtain treatment for purported injuries sustained as a result of the "staged" accidents. Ultimately, fraudulent PIP claims were filed with Allstate Insurance Company for payment or reimbursement of medical expenses and "pain and suffering" costs. At least one "staged" accident involved undercover law enforcement officers posing as participants in the illegal scheme.

The principal indictment identified Iris Salkauski as the alleged leader of the conspiracy and the coordinator of each of the ten "staged"

accidents. It alleged that Salkauski orchestrated the “staged” accidents, recruited the participants for each of the “staged” accidents, paid them for their participation in the “staged” accidents, and directed them to obtain medical care and legal services. Salkauski remained a fugitive from the time of the indictment until her arrest on March 5, 2003, when she was found cowering in a bedroom closet inside a residence in Kissimmee, Florida. Salkauski was lodged in the Osceola County Jail without bail until her extradition to New Jersey.

Hector Bonilla, one of the participants, pled guilty to conspiracy and, on June 20, 2003, was sentenced to four years in State prison to run concurrent with a county jail sentence stemming from an unrelated matter. Restitution and civil insurance fraud fines were also imposed. David Gonzalez, another participant, pled guilty to conspiracy and, on September 19, 2003 was sentenced to three years probation conditioned upon performing 150 hours of community service and paying a \$1,500 civil insurance fraud fine. Ileana Gonzalez, another participant, pled guilty to conspiracy and, on September 19, 2003 was sentenced to two years probation conditioned upon performing 100 hours of community service. Miguel Roman and Elba Soto, two other participants, pled guilty to conspiracy. On November 14, 2003, Roman was sentenced to three years probation conditioned upon performing 150 hours of community service and ordered to pay a \$1,500 civil insurance fraud fine. On November 14, 2003, Soto was sentenced to two years probation conditioned upon paying a \$1,500 civil insurance fraud fine. Salkauski pled guilty to conspiracy and on November 14, 2003, was sentenced to five years in State prison and ordered to pay a civil in-

surance fraud fine in the amount of \$235,000. Several other defendants pled guilty and received probationary dispositions while the remaining defendants are pending trial.

Fictitious Insurance Identification Cards and Motor Vehicle Documents (Uninsured Motorists)

State v. Jenette Thomas-Malik, et al.

An Essex County Grand Jury returned indictments against Jenette Thomas-Malik and Yolanda Daniels a/k/a Yolanda Adams, charging them variously with conspiracy, theft by deception, simulating a motor vehicle insurance identification card, forgery, and possession of a controlled dangerous substance (CDS). The indictment alleged that Thomas-Malik, Daniels, and another conspirator, Regina Bryan, fraudulently sold fictitious “insurance” in the form of phony insurance identification cards and phony insurance policy “declaration pages” to individuals, including two undercover State Investigators for \$600. Kareem Young, a co-conspirator of Thomas-Malik, Daniels, and Bryan, pled guilty to an Accusation charging him with conspiracy and theft by deception for his role in the conspiracy. Young was sentenced to 27 days in jail as a condition of three years probation, and ordered to seek, obtain, and maintain employment. Regina Bryan pled guilty to an Accusation charging her with conspiracy to commit theft by deception and was sentenced to one year probation conditioned upon maintaining employment and continuing to attend drug rehabilitation. Thomas-Malik pled guilty to con-

spiracy, simulating a motor vehicle insurance card, and possession of CDS. On February 14, 2003, Thomas-Malik was sentenced to 364 days in county jail as a condition of three years probation.

State v. Brett Denby

On January 8, 2003, a Cumberland County Grand Jury returned an indictment charging Brett Denby with simulating a motor vehicle insurance identification card. The indictment alleged that, on June 7, 2002, Denby produced a counterfeit motor vehicle insurance identification card, purportedly issued by Merchants Mutual Insurance Company, to a person conducting a routine inspection of Denby’s car at the Millville motor vehicle inspection facility. The indictment also alleged that, on June 23, 2002, Denby displayed a purported Merchants Mutual counterfeit motor vehicle insurance identification card to a New Jersey State Trooper during a traffic stop. Denby’s case is pending trial.

State v. John Galiuzzi

On January 31, 2003, John Galiuzzi was sentenced to three years probation and ordered to serve 120 days of community service after he pled guilty to an Accusation charging him with simulating a motor vehicle insurance identification card. Galiuzzi admitted that he produced and sold phony motor vehicle insurance identification cards purportedly issued by Selective In-



OIFP Criminal Case Descriptions – Insurance Fraud

insurance Company of America and the Barclay Insurance Company. He also admitted presenting a fictitious motor vehicle insurance identification card to law enforcement authorities during a traffic stop.

State v. T.R.

As part of OIFP's investigation into the sale of fake motor vehicle documents, including fraudulently issued drivers' licenses, T.R. pled guilty on May 5, 2003, to a one count Essex County indictment which charged her with receiving stolen property. She admitted receiving a stolen 2000 Audi automobile. On the same date, she was admitted into the PTI Program conditioned upon completing 50 hours of community service.

State v. Larry L. Casey

On February 21, 2003, Larry L. Casey pled guilty to an Accusation charging him with simulating a motor vehicle insurance identification card. Casey admitted that, on May 4, 2002, he presented an altered automobile insurance identification card, purportedly issued by Prudential Insurance Company, to a Motor Vehicle Commission (MVC) inspector while having his car inspected at the Baker's Basin inspection facility. The Motor Vehicle Commission employee reported the matter to the State Police, who investigated the case and referred it to OIFP for prosecution. On June 6, 1975, Casey had previously been convicted of murder and served 24 years in State prison. He is currently incarcerated at Bayside State

Prison as the result of parole violations. On February 21, 2003, Casey was sentenced to six months in State prison to run concurrently with his parole violation prison sentence.

State v. Lamont Hines

On January 27, 2003, Lamont Hines pled guilty to an Accusation charging him with conspiracy to sell simulated motor vehicle insurance identification cards. Hines admitted that following his earlier arrest on unrelated charges during a motor vehicle stop in South Plainfield, he had in his possession 13 blank State Farm Insurance Company automobile insurance identification cards. Hines also admitted that he and another unidentified person were selling the blank identification cards out of Hines's car. Hines was sentenced on the same date to five years in State prison with 20 months parole ineligibility.

State v. Sonia Negron

On February 20, 2003, a Camden County Grand Jury returned an indictment charging Sonia Negron with simulating a motor vehicle insurance identification card. According to the indictment, on July 30, 2002, she presented a phony automobile insurance identification card purportedly issued by Progressive Northern Insurance Company to a New Jersey State Trooper, knowing that the card

was a counterfeit and that she had no automobile insurance. On December 9, 2003, Negrón was admitted into the PTI Program conditioned upon performing 50 hours of community service.

**State v.
Gerry Frederique**

On April 14, 2003, Gerry Frederique was admitted into the PTI Program conditioned upon completing 50 hours of community service and participating in drug and alcohol testing as directed by Probation. Frederique was charged by an Essex County Grand Jury with simulating a motor vehicle insurance identification card. The indictment alleged that on August 2, 2001, Frederique presented a phony motor vehicle insurance identification card to an Irvington police officer, knowing that the insurance identification card, purportedly issued by the Colonial Penn Insurance Company, was a fake. Frederique allegedly presented the card to the Irvington police officer when the police officer questioned him about an illegally parked 1999 Honda Accord.

**State v.
Regina Lasane**

Regina Lasane was charged by an Essex County Grand Jury with simulating a motor vehicle insurance identification card. Lasane presented a phony motor vehicle insurance identification card to an Irvington police officer, knowing that the insurance identification card, purportedly issued by the Allstate Insurance Company, was counterfeit. Lasane was trying to retrieve her impounded 1989 Honda from the Irvington Police Department impound yard when

she was asked for proof of insurance and presented the fictitious identification card. On March 10, 2003, Lasane pled guilty and, on April 14, 2003, she was admitted into the PTI Program conditioned upon completing 50 hours of community service.

**State v.
Zoila M. Collao-Villegas**

A Union County Grand Jury returned an indictment charging Zoila M. Collao-Villegas with simulating a motor vehicle insurance identification card. According to the indictment, while having her vehicle inspected at the Plainfield Motor Vehicle Commission inspection facility, Collao-Villegas presented a phony insurance identification card, purportedly issued by Allstate Insurance Company, to the motor vehicle inspector. On November 7, 2003, Collao-Villegas was admitted into the PTI Program conditioned upon performing 60 hours of community service.

**State v.
Luis A. Membreno-Dominique**

A Somerset County Grand Jury returned an indictment charging Luis A. Membreno-Dominique with simulating a motor vehicle insurance identification card. According to the indictment, while attempting to get his vehicle released from the Franklin Township Police Department impound lot, Membreno-Dominique presented a phony auto-

mobile insurance identification card to a Franklin Township police officer. On August 5, 2003, Membreno-Dominique was admitted into the PTI Program conditioned upon performing 50 hours of community service.

**State v.
Jamel Laboo**

A Hudson County Grand Jury returned an indictment charging Jamel Laboo with simulating a motor vehicle insurance identification card. According to the indictment, while having his vehicle inspected at the Jersey City Motor Vehicle Commission inspection station, Laboo presented a phony insurance identification card, purportedly issued by Allstate Insurance Company, to the motor vehicle inspector. On July 29, 2003, Laboo was admitted into the PTI Program conditioned upon performing 25 hours of community service.



OIFP Criminal Case Descriptions – Insurance Fraud

State v.

Janie A. Jenkins-Morrison

A Mercer County Grand Jury returned an indictment charging Janie Jenkins-Morrison with simulating a motor vehicle insurance identification card. According to the indictment, on May 22, 2002, Jenkins-Morrison created two phony motor vehicle insurance identification cards, purportedly issued by A Classic Plan, Inc., and bearing the name of an acquaintance, Eudean McMillan. One phony motor vehicle insurance identification card purported to provide insurance coverage for a 1985 Cadillac and the other for a 1987 Lynx. On July 28, 2003, Jenkins-Morrison pled guilty to simulating a motor vehicle insurance identification card and was admitted into the PTI Program conditioned upon performing 25 hours of community service.

State v.

Montez Hopson and Tracey Casimire

An Essex County Grand Jury returned an indictment charging Montez Hopson and Tracey Casimire with conspiracy and simulating a motor vehicle insurance identification card. According to the indictment, on July 11, 2001, following his involvement in a motor vehicle accident, Hopson was arrested for operating an uninsured motor vehicle while his driver's license was under suspension. At the time of his arrest, approximately 17 blank Liberty Mutual Insurance Company insurance identification cards were in his possession. Also according to the indictment, Hopson's girlfriend, Tracey Casimire, in her capacity as an employee of Liberty Mutual Insur-

ance Company, gave him the blank insurance identification cards for the purpose of selling them. Hopson and Casimire each subsequently pled guilty to conspiracy. On September 12, 2003, Hopson was sentenced to two years probation conditioned upon serving 364 days in county jail and ordered to pay a \$750 criminal fine and to perform 75 hours of community service. Casimire was sentenced on the same date to one year probation and ordered to pay a \$500 criminal fine and to perform 75 hours of community service.

State v.

Keisha Lashaye- Dashawna Brown

On April 7, 2003, Keisha Lashaye-Dashawna Brown pled guilty to an Accusation charging her with simulating a motor vehicle insurance identification card. Brown admitted that, while having her automobile inspected at the Millville Motor Vehicle Commission inspection station, she presented a phony automobile insurance identification card, purportedly issued by Newark Insurance Company, to the motor vehicle inspector. In May of 2003, Brown was admitted into the PTI Program conditioned upon performing 20 hours of community service.

State v.

Wanda Bryan

Wanda Bryan was charged by a Mercer County Grand Jury with simulating a motor vehicle insurance identification card. According to the indictment, during a traffic stop in Hamilton Township, Bryan presented a phony insurance identification card, purportedly issued by State Farm Indemnity Company, to a Hamilton Township police officer. Bryan was admitted into the PTI Program on June 3, 2003.

State v.

Yvette R. Williams

On September 24, 2003, a Cumberland County Grand Jury charged Yvette R. Williams with simulating a motor vehicle insurance identification card. According to the indictment, Williams presented a phony motor vehicle insurance identification card, purportedly issued by Liberty Mutual Insurance Company, to a Millville Motor Vehicle Commission inspector, while having her vehicle inspected at the Millville inspection station. On October 15, 2003, Williams failed to appear at her pre-arrest interview. A bench warrant was issued for her arrest. Williams' case is pending trial.

State v.

Jimmy Gurzkovic

An Essex County Grand Jury returned an indictment charging Jimmy Gurzkovic with simulating a motor vehicle insurance identification card. According to the indictment, between May 16 and May 21, 2001, Gurzkovic, who owned and operated F&G Auto Repair, sold two phony, blank automobile insurance identification cards to an undercover State Investigator. On April 8, 2003, Gurzkovic pled guilty to the indict-

ment. On July 18, 2003, Gurzkovic was sentenced to two years probation conditioned upon paying a \$500 criminal fine and continued cooperation with the investigation.

**State v.
Emiled R. Herrera**

On July 2, 2003, a Union County Grand Jury returned an indictment charging Emiled Herrera with simulating a motor vehicle insurance identification card. According to the indictment, while having his 1995 Toyota pick-up truck inspected at a Plainfield Motor Vehicle Commission

Shariff was sentenced to 18 months probation and ordered to complete her college courses.

**State v.
Lunic Adisson**

On June 27, 2003, an Essex County Grand Jury returned an indictment charging Lunic Adisson with two counts of simulating a motor vehicle insurance identification card. According to the indictment, Adisson presented the fictitious insurance identification card to an Irvington police officer to regain possession of her car, which had been impounded

48 charged with staging car crashes

facility, Herrera presented a phony automobile insurance identification card, purportedly issued by New Jersey Manufacturers Insurance Company, to the motor vehicle inspector. Herrera's case is pending trial.

**State v.
Tonya Shariff
a/k/a Sharif Bayyinah**

On May 16, 2003, Tonya Shariff a/k/a Shariff Bayyinah pled guilty to an Accusation charging her with simulating a motor vehicle insurance identification card. Shariff admitted that she presented a phony automobile insurance identification card, purportedly issued by Security Insurance Company, to a Jersey City Motor Vehicle Commission inspector while having her vehicle inspected.

by the Irvington Police Department. On July 29, 2003, Adisson was again indicted for her role in a health care claims fraud scam involving Dr. LeClerc Adisson. Lunic Adisson's cases are pending trial.



OIFP Criminal Case Descriptions – Insurance Fraud

State v.

Paul J. Frye

On July 29, 2003, Paul J. Frye pled guilty to an Accusation charging him with simulating a motor vehicle insurance identification card. Frye admitted that he presented a phony automobile insurance identification card, purportedly issued by IFA Insurance Company, to a Motor Vehicle Commission inspector at the Millville inspection station, while having his vehicle inspected. On the same date, Frye was admitted into the PTI Program conditioned upon performing 50 hours of community service.

State v.

Samuel Rodriguez

On July 29, 2003, a Cumberland County Grand Jury returned an indictment charging Samuel Rodriguez with simulating a motor vehicle insurance identification card. According to the indictment, Rodriguez presented a phony automobile insurance identification card, purportedly issued by Allstate Insurance Company, to a Motor Vehicle Commission inspector at the Millville inspection station, while having his vehicle inspected. This case is pending trial.

State v.

Nimer Elsamna

On August 20, 2003, an Essex County Grand Jury returned an indictment charging Nimer Elsamna with forgery. According to the indictment, Elsamna sold a fictitious Motor Vehicle Commission temporary registration tag to an undercover OIFP investigator. This case is pending trial.

State v.

Juan G. Rivera

On August 8, 2003, Juan G. Rivera pled guilty to an Accusation charging him with simulating a motor vehicle insurance identification card. Rivera admitted that he presented a phony insurance identification card, purportedly issued by Palisades Safety & Insurance Association, to an inspector at the Deptford Motor Vehicle Commission inspection facility. On August 19, 2003, Rivera was admitted into the PTI Program, with the requirement that he provide proof of valid automobile insurance.

State v.

Joel Jean-Pierre

On August 21, 2003, Joel Jean-Pierre pled guilty to an Accusation charging him with forgery. Jean-Pierre admitted that he altered a cancellation letter from his automobile insurance carrier, NJ Cure Insurance Company, to falsely reflect that he had valid automobile insurance coverage, and submitted the letter to the New Jersey Motor Vehicle Commission in order to show proof of coverage. On the same date, Jean-Pierre was admitted into the PTI Program conditioned upon performing 25 hours of community service.

State v.

Tyshon Phipps

On November 19, 2003, an Essex County Grand Jury returned an indictment charging Tyshon Phipps with simulating a motor vehicle insurance identification card. According to the indictment, on April

30, 2003, during the course of a traffic stop in Essex Fells, Phipps presented the police officer with a fraudulent automobile insurance identification card, purportedly issued by Progressive Insurance Company. This case is pending trial.

**State v.
Jose Ramon Bouson**

On October 3, 2003, Jose Ramon Bouson pled guilty to an Accusation charging him with simulating a motor vehicle insurance identification card. Bouson admitted that, on March 23, 2001, while on probation for an unrelated conviction, he manufactured and sold a counterfeit motor vehicle insurance identification card to a person acting in an undercover capacity for OIFP. Bouson awaits sentencing.

**State v.
Waddell A. Tidwell**

On October 3, 2003, Waddell Tidwell pled guilty to an Accusation charging him with simulating a motor vehicle insurance identification card. Tidwell admitted that he sold fictitious insurance identification cards to an undercover New Jersey State Trooper on three occasions. Tidwell awaits sentencing.

**State v.
James Cacciavillano**

On October 16, 2003, James Cacciavillano pled guilty to an Accusation charging him with simulating a motor vehicle insurance identification card. Cacciavillano admitted that, on October 10, 2002, he presented a phony insurance identification card, purportedly issued by Penn National

Insurance Company, to an inspector at the Deptford Motor Vehicle Commission inspection facility. On December 5, 2003, Cacciavillano was admitted into the PTI Program.

**State v.
Alfred J. Whittaker**

On November 13, 2003, Alfred Whittaker pled guilty to an Accusation charging him with simulating a motor vehicle insurance identification card. Whittaker admitted that on February 25, 2003, following a motor vehicle accident in Lawrence Township, he presented a false automobile insurance identification card to a Lawrence Township police officer. On November 13, 2003, Whittaker was admitted into the PTI Program conditioned upon performing 50 hours of community service.

**State v.
Marcy L. Moss**

On November 18, 2003, Marcy Moss pled guilty to an Accusation charging her with simulating a motor vehicle insurance identification card. Moss admitted that on June 24, 2003, she produced and sold to an undercover New Jersey State Trooper, a false motor vehicle insurance identification card, purportedly issued by Liberty Mutual Insurance Company, which purportedly reflected insurance coverage for a 1984 Pontiac in the name of David Reed. Moss admitted that she knew the insurance identification card was counterfeit. Moss awaits sentencing.

**State v.
Clarence E. Shambry, Sr.**

On November 13, 2003, a Camden County Grand Jury returned an indictment charging Clarence E. Shambry, Sr., with simulating a motor vehicle insurance identification card. The indictment alleged that, on June 5, 2002, Shambry sold a fictitious motor vehicle insurance identification card, purportedly issued by Allstate Insurance Company, to a New Jersey State Trooper working in an undercover capacity, knowing that the insurance identification card was counterfeit. Shambry's case is pending trial.

**State v.
John Solomon Riley**

On November 10, 2003, John Solomon Riley pled guilty to an Accusation charging him with tampering with public records or information. Riley admitted that, on May 11, 2003, during a traffic stop in Morris County, he presented a fraudulent driver's license in the name of Matthew Mercer to a Harding Township police officer, knowing that the driver's license was a fake. On December 22, 2003, Riley was sentenced to 18 months probation conditioned upon serving 30 days in county jail.



OIFP Criminal Case Descriptions – Insurance Fraud

**State v.
Jorge Luis Velasquez**

On December 12, 2003, Jorge Luis Velasquez pled guilty to an Accusation charging him with simulating a motor vehicle insurance identification card. Velasquez admitted that on June 5, 2002, during a traffic stop in South Plainfield, he presented the police officer with a fraudulent motor vehicle insurance identification card, purportedly issued by the Liberty Mutual Insurance Company, knowing that the insurance identification card was counterfeit. Velasquez awaits sentencing.

**State v.
Boyd Robinson**

A State Grand Jury returned an indictment charging Boyd Robinson with simulating a motor vehicle insurance identification card, sale of a simulated document, and forgery. According to the indictment, between July of 2001 and August of 2001, Robinson sold a fictitious automobile insurance identification card, purportedly issued by State Farm Indemnity Company, a fictitious New Jersey driver's license, and three fictitious motor vehicle inspection stickers to an undercover OIFP investigator. OIFP's investigation into this matter began when it was contacted by the Irvington Police Department which had arrested a woman known as Snow Gossette a/k/a Tykema Lewis, who had presented a fictitious automobile insurance identification card to an Irvington police officer in order to get her impounded vehicle released. She identified Robinson as the person who sold her the fictitious identification card. On October 17, 2003, Robinson pled guilty to sale of a simulated document. He is pending sentencing.

**State v.
JoAnn Guzzi**

On August 21, 2003, JoAnn Guzzi pled guilty to an Accusation charging her with official misconduct. Guzzi admitted that, while an employee of the Motor Vehicle Commission, on August 22, 2001, she manufactured a duplicate automobile title application form in the name of Dian Douglas and signed Douglas' name on the application without Douglas' knowledge or authorization. Guzzi admitted that she sold the duplicate title to Ismael Ramos for approximately \$80 knowing that Ramos was not entitled to the duplicate automobile title. Guzzi was terminated from her employment with the Motor Vehicle Commission on June 25, 2003. The investigation is continuing and further charges are possible. On September 26, 2003, Guzzi was sentenced to three years probation.

**State v.
Gina Guzzi**

On September 15, 2003, Gina Guzzi pled guilty to an Accusation charging her with falsifying records. Guzzi, who was an employee of the Vineland Motor Vehicle Commission office, admitted that on September 27, 2000, she falsified and provided to another woman a duplicate automobile driver's license in the name of a third woman by filling in the driver's license application form as if she (Guzzi) was the third woman, without the third woman's knowledge or permission. Guzzi admitted that she provided the fraudulent driver's license knowing that it was false. On October 24, 2003, Guzzi was sentenced to three years probation and was permanently barred from public employment in New Jersey.

Health, Life, and Disability Insurance Fraud

Health Care Provider Fraud

State v. Thomas Boselli

Thomas Boselli pled guilty to an Accusation charging him with falsifying records. Boselli admitted that, on January 24, 2001, he submitted a claim form to Horizon Blue Cross/Blue Shield for providing chiropractic services as if he held a valid chiropractic physician's license when, in fact, he did not. On January 3, 2003, Boselli was sentenced to two years probation conditioned upon paying a \$100,000 civil insurance fraud fine and completing 100 hours of community service.

State v. Martin Weinstein

Dr. Martin Weinstein was indicted by a State Grand Jury and charged with health care claims fraud, theft by deception and forgery. The indictment alleged that, between July of 1997 and January of 1999, Weinstein, a licensed podiatrist, fraudulently billed Horizon Blue Cross/Blue Shield approximately \$285,000 for podiatric services he never rendered and for which he was paid more than \$200,000. Weinstein allegedly submitted the fraudulent claims by means of electronic billing from his office to Horizon Blue Cross/Blue Shield and diverted the insurance claim checks issued to the patients to a Post Office box that he rented. It is alleged that Weinstein would forge the patients' names on the back of the checks and deposit them into his own ac-

count to steal the money. Weinstein failed to appear in court and a bench warrant was issued for his arrest on February 25, 2003.

State v. Arthur Dinkel

Arthur Dinkel, a former psychologist who owned and operated two Paramus psychotherapy clinics, pled guilty to an Accusation charging him with theft by deception. Dinkel admitted that, between January of 1998 and March of 1999, he submitted fraudulent billings to various insurance carriers. Dinkel's fraudulent billings took the form of overbilling for psychological services rendered, falsely billing the health insurance policies of certain patients for psychological services rendered to others who were not covered, and billing for services purportedly performed by a staff medical doctor on dates prior to the medical doctor's employment and after his termination. In total, Dinkel was paid \$45,281 by the various insurance companies for these fraudulent billings. On April 4, 2003, Dinkel was sentenced to two years probation conditioned upon paying full restitution.

State v. Roland Evans

On March 11, 2003, Dr. Roland Evans pled guilty to an Accusation charging him with health care claims fraud. Evans admitted that, between January of 1996 and May of 2000, he submitted fraudulent bills to Aetna Life Insurance Company and Guardian/PHS Health Plans for chiropractic services he never rendered. Evans fraudulently billed Aetna and Guardian a total of \$12,313, for which he was paid \$6,302. On June 6, 2003, Evans was sentenced to three years

probation conditioned upon paying restitution in the amount of \$6,302 and ordered to pay a civil insurance fraud fine of \$20,000.

State v. Lev Natovich, Boris Natovich and Joseph Matriss

On July 10, 2003, Lev Natovich was charged by a State Grand Jury with health care claims fraud, conspiracy to commit health care claims fraud, conspiracy to commit theft by deception, unlawful practice of dentistry, theft by deception, and conspiracy to commit unlawful practice of dentistry. Also named in the indictment was Boris Natovich, Lev Natovich's father and the owner of United Dental Center. Boris Natovich was charged with one count of conspiracy to commit unlawful practice of dentistry. The final defendant named in the indictment was Dr. Joseph P. Matriss, a dentist licensed to practice dentistry in New Jersey, who performed dental services at United Dental Center. Matriss was charged with health care claims fraud, conspiracy to commit health care claims fraud, conspiracy to commit theft by deception, and theft by deception.

The indictment alleged that, between September of 1999 and March of 2002, Boris Natovich and Matriss assisted Lev Natovich and another person who was previously charged, Vadim Lioubomoudrov, in providing dental treatment to patients of United Dental Center, including children, even though neither Lev Natovich nor Lioubomoudrov were licensed to practice dentistry in New Jersey. It is also alleged that United Dental Center submitted fraudulent bills for dental services to Local 338 Fund, a labor union, and to Delta Dental Insurance for dental treatments performed by persons who were not li-



OIFP Criminal Case Descriptions – Insurance Fraud

censed dentists. The indictment further alleged that the fraudulent bills were submitted to the insurance carriers claiming that Matriss, who was licensed, was the treating dentist, even though he had not treated some of the patients. This case is pending trial.

**State v.
Vadim Liubomoudrov**

As part of the United Dental Center investigation, on March 31, 2003, Vadim Liubomoudrov, a native of Russia, pled guilty to an Accusation charging him with the unlawful practice of dentistry. Liubomoudrov admitted that, between November of 1997 and December of 1999, he provided dental treatment to patients at the United Dental Center located in Wallington, even though he did not possess a license to practice dentistry in New Jersey. On May 9, 2003, Liubomoudrov was admitted into the PTI Program conditioned upon continued cooperation with OIFP's investigation into the United Dental Center.

**State v.
Jerome Cochran**

Jerome Cochran was among approximately 200 defendants who were indicted or charged by way of Accusation in a complex public corruption health insurance fraud case involving a licensed psychologist, Carl Lichtman. Lichtman conspired with employees of several New Jersey school districts, including Cochran, and submitted false health insurance claims to more than 36 insurance carriers and health care plans in order to steal millions of dollars of health care insurance money. Lichtman was previously sentenced to State prison for his role in the conspiracy. On March 14, 2003, Jerome Cochran voluntarily surrendered to

Bergen County authorities pursuant to a bench warrant that had been issued for his arrest on these charges. On the same date, he pled guilty to theft by deception and was later sentenced to two years probation and ordered to pay restitution to the State Health Benefits Program in the amount of \$2,306, and a \$2,500 civil insurance fraud fine.

**State v.
Barry Vogel**

On June 12, 2003, a State Grand Jury returned an indictment charging Barry M. Vogel, a former licensed neurologist, with health care claims fraud and theft by deception. According to the indictment, between July of 1997 and May of 1999, Vogel submitted fraudulent bills totaling more than \$54,000 to Prudential Property and Casualty Insurance Company of New Jersey, for diagnostic services he failed to render or failed to render properly. It is alleged that Vogel submitted fraudulent health insurance claims for electrodiagnostic tests, known as nerve conduction velocity (NCV) tests, performed on patients who had allegedly been injured in automobile accidents. It is also alleged that he fraudulently submitted the same diagnostic test results for multiple patients. Vogel's case is pending trial.

**State v.
LeClerc Adisson
and Lunic Adisson**

On July 29, 2003, a State Grand Jury returned an indictment against Dr. LeClerc Adisson, a licensed medical doctor, and his niece, Lunic Adisson, charging them with health care claims fraud, theft by deception, misconduct by a corporate official, and falsifying records. According to the indictment, between April of 1997 and December of 2000, LeClerc Adisson concealed the fact that he owned and had a "beneficial interest" in two corporations, Dantor Medical Supply and Clara Medical Services. It is further alleged that, with the assistance of his niece, Lunic Adisson, LeClerc Adisson, submitted bills to various insurance companies for medical supplies and related services purchased from Dantor and Clara Medical, knowing the insurance companies would not pay the bills if they had known he owned Dantor and Clara Medical. The indictment alleged that, in some instances, the bills were fraudulent because they were inflated or they were for equipment that was never provided to patients. In total, it is alleged that LeClerc and Lunic Adisson fraudulently billed insurance carriers approximately \$48,273, of which the Adissons were paid approximately \$26,028.

Lunic Adisson was also named in an unrelated indictment charging that, on December 13, 2002, in Irvington, she was in possession of a fictitious insurance identification card. It is alleged in that indictment that she presented the fictitious insurance identification card to an Irvington police officer to regain possession of her car which had been impounded by the Irvington Police Department. Both cases are pending trial.

**State v.
Alan Ottenstein**

On July 16, 2003, OIFP investigators executed a search warrant at the medical offices of Dr. Alan Ottenstein located in Lawrenceville and Hamilton Township, and a records storage facility located in Mount Holly. During the course of executing the search warrant, several weapons, including a gun, ammunition, a "stun gun" and other weapons, as well as marijuana were found and seized. Ottenstein was charged with possession of marijuana with intent to distribute, possession with intent to distribute within 1,000 feet of a school, as well as with possession of prohibited weapons and devices (explosives), possession of prohibited weapons and devices (stun gun), possession of prohibited weapons and devices (ammunition), and unlawful possession of weapons (Oleoresin Capsicum). On July 23, 2003, Ottenstein was arrested on the above referenced charges and bail was set in the amount of \$50,000. The Ottenstein case is pending grand jury presentation.

**State v.
Richard Finder**

On November 10, 2003, Richard Finder, a former licensed chiropractor, pled guilty to an Accusation charging him with health care claims fraud. Finder, who had operated the Family Chiropractic Clinic located in Fort Lee, admitted that, from January through August of 2000, he submitted over \$1,260 in fraudulent bills to the Cigna Insurance Company for chiropractic treatments that he never rendered. Finder awaits sentencing.

**State v.
Alphonso Smith
and Daniel Catanzaro**

On December 17, 2003, a State Grand Jury returned an indictment charging Dr. Alphonso Smith and Dr. Daniel Catanzaro with health care claims fraud, attempted theft by deception, and theft by deception. The indictment alleged that Smith, a licensed medical doctor, and Catanzaro, a licensed chiropractor, operated a medical practice in Wayne known as Quality Care Physicians. It is alleged that, between July of 1997 and March of 1999, the doctors submitted bills in the amount of \$36,000 for anesthesia administered by needle injection when, in fact, electrical stimulation therapy, which did not involve injected anesthesia, were the medical service(s) actually rendered to the patients. The indictment alleged that the false claims were submitted to several insurance companies for both health and automobile insurance, including Oxford Health Care, New Jersey Manufacturers Insurance Company, United Health Care and Allstate Insurance Company. This case is pending trial.

False Health Care Claims

State v. Andrea Wahlig

Andrea Wahlig was arrested by OIFP investigators pursuant to a complaint and summons charging her with health care claims fraud for submitting claims for prescription reimbursements to which she was not entitled. Wahlig subsequently pled guilty to an Accusation charging her with health care claims fraud. At the guilty plea hearing, Wahlig stated that she had been injured at work and had received workers' compensation benefits from New Jersey



OIFP Criminal Case Descriptions – Insurance Fraud

Manufacturers Insurance Company, which benefits paid for her medical treatment and prescription medications. Wahlig was also covered under her husband's prescription plan, which required a co-pay of \$5 per filled prescription. Wahlig admitted that, between 1997 and 2000, she submitted false insurance claims to New Jersey Manufacturers for full reimbursement of her prescription medications, when, in fact, her husband's prescription plan had paid for the prescriptions, less the \$5 co-pay. Because she failed to disclose her husband's prescription coverage, New Jersey Manufacturers paid Wahlig a total of \$11,771 representing the full cost of 18 prescription transactions, when Wahlig should have only been reimbursed for her co-payments for the prescriptions. On January 10, 2003, Wahlig was sentenced to five years probation conditioned upon paying \$11,681 in restitution to New Jersey Manufacturers Insurance Company and ordered to pay a \$5,000 civil insurance fraud fine.

State v. Brian Butler

A State Grand Jury returned an indictment charging Brian Butler with health care claims fraud and theft by deception. According to the indictment, Butler falsely claimed to have slipped and fallen while a passenger on a Coach USA/O.N.E. bus operating in Elizabeth and fraudulently submitted an insurance claim to Aetna/U.S. HealthCare for injuries purportedly sustained in the bus accident. Aetna paid the claim money directly to Butler's medical service providers. The indictment also alleged that Butler fraudulently submitted an insurance claim to ACE Property and Casualty Company, the insurance car-

rier for Coach USA/O.N.E., for personal injuries and was paid approximately \$3,000 for this claim. Butler pled guilty to theft by deception and, on January 17, 2003, he was sentenced to three years probation conditioned upon paying \$3,740 in restitution to Sedwick Claims Services and Aetna/US HealthCare.

State v. Donald Robison

On February 13, 2003, a Passaic County Grand Jury returned an indictment charging Donald Robison with health care claims fraud and theft by deception. According to the indictment, Robison submitted three fraudulent health insurance claims to AARP Health Care Options for treatment he had not received at three Northern New Jersey hospitals. The indictment also alleged that Robison knew that the claims were fraudulent when he submitted them. Robison allegedly received a total of \$2,880 as a result of these fraudulent submissions. On March 13, 2003, Robison failed to appear to answer the charges and a bench warrant was issued for his arrest. Robison's case is pending trial.

State v. Patricia and Paul Sullivan

A State Grand Jury charged Patricia and Paul Sullivan in connection with the submission of fraudulent health care claims in two separate indictments. The first indictment alleged that, between July 27, 2000 and November 2, 2000, Patricia Sullivan submitted fraudulent claims to MetLife Auto and Home Insurance Company in order to seek reimbursement for prescriptions purportedly paid for by her, when, in fact, she was not entitled to reimbursement for the cost of the prescriptions. The indictment also alleged that

Patricia Sullivan altered and/or falsified prescription medication records in support of the fraudulent claims. She was charged in this indictment with health care claims fraud, theft by deception, and destruction, falsification or alteration of records relating to medical care.

In a second, separate indictment, Patricia was charged, along with her husband Paul Sullivan, with conspiracy, health care claims fraud, attempted theft by deception, and destruction, falsification or alteration of records relating to medical care. The second indictment alleged that, between December 17, 2001 and March 5, 2002, Patricia Sullivan, in concert with her husband, Paul Sullivan, conspired to defraud Blue Cross/Blue Shield by submitting fraudulent insurance claims totaling over \$75,000 for reimbursement for prescriptions they falsely claimed to have purchased from Marquet Pharmacy. According to the indictment, they falsified medical records and submitted them to Blue Cross/Blue Shield in support of their phony claim.

Subsequently, Patricia Sullivan pled guilty to health care claims fraud, theft by deception, and attempted theft by deception and Paul Sullivan pled guilty to conspiracy. On May 30, 2003, Patricia Sullivan was sentenced to four years in State prison and ordered to pay restitution in the amount of \$18,578 to Blue Cross/Blue Shield and \$14,258 to MetLife, as well as a \$25,000 civil insurance fraud fine. On the same date, Paul Sullivan was entered into the PTI Program conditioned upon paying restitution to Blue Cross/Blue Shield in the amount of \$18,578 and a \$25,000 civil insurance fraud fine.

State v.

Robert J. Berman

On May 20, 2003, Robert J. Berman pled guilty to an Accusation charging him with theft by deception. Berman admitted that, between November 1, 1999 and December 29, 2000, he submitted approximately 56 health care reimbursement claims to Aetna Insurance Company. Of the \$8,222 in claims submitted, Aetna paid Berman \$3,082. Some of the claims were false, including claims for services purportedly rendered to his daughter who was not entitled to health care coverage. Additionally, Berman inflated the amount of certain claims in order to steal money from Aetna Insurance. On July 24, 2003, Berman was sentenced to five years probation conditioned upon paying \$3,082 in restitution and a \$2,500 civil insurance fraud fine.

**State v.
Ruth Schwartz**

A State Grand Jury returned an indictment charging Ruth Schwartz with health care claims fraud and theft by deception. According to the indictment, Schwartz submitted a number of legitimate prescriptions to several pharmacies, but intentionally did not pick them up or pay for them. Schwartz submitted the prescriptions because she knew she would receive payment for the prescription drugs from Horizon Blue Cross/Blue Shield, administrator of her husband's prescription plan through his employment as a union electrician, even if she never picked them up. Schwartz was "reimbursed" \$19,569 by Horizon for the prescriptions. Schwartz pled guilty to theft by deception and, on November 11, 2003, was sentenced to three years probation, and payment of restitution in the amount of \$19,569 and a \$5,000 civil insurance fraud fine.

**State v.
James Clark**

On July 16, 2003, a State Grand Jury returned an indictment charging James Clark with two counts of theft by deception and one count of health care claims fraud. Clark was the president of Home Health Care Center, Inc., (HHC), located in Hoboken, as well as the Director of the now defunct Medical Care Management, Inc., d/b/a Mile Square Medical Group, formerly located in Weehawken. HHC is a business that delivers prescription medications from pharmacies to persons' homes and is not licensed to dispense or otherwise sell prescription medications. Mile Square Medical Group was a medical facility staffed by various physicians. Clark, himself, was neither a medical service provider nor a licensed pharmacist.

According to the indictment, between December 1, 1996 and September 11, 1998, Clark misrepresented to Horizon Blue Cross/Blue Shield, third party claims administrator for the New Jersey State Health Benefits Program, that HHC was licensed to supply, dispense, and sell prescription medications which were delivered to patients of Mile Square Medical Group. According to the indictment, Clark misrepresented to Horizon that HHC was, therefore, entitled to payment or reimbursement from the State Health Benefits Plan for the cost of the medications. The indictment further alleged that, for many prescriptions HHC sold, it grossly inflated the cost over the usual and customary price for claims which it submitted to the State Health Benefits Program. The indictment also alleged that Clark submitted fraudulent health care reimbursement claims to Horizon Blue Cross/Blue Shield and the State Health



OIFP Criminal Case Descriptions – Insurance Fraud

Benefits Program for prescription medications that were neither dispensed nor delivered.

The State intends to prove that Clark submitted as many as approximately 400 fraudulent insurance claims for various medications, approximately 330 of which may have been for medications that were never dispensed and never delivered to the patients. The total amount of fraudulent billings allegedly submitted by Clark to Horizon Blue Cross/Blue

moves unwanted hair, and submitted numerous fraudulent health insurance claims to two insurance companies. It is alleged that Acquire, using the business name “High Mountain Medical Center,” submitted fraudulent claims to United Health Group Insurance Company and Aetna Insurance Company totaling \$908,843. The claims were alleged to be fraudulent because Acquire billed hair removal by means of electrolysis as though it was a reimbursable medical surgical procedure known as a debridement which can only be done by, or under the supervision of, a properly licensed medical provider. Acquire was not a licensed medical service provider, was allegedly not qualified to perform medical or surgical procedures, and would not have been authorized to bill the insurance companies for such procedures. Acquire’s case is pending trial.

Mt. Holly woman faces insurance fraud charge

Shield and the State Health Benefits Program was in excess of \$365,000, of which Horizon paid more than \$343,000. The fraudulent prescription scheme allegedly involved at least eight different patients. Clark’s case is pending trial.

State v. Florence Acquire

On October 30, 2003, a State Grand Jury returned an indictment charging Florence Acquire with two counts of health care claims fraud, two counts of attempted theft by deception, and two counts of theft by deception. According to the indictment, between July of 1998 and April of 2001, Acquire rendered services as an electrologist, a person who re-

State v. Christine Schmidt and Peter Schmidt

Christine Schmidt pled guilty to an Accusation charging her with forgery. Schmidt admitted she had knowledge of pharmacy procedures and submitted nine forged prescriptions to the De Rosa Pharmacy and the Rossmore Pharmacy, both in Newark. On August 11, 2003, she was sentenced to three years probation. Peter Schmidt, Christine Schmidt’s former husband, was arrested by OIFP investigators and charged with theft by deception and forgery for forging blank prescription forms in the name of Dr. Ormond Wilkie and submitting phony prescription reimbursement claims of over \$3,600 to Aetna Insurance. Pe-

ter Schmidt pled guilty to theft by deception and forgery and, on May 30, 2003, was sentenced to three years probation and payment of restitution of \$3,642 to Aetna Insurance Company.

Fraudulent Disability Claims

State v. Dr. Ngan Hirai

A State Grand Jury returned an indictment charging Ngan Hirai, a dentist licensed to practice in New Jersey, with theft by deception for filing a fraudulent disability claim. According to the indictment, Hirai continued to practice dentistry while she falsely claimed to be disabled and collected total disability insurance payments of \$155,399 pursuant to a disability insurance policy issued through General American Insurance Company. The insurance company terminated her benefits after determining that she had been practicing dentistry despite the purported disability. On February 10, 2003, Hirai was admitted into the PTI Program conditioned upon performing 50 hours of community service.

State v. Surrinder Aggarwal

On January 31, 2003, Surrinder Aggarwal pled guilty to an Accusation charging him with theft by deception and falsifying or tampering with records. Aggarwal admitted that, between March 1, 1991 and May 31, 2001, he fraudulently received disability insurance benefits totaling more than \$1 million under both Social Security and a private disability insurance policy underwritten by Northwestern Mutual. A joint investigation by OIFP and the Division of

Criminal Justice's Social Security and Financial Crimes Units revealed that Aggarwal's purported disabilities were fraudulent and, during the time of the purported disability, Aggarwal had been involved as an owner/operator of numerous businesses in the New Jersey/New York area. On October 24, 2003, Aggarwal was sentenced to four years in State prison, ordered to pay restitution in the amount of \$1,150,717 and pay a \$15,000 civil insurance fraud fine.

State v. Michael Cicconetti

On February 24, 2003, Michael Cicconetti pled guilty to an Accusation charging him with theft by deception. In 1999, during the course of his employment at International-Matex Tank Terminals located in Bayonne, Cicconetti suffered a work related injury to his shoulder, proceeded with a course of therapy, and collected disability insurance benefits. Cicconetti admitted that, between June 3, 1999 and September 7, 1999, while collecting approximately \$4,216 in disability insurance benefits from his employer and Liberty Mutual Insurance Company, he was able to work and did actually work at a hardware store, despite misrepresenting that his injury prevented him from working. Cicconetti was sentenced on May 21, 2003, to two years probation conditioned upon paying restitution in the amount of \$4,216 and a civil insurance fraud fine of \$2,500.

State v. W. Lance Kollmer

On March 26, 2003, a State Grand Jury returned an indictment charging W. Lance Kollmer, a board-certified plastic surgeon, with theft by deception. According to the indict-

ment, Dr. Kollmer submitted a waiver of life insurance premiums claim to UnumProvident, falsely claiming that he was totally disabled from the practice of plastic surgery and was, therefore, entitled to have his life insurance premiums waived. By doing so, Kollmer allegedly stole life insurance premium coverage worth \$9,000. This case is pending trial. Kollmer also faces charges under a prior indictment which charged him with the theft of more than \$300,000 of insurance monies from Sentry Insurance Company and American General Insurance Company for allegedly falsely claiming that he was totally disabled from practicing as a plastic surgeon when, in fact, he performed dozens of surgical procedures during the period of his claimed disability.

State v. Barbara D. Dickens

On May 8, 2003, a State Grand Jury returned an indictment charging Barbara D. Dickens with theft by deception and falsifying records. According to the indictment, between April of 1997 and January of 1999, Dickens represented to CIGNA Insurance Company that she was totally disabled and, as a result, unable to maintain employment. Pursuant to a long-term disability insurance policy, CIGNA paid Dickens a total of \$25,305 in disability insurance benefits. The indictment alleged that during the period in question, Dickens was, in fact, continuously employed and, therefore, ineligible to receive disability insurance benefits. Dickens' case is pending trial.



OIFP Criminal Case Descriptions – Insurance Fraud

**State v.
Gerard M. Zaccardi**

A State Grand Jury returned an indictment charging Gerard M. Zaccardi with theft by deception and falsifying records. The indictment alleged that Zaccardi fraudulently applied for disability insurance benefits with the Social Security Administration (SSA) following a “slip and fall” at his place of employment, after termination of temporary benefits payments from workers’ compensation. On the SSA application, Zaccardi claimed an inability to return to work and function normally at home due to his purported disability. After conducting an investigation which included surveillance, authorities determined that during this time period, Zaccardi was employed at an auto body shop and did not appear to be disabled. Zaccardi pled guilty to both counts of the indictment and, on September 19, 2003, was sentenced to five years probation and ordered to pay restitution in the amount of \$49,287.

**State v.
Jose Susana-Rosario**

On October 1, 2003, a State Grand Jury charged Jose Susana-Rosario with theft by deception. According to the indictment, between December of 2002 and February of 2003, Susana-Rosario fraudulently received over \$5,000 in workers’ compensation benefits from American Home Assurance Company (AIG). It is alleged that Susana-Rosario reported that he injured his back while performing his duties as an employee at Eastern Seaboard Packaging in Edison when, in fact, he sustained the injuries at home. Susana-Rosario’s case is pending trial.

**State v.
Campbell Halleran**

On December 2, 2003, a State Grand Jury returned an indictment charging Campbell Halleran with attempted theft by deception, health care claims fraud, and falsifying records. According to the indictment, on July 18, 2002, Halleran, who was employed by Dick’s Sporting Goods, Inc., in Moorestown, submitted a fraudulent workers’ compensation claim to his employer. Halleran allegedly claimed that he had injured his back the day before while moving store inventory from the loading dock to the interior of the store. The State intends to prove that, in fact, another employee of Dick’s, had moved the inventory, and that Halleran had not injured himself as he had claimed. The workers’ compensation claim had been submitted to the Chubb Group of Insurance Companies which denied the claim and referred the matter to OIFP for further investigation. Halleran’s case is pending trial.

**State v.
Suzanne Shenk**

On October 23, 2003, a Passaic County Grand Jury returned an indictment charging Suzanne Shenk with theft by deception, forgery, and falsifying documents. According to the indictment, between February 1, 2002 and May 14, 2002, Shenk wrongfully collected disability insurance payments from Aetna Insurance Company by concealing the fact that she was not disabled and was working at a physician’s office. The indictment also alleged that Shenk forged a letter and falsified another letter in support of her disability claims to Aetna Insurance. Shenk’s case is pending trial.

**State v.
Albert H. Beebe**

Albert H. Beebe was charged by a State Grand Jury indictment with theft by deception and falsifying records. The indictment alleged that, between December 11, 1997 and May 24, 1999, Beebe committed theft in connection with his receipt of insurance disability benefits when he knowingly failed to notify Hartford Insurance Company that he had also begun to receive Social Security benefits. According to Beebe's Hartford disability insurance policy, his insurance disability benefits had to be "coordinated" with any disability benefits he also received from Social Security. Beebe's Hartford insurance disability benefits were to be reduced if he also received disability benefits from the Social Security Administration. The indictment also alleged that in support of Beebe's thefts, Beebe allegedly falsely answered "no" to questions on a Hartford questionnaire which asked whether he was receiving, or expected to receive, Social Security benefits. Beebe is alleged to have wrongfully received over \$29,000 in disability benefits. On January 24, 2003, Beebe was admitted into the PTI Program conditioned on paying restitution of approximately \$29,000.

**Health Insurance
Underwriting/Application
Fraud**

**State v.
Fred D'Avanzo
and Ralph D'Avanzo**

On January 10, 2003, Fred and Ralph D'Avanzo were each sentenced to three years probation conditioned upon completing 200 hours of community service, paying \$10,765 in restitution to Horizon Blue Cross/Blue Shield, and a \$1,500 civil insurance fraud fine. Fred D'Avanzo had previously pled guilty to an Accusation charging him with theft by deception and falsifying or tampering with records while his brother, Ralph D'Avanzo, had pled guilty to a separate Accusation charging him with theft by deception. Fred D'Avanzo was the president of Coverall Staff Services, Inc., a temporary employment agency located in Linden. He admitted that, in October of 1995, he obtained health insurance by means of a Small Group Health Benefits Policy insurance contract with Horizon Blue Cross/Blue Shield of New Jersey. The health insurance policy required that employees eligible for group health care benefits be permanent, full-time employees who work a minimum of 25 hours per week for Coverall. Between September of 1997 and October of 2000, Fred D'Avanzo wrongfully obtained health insurance for his brother, Ralph, and two other persons under that policy by signing a New Jersey Small Employer Certification falsely claiming that his brother, Ralph, and the two other persons were full-time employees of Coverall and worked 40 hours or more per week when, in fact, they were not full-time employees.

Ralph D'Avanzo admitted that he was wrongfully enrolled in Coverall's group health insurance policy, that he was not a full-time employee of Coverall, and was, in fact, residing in Florida. Ralph also admitted submitting \$104,750 in insurance claims to Blue Cross/Blue Shield, of which Blue Cross/Blue Shield paid \$53,178.

**State v.
Barry W. Kallenberg**

On December 19, 2003, Barry Kallenberg pled guilty to an Accusation which charged him with theft by deception. Kallenberg admitted that he created a fictitious business, purportedly a real estate management business, in order to purchase group health insurance. On or about February 21, 1999, Kallenberg applied to Horizon Blue Cross/Blue Shield of New Jersey for a small employer health benefits policy in order to obtain health coverage at a lower premium employee group rate for five people who were not entitled to the coverage because they were not bona fide employees of a bona fide business. The investigation revealed that, between January of 1996 and January of 1999, health insurance claims were submitted to Horizon Blue Cross/Blue Shield on behalf of the purported employees totaling \$111,500. Kallenberg is awaiting sentencing.



OIFP Criminal Case Descriptions – Insurance Fraud

Phony “Slip and Fall” Claims

State v.

Bruce Robert Tarlowe

Following a 12 day jury trial, Bruce Robert Tarlowe, a licensed insurance agent, was convicted of health care claims fraud and attempted theft by deception for planning and staging a phony “slip and fall” accident. The Union County jury found Tarlowe guilty of falsely claiming that, on April 12, 1998, he “slipped and fell” on a piece of lettuce on the floor of the produce aisle while shopping at the A&P Supermarket in Union Township. Unaware that the phony “slip and fall” at the supermarket was recorded on videotape by a store camera, Tarlowe had further claimed that he sustained serious and permanent injuries and was unable to work as a result of these injuries. The jury also found that, between April 12, 1998 and March 10, 1999, Tarlowe submitted 20 fraudulent health insurance claims to the United States Life Insurance Company for medical bills totaling \$5,730. As a result of these submissions, the United States Life Insurance Company paid out a total of \$3,002 to the medical service providers. Tarlowe had also filed a civil suit against A&P in August of 1998 which was dismissed by stipulation of the parties in January of 1999. On February 14, 2003, Tarlowe was sentenced to three years in State prison and payment of restitution in the amount of \$2,724 and a \$1,000 criminal fine.

Health Insurance Claims Involving Identity Fraud

State v.

Mynerva Jean

On June 4, 2003, Mynerva Jean pled guilty to an Accusation charging her with theft by deception. Jean admitted that she took the health insurance benefits card issued to her sister, Wendy Jean, and sought treatment from a doctor. Mynerva Jean admitted that she fraudulently used the card to obtain health insurance coverage in her sister’s name on three separate dates between December 24, 2001, and January 15, 2002. The treating medical service provider submitted claims to State Farm Insurance Company in the amount of \$1,415 and State Farm paid \$877 for the treatments rendered to Mynerva Jean while she was impersonating her sister. State Farm began the investigation when Wendy Jean was questioned about some of the medical services provided and she advised State Farm that she never received those medical services. Mynerva Jean was admitted into the PTI Program on July 24, 2003, conditioned upon performing 60 hours of community service and paying a \$4,000 civil insurance fraud fine.

State v.

Norma Rivera

and Veronica Pantoja

On January 30, 2003, Norma Rivera and her daughter, Veronica Pantoja, pled guilty to separate Accusations charging them with theft by deception. Rivera and Pantoja admitted that, between November of 1999 and September of 2000, Pantoja assumed Rivera’s identity in order to obtain medical insurance to

cover dermatology treatments. Norma Rivera, who was covered under the State Health Benefits Plan through her husband, obtained a referral for dermatology treatments from her primary care physician and gave it to Pantoja, who assumed her mother's identity to obtain insurance coverage for the dermatology treatments. Aetna and Blue Cross/Blue Shield paid out over \$800 for office visits and prescriptions. After their pleas, Rivera and Pantoja were admitted into the PTI Program conditioned upon paying restitution in the amount of \$962 to the State Health Benefits Plan and serving 50 hours of community service.

**State v.
Lenann L. Hill**

On January 16, 2003, Lenann L. Hill pled guilty to an Accusation charging her with identity theft. Hill admitted that, on October 4, 1999, she went to the emergency room at Wayne General Hospital and identified herself as the wife of Clark Miller. At that time, Miller was employed by the County of Passaic and, as a county employee, he and his wife were entitled to health care coverage under an insurance policy issued by Passaic County and administered by Insurance Design Administrators. Hill, who had no insurance of her own, also admitted that, on October 5, 1999, using the name of Miller's wife, she had a surgical procedure done at Wayne General Hospital. The total cost of services paid out by Insurance Design Administrators for Hill's medical treatment was \$2,430. On the day of her guilty plea, Hill was admitted into the PTI Program conditioned upon paying restitution in the amount of \$2,430 to Passaic County.

**State v.
Michael Daye and Darryl Walker**

On April 2, 2003, a Hudson County Grand Jury returned an indictment charging Michael Daye and Darryl Walker with theft by deception. According to the indictment, between June of 1999 and October of 1999, Daye assumed Walker's identity in order to obtain medical treatments at the Khaleidoscope Health Care/Parkside Medical Center under Walker's Horizon Blue Cross/Blue Shield insurance coverage. Khaleidoscope submitted bills to Horizon Blue Cross/Blue Shield for Daye's treatment in the amount of \$2,153, of which Horizon paid \$1,564. Daye pled guilty to theft by deception and, on October 9, 2003, Daye was sentenced to two years probation, ordered to pay \$1,564 in restitution, and a \$1,000 civil insurance fraud fine. The indictment as to Walker was dismissed on October 10, 2003. Walker was assessed a civil insurance fraud penalty of \$1,000.

**Insurance Related
Tax Fraud**

**State v.
Dr. Samuel Evenstein**

Dr. Samuel Evenstein pled guilty to an Accusation charging him with three counts of failing to pay New Jersey gross income tax with intent to evade payment. A joint investigation between OIFP and the New Jersey Division of Taxation determined that Evenstein failed to report over \$500,000 in income in 1999 and owed over \$50,000 in New Jersey State income taxes with respect to the unreported income. On January 24, 2003, Evenstein was admitted into the PTI Program conditioned upon paying restitution in the amount of \$71,748.

Life Insurance Fraud

**State v.
Daouda Traore**

On October 31, 2003, Daouda Traore was sentenced to two years probation with 38 days jail credit and ordered to perform 75 hours of community service after previously pleading guilty to theft by deception in conjunction with a scam to file phony life insurance claims. At his plea hearing, Traore admitted that, between December 15, 2000 and December 5, 2001, he purchased or increased the benefits for two life insurance policies, one from AIG Life Insurance Company and one from United Omaha Life Insurance Company. Specifically, he admitted that, on December 15, 2000, he amended his life insurance policy with AIG Life Insurance Company to include an additional death benefit of \$125,000 for a woman, Salimata Traore, who he falsely claimed was his wife. He



OIFP Criminal Case Descriptions – Insurance Fraud

also amended his AIG Life Insurance Company policy to include additional death benefits of \$50,000 for a boy, Abdoulaye Traore, who he claimed was his son. Additionally, Traore admitted that, on December 26, 2000, he purchased another accidental death life insurance policy from United of Omaha Life Insurance Company in the amount of \$200,000 on the life of Salimata Traore, and in the amount of \$20,000 on the life of Abdoulaye Traore. Finally, Traore admitted that, on December 27, 2000, he purchased yet another \$12,000 life insurance policy for his purported son, Abdoulaye Traore. Traore admitted that both his purported wife and his purported son were fictitious persons, that he submitted false claims to the insurance companies that they had died accidental deaths, and that the claims were submitted so that he could bilk the insurance companies. Traore admitted, in particular, that on January 4, 2001, he submitted a phony claim with AIG claiming that both his purported wife and his purported son were killed in an automobile accident in Africa. In support of the claim, Traore also submitted phony hospital records, death certificate forms, and police reports substantiating the automobile accident and the deaths of his purported wife and son. The total amount of fictitious claims submitted by Traore was \$407,000. Both insurance companies denied the claims.

State v.

Mr. N.A. and Mrs. N.A.

On February 7, 2003, OIFP Investigators arrested Mrs. N.A. and charged her with attempted theft by deception. The investigation revealed that, between November of 1998 and June of 2002, Mrs. N.A. and her husband, Mr. N.A., whose full names are withheld for investigative reasons, falsely applied for 11 life insurance policies in the total approximate amount of \$5 million. Among the insurance companies victimized by this scheme were Valley Forge Life Insurance Company (CNA), Provident Mutual Insurance Company, First Colony Insurance, Banner Insurance, North American Casualty, Great American Insurance, and Equitable Insurance. The investigation further revealed that Mr. and Mrs. N.A. submitted death claims to the insurance companies falsely claiming Mr. N.A. died in Damascus, Syria. They also submitted a false death certificate in support of the claims. When Mrs. N.A. was arrested, her husband, Mr. N.A., remained a fugitive and was believed to be in Syria. On July 7, 2003, Mr. N.A. was arrested by OIFP investigators on an outstanding warrant. On August 12, 2003, Mr. and Mrs. N.A. pled guilty, respectively, to two separate Accusations. The first Accusation charged Mrs. N.A. with falsifying records. Mr. N.A. was charged in the second Accusation with attempted theft by deception. On October 24, 2003, Mr. N.A. was sentenced to five years probation and ordered to pay a \$5,000 civil insurance fraud fine. On the same date, Mrs. N.A. was sentenced to five years probation and also ordered to pay a \$5,000 civil insurance fraud fine. She was also assessed a \$1,000 insurance surcharge.

**State v.
Patricia West**

Patricia West was charged in a State Grand Jury indictment with two counts each of theft by deception and uttering a forged instrument. The indictment alleged that, in June of 1998, Patricia West fraudulently represented herself to be Christine Franklin, the beneficiary of a life insurance policy on the life of Christine Franklin's daughter, Desiree Franklin, who had died in a motor vehicle accident on November 3, 1996. West allegedly filed a fraudulent life insurance claim with the State of New Jersey Group Life Insurance Plan administered by Prudential Life Insurance Company, which issued a death benefits check in the name of Christine Franklin in the amount of \$49,263. West allegedly endorsed the check by forging Franklin's name and deposited the check into her own personal bank account.

The indictment also charged that West fraudulently represented herself to be Christine Franklin to the State of New Jersey Division of Pensions and Benefits in order to collect death claim benefits based on Desiree Franklin's prior public employment. Prior to her death, Desiree Franklin had been employed by Rutgers University and was entitled to various State benefits, including survivor benefits for a designated beneficiary. According to the indictment, West forged Christine Franklin's name on the death benefits check issued to Franklin in the amount of \$1,285 and deposited the money in her personal bank account. On August 11, 2003, West was admitted into the PTI Program conditioned upon paying \$49,263 in restitution to Prudential Life and performing 50 hours of community service.

**Insurance
Professional Fraud**

Insurance Agent Fraud

**State v.
Robert Massa, Massa
and Miller Agency, Inc.,
and the Associated Programs
Agency, Inc.**

Robert Massa, a former Ocean County insurance agent, pled guilty to an Accusation which charged him with conspiracy and theft by deception. Massa was the former owner and operator of two defunct insurance agencies known as the Massa and Miller Agency, Inc., and the Associated Programs Agency, Inc., both located in Lakewood. Both agencies also pled guilty to conspiracy and theft by deception in separate Accusations. Massa admitted that he conspired to fraudulently obtain and cash checks totaling approximately \$5.6 million from National Premium Plan, A1 Credit Corporation, and Agency Services, Inc., insurance premium finance companies which lend small businesses money to pay insurance premiums for business coverage. On January 17, 2003, Massa was sentenced to five years in State prison. In addition, Massa and his corporations, Massa and Miller Agency, Inc., and Associated Programs, Agency, Inc., were ordered to pay \$844,000 in restitution. The corporations were each sentenced to five years probation. Michael Miller and an attorney, Stanley Gulkin, were previously sentenced to State prison in connection with the scam.

**State v.
Douglas Ross**

On January 24, 2003, Douglas Ross, a licensed insurance agent and the owner and operator of Douglas W. Ross Associates, was indicted by a State Grand Jury and charged with theft by failure to make required disposition of property received and simulating a motor vehicle insurance identification card. Douglas W. Ross Associates is a commercial insurance brokerage company which obtains insurance coverage for its small business clients by borrowing the funds from premium financing companies and then forwarding them to insurance carriers for payment of the small businesses' insurance premiums. According to the indictment, between February of 2001 and August of 2002, Ross fraudulently obtained over \$121,000 in loans from AMGRO Premium Financing Company allegedly to finance several insurance policies. The indictment alleged that Ross obtained the loans by providing false documentation representing non-existent policies.

The indictment further alleged that Ross collected insurance premium payments from five commercial clients but failed to remit the premiums to the insurance carriers, and allegedly diverted the premium payments to his own personal use. Ross pled guilty to the charges in the indictment and, on September 22, 2003, he was sentenced to five years probation and ordered to pay \$85,288 in restitution.



OIFP Criminal Case Descriptions – Insurance Fraud

State v.

Harry DelBosco

On November 14, 2003, Harry DelBosco, a licensed insurance agent and former president of an insurance agency known as Garden State Brokers, Inc., was sentenced to five years in State prison and payment of \$887,000 in restitution after pleading guilty to an Accusation charging him with theft by failure to make required disposition of property received. Garden State Brokers, Inc., formerly doing business in East Hanover, was an insurance agency that also brokered insurance premium financing loans for small businesses, mainly in the trucking industry. Following an extensive OIFP investigation, DelBosco admitted that he stole at least \$887,000 entrusted to him by several premium finance companies, including AFCO Credit Corp., First Insurance Funding Corporation and AMGRO Premium Financing, Inc. The funds had been given to DelBosco to be used for the financing of insurance premiums on behalf of numerous commercial insureds. Instead, DelBosco misappropriated and converted the funds to his own use.

State v.

Robinson D. Barleycorn

Robinson Barleycorn was charged in a State Grand Jury indictment with one count of theft by failure to make required disposition of property received. The indictment alleged that, between June 1, 1994 and September 15, 1997, Barleycorn, while acting as an insurance agent for Capacity Marine Insurance Agency, received \$321,000 in insurance premium payments from a Connecticut tugboat operator to purchase marine insurance for the corporation's tugboat operation, but

used the money to pay his own personal expenses instead of forwarding it to the insurance carrier.

Barleycorn was arrested in Louisiana in August of 2002 and extradited to New Jersey the following month to answer the charges in the indictment. Barleycorn pled guilty and, on April 25, 2003, was sentenced to five years probation with credit for 249 days served in county jail and payment of \$1,000 in restitution.

State v.

Odell Coleman

On August 15, 2003, Odell Coleman was sentenced to four years in State prison and ordered to pay \$101,657 in restitution to Allianz Life Insurance Company. Coleman, a Philadelphia resident who was an insurance agent licensed in New Jersey, had previously pled guilty to an Accusation charging him with theft by failure to make required disposition of property received and theft by deception. Coleman admitted that in his capacity as an insurance agent for Allianz Life Insurance Company of North America and LifeUSA Insurance Company, he convinced a Moorestown woman to purchase an annuity worth \$100,000. Coleman admitted that on August 16, 1999, he accepted a check from the woman in the amount of \$100,000. Instead of submitting the money to Allianz and LifeUSA for the annuity, Coleman deposited the check into his own bank account for his personal use.

State v.

Farid S. Elgebaly

On May 27, 2003, Farid S. Elgebaly pled guilty to all counts of an indictment charging him with theft by deception, misapplication of entrusted property, and simulating a motor vehicle insurance identification card, and to an Accusation charging him with tampering with witnesses and informants. A bench warrant for Elgebaly's arrest was issued after he failed to appear for sentencing. Elgebaly, a former licensed insurance producer who transacted business on behalf of the New Jersey Personal Automobile Insurance Plan (PAIP), had accepted money from various individuals for automobile insurance premiums but failed to remit the money to PAIP or secure automobile insurance for the individuals who paid the premium money. Elgebaly also distributed fraudulent insurance identification cards to some of his clients. Elgebaly's insurance producer's license was revoked in February of 2001.

State v.

Stanley Span and Paul Kaplan

On July 17, 2003, Stanley Span and Paul Kaplan were named in a State Grand Jury indictment. Span was charged with conspiracy, theft by deception, theft by failure to make required disposition of property received, and simulating a motor vehicle insurance identification card, while Kaplan was charged in the same indictment with conspiracy, theft by deception, theft by failure to make required disposition of property received, and issuing bad checks. Both defendants are licensed insurance agents and were officers of the now defunct Span Associates Insurance Agency located in Springfield. According to the in-

dictment, between January of 2000 and December of 2001, Span and Kaplan stole approximately \$20,000 by selling fictitious insurance policies to insurance purchasers, collecting insurance premium monies from the purchasers, and failing to remit the monies to the insurance companies.

The indictment also alleged that, between February of 2002 and May of 2002, Span distributed phony automobile insurance identification cards purportedly issued by the New Jersey Personal Automobile Insurance Plan (NJPAIP). It further alleged that, in November of 2000, Kaplan cashed a \$4,000 check drawn on a closed account, knowing that the bank would not honor the check. Span pled guilty to theft by deception and, on October 24, 2003, he was sentenced to three years probation and ordered to pay restitution in the amount of \$6,740. The case as to Kaplan is pending trial.

State v.

Joseph Binczak

A State Grand Jury indicted Joseph Binczak, an insurance agent licensed in New Jersey, for theft by deception and falsifying records. According to the indictment, Binczak was employed by the Ukrainian National Association (UNA) as an insurance sales manager responsible for maintaining life insurance annuity accounts for members of UNA. The indictment alleged that, without authorization, Binczak withdrew over \$600,000 from the annuity accounts of seven members of UNA and converted the proceeds to his own use. Binczak also allegedly falsified a letter dated September 14, 2000, authorizing him to withdraw \$30,000 from an insured's annuity account held at UNA, and another document authorizing him to with-

draw \$45,000 from another insured's annuity account held at UNA. On September 2, 2003, Binczak pled guilty to theft by deception and is pending sentencing.

State v.

Vito Gruppосо

On May 30, 2002, armed with an arrest warrant for Vito Gruppосо and a search warrant to search his business premises located in Parsippany, Cedar Knolls and Washington, New Jersey, OIFP investigators seized the books and records of Gruppосо's insurance agency and insurance premium finance businesses. Gruppосо, a licensed insurance agent, was arrested and charged with three counts of theft by failure to make required disposition of insurance premiums obtained from several of his insurance customers. Gruppосо is alleged to have wrongfully engaged in insurance premium financing transactions and to have embezzled insurance premiums entrusted to him by insureds. Gruppосо appeared before Judge Bozonelis and bail was set in the amount of \$100,000. The case is pending grand jury presentation.



OIFP Criminal Case Descriptions – Insurance Fraud

Insurance Carrier Employee Fraud

State v. Carl Prata, et al.

On August 25, 2003, Carl Prata was sentenced to five years in State prison and ordered to pay \$45,000 in restitution to Allmerica Insurance Company and \$5,000 in restitution to St. Paul Insurance Company after pleading guilty to conspiracy and theft by deception. Prata, formerly employed as an insurance claims ad-

and been sentenced for, participating in the scheme with Prata. Of the approximately 43 co-conspirators charged in the Prata scheme, eight persons were sentenced to jail, and the sentences of the others defendants included probation or admission to the PTI Program contingent upon paying restitution and civil insurance fraud penalties.

State v. Mustafa Azme

On July 14, 2003, Prata co-conspirator, Mustafa Azme, was sentenced to five years in State prison. Azme had previously pled guilty to an Accusation charging him with conspiracy and theft by deception. Azme admitted that, between January of 1998 and November of 2000, he conspired with others to defraud the Allmerica Insurance Company and the St. Paul Insurance Company by claiming to have sustained bodily injuries in automobile accidents and fraudulently accepting insurance claim checks from the insurance companies for the claims. Azme accepted one settlement check in the amount of \$12,500 from Allmerica and two settlement checks from the St. Paul Insurance Company in the amounts of \$10,000 and \$38,000. As part of the conspiracy, Azme recruited nine persons to receive fraudulent insurance claims checks. The nine persons recruited by Azme were issued nine insurance settlement checks totaling \$113,500. Of the nine persons recruited by Azme, six have pled guilty to charges of conspiracy and/or theft by deception, while charges against the remaining three persons are pending. Azme also paid restitution of \$51,750 prior to his sentencing.

Insurance worker charged with fraud

juster with the St. Paul Insurance Company and the Allmerica Insurance Company, had been indicted by a State Grand Jury and charged with conspiracy and theft by deception for allegedly issuing approximately 45 fraudulent bodily injury automobile insurance settlement checks totaling some \$533,000 to conspirators who were not entitled to them. Prata would access his company's claims computer and issue insurance claims settlement checks for injuries purportedly sustained by people who had not actually been in automobile accidents. He would then accept part of the stolen money as a kickback. In the course of the investigation which spanned several years, a number of co-conspirators have pled guilty to,

State v. H.K.

On January 31, 2003, H.K., another Prata co-conspirator, whose full name has been withheld for investigative reasons, was sentenced to five years probation conditioned upon 178 days in county jail, and payment of restitution in the amount of \$54,000 and a \$10,000 civil insurance fraud fine. H.K. had pled guilty to an Accusation charging him with conspiracy, theft by deception, and terroristic threats for his role in accepting six of the phony settlement checks in the amount of \$54,000.

State v. Carol Cappuccio

On September 19, 2003, another Prata co-defendant, Carol Cappuccio, was sentenced to five years probation conditioned upon serving 90 days in county jail, and ordered to pay \$16,000 in restitution as well as an \$8,000 civil insurance fraud fine. Cappuccio had previously pled guilty to an indictment charging her with conspiracy and theft by deception. Cappuccio was recruited by Mustafa Azme and accepted a fraudulently obtained settlement check issued by Allmerica Insurance Company in the amount of \$16,000 for a purported accident in which she was not involved. Cappuccio deposited the settlement check into her bank account and kept \$4,000 after giving \$12,000 to Azme. Cappuccio also recruited three other persons to participate in the conspiracy. Those three received settlement checks totaling \$23,500 and have also pled guilty to theft by deception for their roles in the conspiracy.

State v. Le T. Harlin

On May 2, 2003, Le T. Harlin, a claims specialist in the Mount Laurel office of Ohio Casualty Insurance Company, was sentenced to four years in State prison and ordered to pay restitution to Ohio Casualty in the amount of \$101,869. Harlin had pled guilty and admitted that, between July 17, 2000 and March 27, 2002, he stole numerous checks from third parties which were payable to Ohio Casualty, forged endorsements on the checks using an Ohio Casualty rubber stamp, and deposited the checks into his Commerce Bank account.

State v. Linda Clements-Wright, Neville L. Holder, Lisa Givens, George Givens, Bruce Alston, Neville Louis Holder, Marsha Alston Walker and Michael McCormick

On May 22, 2003, Linda Clements-Wright, an Allstate Insurance Company Insurance Claims Process Specialist working out of Allstate Market Claims offices in Mount Laurel and Moorestown, was charged by a State Grand Jury with conspiracy, theft by unlawful taking, and money laundering. According to the indictment, between April of 1995 and September of 1998, Clements-Wright, in her capacity as a Claims Processing Specialist for Allstate Insurance Company, issued approximately 150 Allstate insurance claim checks totaling approximately \$594,369 to 11 persons she was acquainted with, but who were not entitled to the insurance claim money. It is alleged that Clements-Wright conspired with her acquaintances to cash the checks, keep 10% of the

proceeds, and return the balance of the proceeds to her. Clements-Wright's case is pending trial.

As part of the investigation of Linda Clements-Wright, on March 26, 2003, Neville L. Holder, Lisa Givens, Lisa's husband George Givens, and Bruce Alston pled guilty to separate Accusations charging them with conspiracy. On March 28, 2003, Neville L. Holder's son, Neville Louis Holder, and Michael McCormick also pled guilty to separate Accusations which also charged conspiracy. Each defendant admitted that between July of 1995 and June of 1998, they accepted auto insurance related claim checks in various amounts from Clements-Wright, knowing that they were not entitled to the money. On May 19, 2003, Neville L. Holder and Neville Louis Holder were admitted into the PTI Program. Neville L. Holder was ordered to pay restitution in the amount of \$1,646, and Neville Louis Holder in the amount of \$6,354. On September 12, 2003, McCormick was sentenced to two years probation and ordered to pay \$11,342 in restitution. On October 24, 2003, Alston was sentenced to three years probation conditioned upon the payment of \$8,825 in restitution. On October 31, 2003, Lisa Givens was sentenced to three years probation conditioned on paying \$11,298 in restitution and also paying a \$15,000 civil insurance fraud fine. On October 31, 2003, George Givens was also sentenced to three years probation conditioned upon paying restitution in the amount of \$14,674 and a \$15,000 civil insurance fraud fine.



OIFP Criminal Case Descriptions – Insurance Fraud

State v. Tara Mack

On May 13, 2003, Tara Mack, a financial support technician for Prudential Insurance, pled guilty to an Accusation charging her with theft. Mack admitted that, between February of 2001 and April of 2001, during the course of her employment as a financial support technician for Prudential Insurance Company, she stole seven checks from Prudential totaling approximately \$14,135, and

after keeping \$800 for herself, she turned over the balance of the proceeds to Williams. She was admitted into the PTI Program subject to making restitution, maintaining gainful employment, and cooperating in OIFP's prosecution of Williams.

Public Insurance Adjuster Fraud

State v. Marc Rossi, Otis Boone, Michael Winberg and Marc Graziano

On November 10, 2003, Marc Rossi, the alleged leader of an "arson for hire" ring, pled guilty to charges of arson, conspiracy to commit arson, bribery, theft, and theft by deception. In pleading guilty to the charges, Rossi admitted that he conspired with other co-conspirators to damage or set fire to various properties so that he could solicit the victims as clients for his public adjusting business, Rossi Adjustment Services. In particular, Rossi admitted his role in six arsons involving two commercial properties and four residential properties. Rossi is pending sentencing.

Rossi's other co-conspirators have previously pled guilty. On December 12, 2003, Otis Boone, an employee of Rossi Adjustment Services, was sentenced to four years in State prison for participating in the setting of the arson fires as part of the Rossi conspiracy. On October 31, 2003, Michael Winberg, also a licensed public adjuster, was sentenced for aggravated arson to five

**Man pleads guilty to six
fires in insurance fraud**

diverted them to a business account controlled by another person. On July 1, 2003, Mack was sentenced to 18 months probation conditioned upon completing 75 hours of community service.

State v. Jemal Williams

On November 21, 2003, Jemal Williams was sentenced to three years probation and payment of \$3,982 in restitution for fraudulently issuing insurance claims checks while working as a claims representative for Great West Life and Annuity Insurance Company. Williams admitted at his prior guilty plea hearing that he had issued six fraudulent checks totaling \$7,415 to Leticia Waymer. Waymer pled guilty to the conspiracy in 2002, explaining that,

years in State prison, payment of \$102,000 in restitution and a \$5,000 civil insurance fraud fine. On March 21, 2003, Marc Graziano, former owner of Graziano Florist, was sentenced for theft by deception and conspiracy to five years probation and payment of \$26,468 in restitution and a \$2,500 civil insurance fraud fine.

**State v.
William Kiernan, Jr.**

Related to the Rossi investigation and the Jeffrey Nemes investigation (set forth elsewhere in this Report), on December 17, 2003, William Kiernan, Jr., Chief of Hamilton Township Enterprise Fire Company, pled guilty to an Accusation charging obstructing the administration of law. Kiernan admitted providing false statements to law enforcement authorities during the course of an investigation into allegations that Rossi and Nemes were paying bribes and soliciting fire chiefs to allow fires to burn longer and do more damage so that the amount of insurance claims would be higher, thus allowing both Nemes and Rossi to reap greater financial benefits. Nemes would benefit because his home repair contracting business, Nemes Enterprises, would potentially receive larger contracts, and Rossi's public adjusting insurance business would be awarded larger fees based on higher insurance claims. Kiernan's sentencing is scheduled for early 2004.

**State v.
Oscar Medina**

On March 6, 2003, OIFP investigators arrested Oscar Medina, an insurance claims adjuster employed at Liberty Mutual Insurance Company, and charged him with theft by deception. Medina allegedly contacted insurance claimants involved in automobile accidents and advised them that they would be able to obtain a larger claim settlement by paying him a fee rather than hiring an attorney. The arrest warrant alleged that Medina stole \$5,500 by falsely creating the impression that, as a Liberty Mutual Group Claims Adjuster, he was entitled to 15% of the claimants' bodily injury insurance settlement money. This case is pending grand jury presentation.

**State v.
William R. Taintor, III**

William R. Taintor, III, a licensed public insurance adjuster, was charged in two separate State Grand Jury indictments. The first indictment charged Taintor with theft by failure to make required disposition of property and alleged that, in September of 2001, Taintor received an insurance claim settlement check in the amount of \$3,743 on behalf of an insured and kept the proceeds for himself. The second indictment charged Taintor with attempted theft by deception and forgery. According to that indictment, Taintor submitted a forged invoice to Omaha Property and Casualty Insurance Company bearing the purported signature of another insured that Taintor represented in order to inflate a property damage claim. The allegedly phony invoice, dated October 10, 1995, purported that T&K Kitchens had previously repaired damage to the property located in Avalon. However,

allegedly, the previous damage had not been repaired by T&K Kitchens and the invoice did not accurately reflect the repairs done. It was further alleged that Taintor submitted the forged invoice to obtain a larger commission in his capacity as the public insurance adjuster representing the insured in settling the insurance claim. On June 5, 2003, Taintor was admitted into the PTI Program conditioned upon completing 100 hours of community service and paying restitution to his client, Curtis Boykins, in the amount of \$3,743.

Insurance Premium Fraud

**State v.
Philip A. McKeane**

On November 17, 2003, Philip McKeane pled guilty to theft by failure to make required disposition of property received and to a related but separate charge of misapplication of entrusted property. A State Grand Jury had previously charged McKeane, the operator of Haddon National Companies, Inc., (HNC), with financial facilitation of criminal activity (money laundering), theft by failure to make required disposition of property received, and theft by deception. HNC was a corporation that served as a third party health insurance administrator. Third party health insurance administrators receive money to pay claims from employers, corporations, and sometimes government entities which self-fund and self-insure the health insurance plans that provide health benefits to their employees. HNC, as a third party administrator, was under contract to receive money from its self-insured clients for health insurance benefits, deposit that money, and pay the health insurance claims of its clients as they were submitted.



OIFP Criminal Case Descriptions – Insurance Fraud

HNC would earn a fee for health insurance claims paid. In some cases, HNC also received money from its clients to purchase special re-insurance policies to provide health insurance coverage.

According to the indictment, McKeaney stole in excess of \$1 million from nine clients, which should have been used to pay health insurance claims or purchase re-insurance policies. Some of the stolen money was used to pay McKeaney's personal debts and expenses, and some of it was transferred to another business, Cambria Corporation, in which McKeaney had an interest. The indictment also specifically alleged that McKeaney committed the crime of money laundering by transferring approximately \$494,188 from his company, HNC, which money should have been used to pay health care claims or procure health insurance policies for clients, to Cambria Corporation, a business in which McKeaney had an interest. McKeaney is scheduled to be sentenced in 2004.

State v. Nunzio Tartaglio

On August 27, 2003, Nunzio Tartaglio pled guilty to an Accusation charging him with theft by failure to make required disposition of property received and was admitted into the PTI Program conditioned upon paying \$9,000 in restitution. Tartaglia, a former insurance agent for the Nettis Insurance Agency, admitted that he collected life insurance premium payments from insurance purchasers and failed to remit the premium payments to the insurance carriers. He also admitted that automatic policy loans were initiated on the policies without the owners' knowledge or consent so he could steal the loan proceeds.

Contractor's Fraud

State v. Jeffrey Nemes

On February 19, 2003, following a five week jury trial in Mercer County Superior Court, Jeffrey Nemes was found guilty of theft by failure to make required disposition of property. While employed as a Hamilton Township police officer, Nemes, owner of Nemes Enterprises, Inc., a home repair contracting business, took insurance claims money totaling approximately \$122,000 from both commercial and residential property owners purportedly to make repairs on their properties through his home repair contracting business but failed to complete the repairs to the properties or return the money. On May 30, 2003, Nemes was sentenced to seven years in State prison and ordered to pay a total of \$130,833 in restitution. Nemes' conviction is presently on appeal.

More recently, on December 18, 2003, a State Grand Jury returned another indictment against Nemes charging him with bribery in official and political matters. This indictment charged Nemes with offering two bribes to local fire chiefs allegedly to enhance property damage in the course of extinguishing fires. The first bribe allegedly occurred on April 22, 1998, when Nemes is alleged to

have offered cash to the Fire Chief of the Rusling Hose Fire Company. The second bribe is alleged to have occurred following a conspiracy in which Nemes and Marc Rossi, the former owner of Rossi Adjustment Services, a public insurance claims adjusting business, agreed to offer a bribe to Fire Chief William Kiernan, Jr., of the Enterprise Fire Company located in Hamilton Township, New Jersey. The State intends to prove at trial that cash bribes were offered to the Chiefs so that they would allow additional damage to be done to buildings by permitting fires to burn longer while supposedly working to extinguish those fires. Nemes is pending trial with respect to the charges under this latter indictment.

Insurance Inspection Fraud

State v. Waleed Itani

Waleed Itani pled guilty to an Accusation charging him with commercial bribery. In February 2000, Itani was employed at George's Shell, a service station in Hackensack, which was also an authorized CARCO insurance inspection facility. CARCO is an independent vendor for the automobile insurance industry which contracts with service stations to inspect used automobiles to assess their condition for the purpose of calculating insurance coverage and premiums. Itani admitted that as an agent of CARCO, he accepted \$200 to falsify a CARCO inspection report to indicate that a 1995 Toyota Corolla contained a stereo AM/FM radio with tape deck, compact disc player, and alarm system. On February 28, 2003, Itani was admitted into the PTI Program conditioned

upon paying \$200 in restitution to the State of New Jersey.

Property Related Insurance Fraud

False Homeowners Insurance Claims

State v. Tracy D. Childress

Tracy D. Childress, a Newark police officer, was charged by an Essex County Grand Jury in 2002 with attempted theft by deception relating to a false insurance claim for a laptop computer allegedly stolen from his home. According to the indictment, Childress submitted a false receipt to his insurance company, purporting to substantiate the purchase of a computer costing in excess of \$7,282. Childress allegedly submitted the receipt to Cigna Insurance Company as support for a homeowner's insurance claim in which he claimed that a burglary occurred at his residence and that some of his personal property was stolen, including the computer. On March 3, 2003, Childress was admitted into the PTI Program conditioned upon completing 50 hours of community service.

State v. Robert Stevens

On March 14, 2003, Robert Stevens was sentenced for forgery to two years probation conditioned upon paying a \$1,000 civil insurance fraud fine and a \$350 criminal fine. Stevens admitted that he submitted a forged receipt from Eagle Golf Works in the amount of \$1,004 to AAA Mid-Atlantic Insurance Company, in support of a homeowner's

insurance claim following a burglary at his home on December 10, 2001.

State v. Steven Budge, John Budge and Frank Land

On February 26, 2003, a State Grand Jury returned an indictment charging Steven Budge, a Public Insurance Claims Adjuster; his brother, John Budge; and their uncle, Frank Land, with attempted theft by deception. According to the indictment, on or about December 12, 2000, a house owned by Frank Land was damaged as a result of winds that caused a large tree limb to fall on the roof. It is alleged in the indictment that Steven Budge, John Budge, and Frank Land inflicted additional damage to the roof in order to inflate the homeowner's insurance claim to Liberty Mutual Insurance Company. The State intends to prove that Steven Budge submitted an appraisal to repair the roof to Liberty Mutual which was inflated by approximately \$60,000. Liberty Mutual, suspecting fraud, denied the claim, and referred the case to OIFP for further investigation. The cases are pending trial.

State v. Lisa Mulrooney

On May 22, 2003, Lisa Mulrooney pled guilty to an Accusation charging her with attempted theft by deception. Mulrooney admitted that on October 1, 2001, she altered a \$126 invoice issued by Aqua Pure, Inc., a company which delivered water to Mulrooney's residence, to read \$3,316. She submitted the altered invoice to State Farm in support of a property damage claim after fuel oil leaked from an underground tank on her property and contaminated her water supply. On August 22, 2003, Mulrooney was admitted into the PTI Program with the



OIFP Criminal Case Descriptions – Insurance Fraud

conditions that she perform 60 hours of community service and pay a \$5,000 civil insurance fraud fine.

State v.

David Rozjabek

On December 4, 2003, a Middlesex County Grand Jury returned an indictment against David Rozjabek, charging him with attempted theft by deception. According to the indictment, on May 24, 2002, an automobile accident occurred near Rozjabek's home which caused minor damage to his landscaping. The indictment alleged that Rozjabek submitted a property damage insurance claim to his homeowner's insurance carrier, Allstate Insurance Company, using a phony invoice in the amount of \$1,250 in support of his claim. According to the indictment, the actual damage to Rozjabek's property was estimated at \$125. Rozjabek's case is pending in trial.

State v.

Carmina Vicidomini

Carmina Vicidomini pled guilty to an Accusation charging her with attempted theft by deception and, on September 12, 2003, was admitted into the PTI Program conditioned upon paying a \$2,000 civil insurance fraud fine and performing 50 hours of community service. Vicidomini admitted that, on July 17, 2002, she filed a fraudulent property loss claim with her homeowner's insurance, Selective Insurance Company, claiming that jewelry valued at \$4,980 had been lost. The investigation revealed that, in July of 2000, Vicidomini had filed an insurance claim for the loss of the same jewelry under her automobile policy but it was not covered.

Fraudulent Property Claims

State v.

Solomon Bouzaglou, Joseph Benlolo and Effy Harari

On March 12, 2003, Solomon Bouzaglou and Joseph Benlolo pled guilty to separate Accusations charging each of them with conspiracy and attempted theft by deception. Bouzaglou and Benlolo admitted that, between September of 1997 and May of 1998, they conspired with others, including a public insurance adjuster, to intentionally cause water damage to costume jewelry stored in a warehouse located in Irvington, which was insured by Fireman's Fund Insurance Company for \$1 million. The defendants admitted that they submitted an insurance claim to Fireman's Fund for approximately \$973,638, knowing that the jewelry had intentionally been damaged. Fireman's Fund, suspecting the claim was fraudulent, denied the claim and referred the matter to OIFP for further investigation. Sentencing is scheduled for early 2004.

As part of the OIFP investigation into the Bouzaglou and Benlolo false claims, Effy Harari pled guilty to an Accusation charging him with conspiracy. Harari admitted that he gave Benlolo \$12,000 to finance the scheme. Harari was, in turn, promised a portion of the insurance proceeds. On October 10, 2003, Harari was admitted into the PTI Program conditioned upon performing 50 hours of community service. He was also ordered to pay a \$5,000 civil insurance fraud fine.

***State v. Mitchell Markowitz,
Sol Zaltz, Yehudah Berger,
Sam Nisser and David Nisser***

On June 20, 2003, as part of the Bouzaglou and Benlolo investigation, Mitchell Markowitz, Sol Zaltz, Yehudah Berger, Sam Nisser, and David Nisser were charged in a State Grand Jury indictment with conspiracy and attempted theft by deception. According to the indictment, between January of 1998 and January of 1999, the defendants conspired to purchase 20,000 pieces of inexpensive costume jewelry, produce phony receipts, store the jewelry in a warehouse, and purposely damage the jewelry in order to collect on the insurance policy. The Irvington warehouse was insured by Fireman's Fund Insurance Company for \$1 million. According to the indictment, Markowitz, a licensed public insurance adjuster, submitted an inflated insurance claim in the amount of \$973,638 to Fireman's Fund. The cases as to these five defendants are pending trial.

State v. R. K.

On July 17, 2003, R.K., whose full name must be withheld for investigative reasons, was admitted into the PTI Program after being charged by way of an Accusation on April 30, 2003, with theft by deception, attempted theft by deception, and forgery. The Accusation charged that, between March of 1993 and May of 2001, R.K. submitted phony insurance claims for lost luggage and their contents under various travel/baggage insurance policies following

numerous international flights. Three travel insurance companies, World Access Service Corporation/Access America, Travel Insured International, Inc., and Travel Guard International, paid R.K. a total of \$15,636 before suspecting that the claims were fraudulent. R.K. also admitted that she used the letterhead and signature of an Alitalia Airlines employee to create a letter which falsely indicated that Alitalia was unable to locate R.K.'s missing luggage and would forward a settlement check to R.K. for the maximum amount of the airline's liability. As part of her participation in the PTI Program, R.K. was required to cooperate with the State in other investigations, pay a \$5,000 civil insurance fraud fine, and pay \$10,447 in restitution to World Access Service Corp., \$2,170 in restitution to Travel Insured International, as well as \$3,019 in restitution to Travel Guard International.

***State v.
Daniel Chace***

On September 2, 2003, Daniel Chace was admitted into the PTI Program conditioned on performing 30 hours of community service after pleading guilty to attempted theft. Chace, who was an operations engineer at the World Trade Center, admitted that, in April of 2002, he submitted a fraudulent property loss claim to Ohio Casualty Insurance Group for the loss of what he claimed were his personal hand tools, power tools, and clothing due to the terrorist attacks at the World Trade Center on September 11, 2001. Chace claimed the value of the property loss at \$5,824. The tools and uniforms, however, were not Chace's personal property but were, in fact, supplied by his employer. Consequently, he was not entitled to file the claim.

***State v.
Eric Rosenblatt***

On October 1, 2003, Eric Rosenblatt was sentenced to five years probation conditioned on paying a \$5,000 civil insurance fraud fine and performing 30 days of community service after pleading guilty to theft by deception. In May of 2001, Rosenblatt had submitted a claim to Jewelers Mutual Insurance alleging that he lost a one-carat diamond ring valued at approximately \$5,700. An investigation by Jewelers Mutual revealed that previously, in November of 2000, Rosenblatt had reported the same diamond ring lost to State Farm Insurance Company, which had paid him \$4,664. Rosenblatt failed to disclose the prior State Farm claim on the Jewelers Mutual application for insurance. Jewelers Mutual denied Rosenblatt's May 2001 claim and referred the matter to OIFP for investigation.

***Phony
Certificates/Letters
of Insurance***

***State v.
William Burgermaster***

William Burgermaster pled guilty to an Accusation charging him with forgery. He admitted that, as an employee of Shading Systems, Inc., during a routine insurance audit of workers' compensation insurance coverage, he provided the auditors with a forged Certificate of Liability. The certificate was purportedly issued by the Waldorf Insurance Agency and purported to reflect proof of workers' compensation insurance, when, in fact, Shading Systems, Inc.'s Certificate of Liability Insurance had been canceled due to non-payment. Under State



OIFP Criminal Case Descriptions – Insurance Fraud

law, workers' compensation insurance is mandatory. On May 14, 2003, Burgermaster was admitted into the PTI Program conditioned upon completing 50 hours of community service.

State v.

Mark DiTaranto

On September 26, 2003, Mark DiTaranto was sentenced to three years probation and ordered to perform 50 hours of community service after pleading guilty to forgery by uttering. DiTaranto had presented a forged Certificate of Liability Insurance, purportedly issued by the General Agents Insurance Company, to a homeowner in order to perform construction work at the homeowner's residence.

State v.

Douglas Pelikan

Douglas Pelikan pled guilty to an Accusation which charged him with forgery. He admitted that, in June of 2002, he presented a fraudulent Certificate of Liability Insurance, purportedly issued by Nottingham Insurance and Financial Service, to a client who had hired Pelikan for a construction project. Contractors are often required to present Certificates of Insurance substantiating liability and workers' compensation insurance, among others, before beginning construction work. Pelikan admitted that he altered the Certificate of Liability to reflect current coverage because his liability insurance policy with Nottingham had previously been canceled. On October 31, 2003, Pelikan was admitted into the PTI Program.

State v.

William Mulholland

William Mulholland, the operator of a small independent trucking company known as Bilco Transport, pled guilty to an Accusation which charged him with forgery. Mulholland admitted that, on March 4, 2002, in order to enter into a business agreement with Furniture King Stores, he produced a forged letter purportedly from State Farm Insurance Company, stating that Bilco Transport maintained a general liability insurance policy with State Farm, that Furniture King Stores was added to the policy as an additional insured, and that Furniture King Stores was covered for losses of up to \$500,000. Mulholland's company, Bilco Transport, did not, in fact, maintain a general liability insurance policy with State Farm. On May 5, 2003, Mulholland was admitted into the PTI Program conditioned upon completing 75 hours of community service.

State v.

Anthony Spano

On June 13, 2003, Anthony Spano was sentenced to two years probation conditioned upon paying \$307 in restitution and \$5,000 in civil insurance fraud fines after pleading guilty to committing theft by deception. Spano admitted that, between July 13, 1999 and March 1, 2000, while working as a massage therapist at the Circle of Health Clinic, Inc., in Hillsdale, he fraudulently submitted insurance claims to Chubb Insurance for approximately 29 massage therapy sessions in excess of \$5,000.

Criminal Cases Investigated in 2003 by Fraud or Provider Type

- Miscellaneous 55
- False Documents 32
- Agent Fraud 25
- Property 13
- False Claims 12
- Premium Theft 11
- Homeowners Insurance 10

- Staged Thefts/Give Up Schemes 118
- Fraudulent Insurance Cards 76
- Other 54
- Health Care/PIP/BI 38
- False Claims 34
- Staged Accidents 30
- Fraudulent Drivers Licenses 26
- False Documents 17

**Property
& Casualty
158**

**Auto Fraud
393**

**Medicaid
161**

**Health & Life
306**

- Medical Support Other 27
- Pharmacy 24
- Transportation 21
- Facility Other 20
- Practitioners 18
- Program Other 15
- Clinic 9
- Facility/Institution 8
- Patient Abuse 7
- Laboratory 6
- Home Health 6

- Health Care Claims Fraud 131
- Disability Insurance/
Workers Compensation 62
- Other 59
- False Claims 15
- Misappropriation/Embezzlement 13
- Application Fraud 10
- Life Insurance 9
- Premium Fraud 7