



e-focusFraud

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Workers' Compensation Premium Evasion Fraud

Case Update - Owner of State's Largest Asbestos Training School Convicted

Boston - On November 19, 2008, after a two-and-a-half week trial, **Albania Deleon** was found guilty of five counts of mail fraud, one count of conspiracy, five counts of making false statements and 16 counts of procuring false tax returns. Sentencing is scheduled for March 18, 2009. Deleon owned and operated Environmental Compliance Training (ECT), a certified asbestos training school, from approximately 2001 to 2006. ECT normally offered training courses on a weekly basis. Nevertheless, many of the recipients of the certificates never took the required course. Instead, ECT's office employees issued certificates of course completion to hundreds of individuals who did not take the course. These individuals filed the certificates with the Division of Occupational Safety in order to be authorized to work in the asbestos removal industry. Deleon sought to cover up ECT's practice of issuing certificates to untrained applicants by having the applicants sign final examination answer sheets that already had been completed and graded. Many of the untrained certificate recipients were employed by Methuen Staffing, Deleon's temporary services company that specialized in asbestos removal. Deleon paid most of these employees under-the-table, without taxes withheld, and reported to the IRS and her workers' compensation insurance carriers only those employees that actually had taxes withheld. Deleon saved more than a million dollars in tax and insurance payments. The case was prosecuted by Assistant U.S. Attorney Jonathan F. Mitchell of United States Attorney Michael J. Sullivan's Economic Crimes Unit and Special Assistant U.S. Attorney Peter W. Kenyon, a EPA senior criminal enforcement attorney. The case was investigated by the Environmental Protection Agency - Criminal Investigation Division; Social Security Administration - Office of Inspector General; U.S. Department of State; and the IFB with assistance from the Massachusetts Division of Occupational Safety.

Case Update - Lowell Man Sentenced for Role in Largest Cash Wage Scheme in State History

Boston - **Xieu Van Son** was sentenced on November 20, 2008 to two years probation for his role as a "straw owner" of a temporary employment agency operated by Aimee King McElroy and Daniel McElroy. He had previously pleaded guilty to aiding and abetting and tax fraud. Van Son is one of five individuals who had been charged for their participation in a tax and insurance fraud scheme in connection with their operation of temporary employment agencies. The McElroys recruited Van Son to act as the named president of one of the entities to disguise their true ownership and control over the business. The hidden payroll resulted in a loss of approximately \$10 million to the IRS and approximately \$7 million to workers' compensation insurance companies. (See *focusFraud* issues November 2008, July 2008, May 2008 and January 2008 for updates on convictions and sentencing of the other individuals involved in the case). The case was prosecuted by Assistant U.S. Attorneys Paul G. Levenson, Jonathan F. Mitchell and Sarah E. Walters of United States Attorney Michael J. Sullivan's Economic Crimes Unit. The case was investigated by the Internal Revenue Service, Criminal Investigation - Boston Field Office and the Federal Bureau of Investigation - Boston Field Office, with assistance from the IFB.

Case Update - Concord Horse Farm and Owner Indicted for Alleged Insurance Fraud Scheme

Concord - **Christopher Mersereau** and his corporation, **Stoneymeade Farm LLC**, entered into a collective agreement with the Attorney General's Office on November 3, 2008 resolving charges he provided inaccurate information and withheld information from his insurer in order to avoid proper payment of workers' compensation insurance premiums. They had been charged with two

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**Insurance Fraud Bureau
of Massachusetts**

101 Arch Street, Suite 600
Boston, MA 02110-1131

Telephone (617) 439-0439
Fax (617) 439-0404

IFB Fraud Hotline
1-800-32FRAUD

IFB Website
<http://www.ifb.org>

Daniel J. Johnston
Executive Director

Anthony M. DiPaolo
*Vice President and Chief of
Investigations*

Laura A. Kessler
Vice President and General Counsel

Thomas Simon
Vice President of Administration

Deborah Terry
*Editor
Administrative Manager
dterry@ifb.org*

Individuals who have been charged and whose names have been publicly disseminated have been identified.

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counts of workers' compensation insurance fraud and one count of larceny. Under the conditions of the agreement, Mersereau must pay \$2,500 restitution to St. Paul's/Travelers Insurance Company and will operate a free therapeutic riding program for children with disabilities at Stoneymeade Farm for five years. An investigation revealed that in November 2003 an employee of the horse farm sustained injuries when a large bale of hay fell on his head and shoulders. The injured employee filed a workers' compensation claim with St. Paul's/Travelers, the company's insurance carrier. While processing the claim, St. Paul's/Travelers learned that the injured employee was paid wages partly by check, but mostly in cash by Mersereau. Investigators also discovered that other farm employees were paid by check and in cash, but that Mersereau never disclosed the cash portion of the farm's payroll to the insurer. As a result of the fraudulent payroll scheme, Mersereau defrauded St. Paul's/Travelers of nearly \$10,000 in workers' compensation insurance premiums that it was legitimately owed from November 2002 through November 2004. St. Paul's/Travelers also had to pay workers' compensation benefits to the injured employee based on the total wages he received in checks and cash. Mersereau failed to report the wage payments made in cash to the injured employee. Later, at an audit conducted by the insurer in December 2004, Mersereau claimed that his farm employees were not paid in cash, but by check, during the policy periods. Mersereau never disclosed the cash portion of the farm's payroll to an insurance auditor. Subsequently, Mersereau amended the farm's state and federal tax filings to include cash wage payments made by the farm to its employees. The case was prosecuted by Assistant Attorney General Glenn Cunha of Attorney General Martha Coakley's Insurance and Unemployment Fraud Division.

Case Update – Hyannis Construction Company Allegedly Avoided \$100,000 in W/C Insurance Payments

Hyannis – A Hyannis construction company and its president/owner were sentenced on December 5, 2008 after previously pleading guilty to insurance fraud-related charges in November 2007. The president/owner was sentenced to 18 months in the House of Correction, suspended for five years with supervised probation, and ordered to pay \$100,000 restitution, joint and several with the corporation. The corporation's bookkeeper was placed on pre-trial probation for two years and ordered to perform 200 hours of community service. From 2000 through 2002, the construction company misrepresented the nature of its business and grossly underreported its payroll to insurance auditors. These misrepresentations defrauded AIM Mutual Insurance Company and the Workers' Compensation Rating and Inspection Bureau of more than \$100,000 in workers' compensation insurance premiums. The company president made numerous misstatements to insurance auditors and an insurance agent over several policy periods and failed to disclose the true nature of the company's business and withheld accurate payroll information from the auditors. In addition, the bookkeeper underreported the company's payroll to the Division of Unemployment Assistance, thereby defrauding DUA of unemployment contributions it was legitimately owed by the company. The company also failed to provide workers' compensation insurance coverage for its employees from July 1998 until May 2000. The case was prosecuted by Assistant Attorney General Steven Adams of Attorney General Martha Coakley's Insurance and Unemployment Fraud Division.

Other Lines Insurance Fraud

Brookline Man Allegedly Reports Same Broken Tooth Claim Over and Over and Over Again

Brookline - **Tod Schaffer** was arraigned on March 3, 2009 in Suffolk Superior Court in connection with allegedly submitting false dental injury reports to insurance companies in order to receive cash settlements. Schaffer was charged with 19 counts of insurance fraud, 10 counts of larceny and 11 counts of attempted larceny. In October 2002, Schaffer legitimately injured a tooth by biting into a piece of plastic in his salad at a local restaurant. Schaffer received treatment for the injury from his dentist, and received an estimate for the cost of treating the injury. Schaffer then submitted the dental estimate to the restaurant where the injury occurred, and ultimately received full payment for his injury a week later. Investigators subsequently discovered that on various dates between November 2002 and May 2006, Schaffer allegedly submitted 19 false injury claims to insurance companies, and two additional claims to a self-insured entity. These false claims allegedly contained the same information from Schaffer's legitimate tooth injury claim from October 2002. Investigators discovered that Schaffer allegedly altered the manner in which the injury occurred on these false claims by reporting that he injured his tooth by biting into a rock, a stone, or plastic, while eating at numerous Boston area restaurants. Of the false claims submitted by Schaffer, ten of them were paid out, resulting in over \$36,000 in false payments to Schaffer. Investigators also discovered that Schaffer allegedly withdrew his claims at nine restaurants, and that an additional two restaurants denied his claim. The case is being prosecuted by Assistant Attorney General Jennifer Cotter of Attorney General Martha Coakley's Insurance and Unemployment Fraud Division.

Fall River Woman Claims Elevator Fall

Fall River - **Gaile Sparshott** was arraigned on February 26, 2009 in Fall River District Court on charges of insurance fraud, attempted larceny and conspiracy. On November 22, 2006 Sparshott visited an apartment complex in Fall River. On that visit, Sparshott claimed she was injured when an elevator she was riding in fell seven stories to the first floor. Sparshott then sought medical treatment after the alleged accident. After Sparshott had been treated, she contacted the apartment about the alleged accident and her injuries. She sent medical records to support her claims of bodily injury to the apartment's owner, NHP Foundation, a self-insured company. NHP later learned, after viewing video surveillance, that the elevator fall never happened and denied Sparshott's claims for damages without making any payments. The case is being prosecuted by Assistant Attorney General Marina Moriarty of the AG's Insurance and Unemployment Fraud Division.

Springfield Landlord Charged with Arson

Springfield - Indictments were returned against **Ali R. Hassan** on charges of insurance fraud and arson on November 6, 2008 in Hampden Superior Court. On August 12, 2008 a fire broke out in the basement of Hassan's Springfield home. At the time of the fire the home was rented to a tenant. The Springfield Arson and Bomb Squad determined that two fires were set in the basement and gasoline was used to fuel the fire. As a result of the gasoline being ignited, an explosion occurred which caused damage to the foundation and external wall. Hassan allegedly paid a 16-year-old male to set the fire. The case is being prosecuted by the Office of Hampden County District Attorney William M. Bennett.

Provider Fraud

Case Update - Former Boston Man Indicted for Operating Fraudulent PT Clinics

Boston - On December 10, 2008, **Tu Quy Mai** pleaded guilty to 54 counts of mail fraud in U.S. District Court. Sentencing is scheduled for March 18, 2009. From 2000 through 2006, Mai engaged in a scheme to defraud insurance companies by means of staged auto accidents and false and fraudulent medical and physical therapy billing claims. Mai established and operated clinics in various locations in Massachusetts, including Worcester, Quincy, Brockton, West Roxbury and at least five different locations in Dorchester. In addition to paying people to stage auto accidents, Mai paid others to pretend to have been in auto accidents, whether real or staged, in order to seek treatment at Mai's clinics, for which he submitted claims to insurance companies. Mai also routinely caused physical therapists and physical therapist assistants who worked for him to prepare false records including evaluation reports and notes of alleged treatments when no actual evaluation or treatment had been performed. In order to avoid detection by insurance companies, Mai routinely changed the name of his clinics and billing companies and caused others to hold themselves out as the owners. Insurance companies paid more than \$4 million in claims submitted by Mai's clinics and billing companies. The case is being prosecuted by Assistant U.S. Attorneys Mark J. Balthazard of United States Attorney Michael J. Sullivan's Economic Crimes Unit and Gregg D. Shapiro of Sullivan's Civil Division. The case was investigated by the United States Postal Inspection Service, the National Insurance Crime Bureau and the IFB.

Multi-Lines Insurance Fraud

Case Update - Former Beverly Man Indicted for Allegedly Committing Insurance Fraud

Boston - **Tyler Parrish** pleaded guilty in Essex Superior Court on December 12, 2008 to four counts of larceny, three counts of filing a false police report and one count each attempted larceny, forgery, uttering, motor vehicle insurance fraud and insurance fraud. Parrish was sentenced to one year in the House of Correction, three months to serve and the balance suspended for three years, followed by three years probation. He was also ordered to pay \$4,444 restitution. While living in Beverly, MA in 2007, Parrish committed motor vehicle insurance fraud when he vandalized his Hummer H3 in an attempt to have it deemed a total loss by Arbella Mutual Insurance Company in order to get out of his \$45,000 auto loan. Investigation found that Parrish filed a false police report regarding damage to his vehicle. Further investigation revealed that Parrish filed a false insurance report in 2007, claiming that an engagement ring he had purchased was stolen in Boston. Parrish submitted a forged police report in order to support his fraudulent insurance claim for the engagement ring. Investigators also discovered that on separate occasions in July 2006 and March 2007, Parrish falsely claimed that his ATM card had been stolen and that the thieves had made withdrawals on his bank accounts. The case was prosecuted by Assistant Attorney General Michael J. Walsh of the AG's Insurance and Unemployment Fraud Division.

Case Update - Mattapan Man Arraigned on Charges of M/V Insurance Fraud and Identity Theft

Mattapan—**Raymond DeGraca** pleaded guilty on December 1, 2008 in Suffolk Superior Court to charges he falsely procured insurance under a false identity, reported a false motor vehicle accident and lied under oath. DeGraca had been charged with ten counts of identity theft, four counts of perjury, two counts of false name/social security to law enforcement and one count each motor vehicle insurance fraud, larceny, attempted larceny and making a false statement on a motor vehicle registration application. He was sentenced to serve two to three years in state prison followed by two years probation. In an effort to obtain auto insurance in October 2002, despite having a suspended license, DeGraca assumed the identity of his brother without his brother's permission. DeGraca used a Rhode Island license containing his brother's information and DeGraca's picture. DeGraca used the identification to falsely register his own car and procure an insurance policy in Revere, MA with Amica Mutual Insurance Company. In March 2003, DeGraca submitted a false motor vehicle accident claim to Amica Mutual for an alleged accident in Revere. DeGraca used his brother's name to falsely claim that his vehicle was hit by another driver. The other driver involved in the alleged accident reported the incident to her insurer, Liberty Mutual Insurance Company, indicating that no accident had occurred. Following the accident DeGraca and one of his passengers filed personal injury claims and sought medical treatment. In June 2003, Liberty Mutual determined that DeGraca's claim was false. During the investigation of this incident, Amica Mutual discovered DeGraca's true identity based on the result of a fingerprint comparison to an unrelated auto accident in April 2003. All insurance claims filed by DeGraca in regards to the accident were ultimately dismissed by both insurers. Further investigation revealed that while on probation for an unrelated case DeGraca used his brother's identity and social security number on separate occasions in Roxbury and Dorchester District Courts in 2004 and 2005. DeGraca was then charged with perjury, providing a false name to law enforcement and identity theft in regards to these separate court appearances. The case was prosecuted by Assistant Attorney General Michael J. Walsh of the AG's Insurance and Unemployment Fraud Division.

Workers' Compensation Fraud

Case Update - A Bad Plan Gone Wrong

Gardner - On January 23, 2009 **Erik Teong** pleaded guilty in Worcester Superior Court to workers' compensation insurance fraud and larceny. He was sentenced to five years supervised probation and ordered to pay \$18,572 in restitution. Teong was the manager of a Gardner gas station and was also the friend of the manager of another gas station in the area. Both men normally went together to the local bank to deposit the gas stations' funds. On October 28, 2006, Teong reported to police that he was assaulted while walking to meet the manager of the other gas station, and that the perpetrator stole the deposit. Teong suffered injuries that ultimately required him to miss several weeks of work. As a result, Teong filed for workers' compensation benefits from his gas station's workers' compensation carrier, American Insurance Group, due to injuries he claimed to have sustained at work. Teong collected and cashed five checks totaling over \$3,000 in benefits and nearly \$16,000 to cover his medical expenses. In February 2007, Teong contacted police and admitted to staging the robbery after the other gas station manager admitted to the scheme. The case was prosecuted by Assistant Attorney General Audrey Cosgrove of the AG's Insurance and Unemployment Fraud Division.

Case Update - Six People Indicted in Connection with Orchestrating Fraudulent M/V Insurance Claims

Boston- Four individuals pleaded guilty in Suffolk Superior Court on November 24, 2008 in connection with their participation in staging motor vehicle accidents to scam insurance companies. Investigation revealed that on various dates between May 2006 and June 2007, fraudulent claims involving three separate staged accidents were submitted to Plymouth Rock Assurance Company and National Grange Mutual Insurance Company. **William Penta, Janet Vaccari, Deana Pistone, and Laura Battista** allegedly knew David Forlizzi and Fred Battista, both employees of Winthrop Collision Center (aka Collision Headquarters) were willing to pay people to submit fraudulent motor vehicle insurance claims. Investigators believe that Forlizzi and Fred Battista schemed to collect insurance money from these staged accidents. Laura Battista was placed on five years probation and ordered to pay \$12,941 in restitution and to perform 100 hours of community service. William Penta was sentenced to two years in the House of Correction, suspended for two years, during which time he will be on probation. He was also ordered to pay \$4,304 in restitution and to perform 40 hours of community service. Deana Pistone was placed on probation for two years and ordered to perform 40 hours of community service. Janet Vaccari was placed on five years probation and ordered to pay \$8,420 in restitution and to perform 100 hours of community service. Cases against Fred Battista and David Forlizzi are pending. The case is being prosecuted by Assistant Attorney General Joshua Pakstis of Attorney General Martha Coakley's Insurance and Unemployment Fraud Division.

It's All in the Story Telling

Medford- On January 20, 2009 **Marli Johnson** was arraigned in Dudley District Court on charges of motor vehicle insurance fraud, conspiracy and larceny. An Arlington man reported that his truck was struck from behind by a Kia Sedona on January 20, 2008. The Kia left the scene of the accident before he could exchange papers with the operator. However, the Arlington man followed the Kia and reported the license plate to police and filed an accident report regarding the incident. Johnson filed an accident report and claim with Commerce Insurance Company regarding an incident that purportedly took place on January 28, 2008 in which she reported a vehicle backed into her Kia. Arlington police determined that the Kia owned by Johnson was involved in both losses and referred the case to the IFB. The case is being prosecuted by Assistant Attorney General Marina Moriarty of the AG's Insurance and Unemployment Fraud Division.

Case Update - North Reading Man Indicted for Insurance Fraud

North Reading - **Joel Salvatore** pleaded guilty on December 3, 2008 in Salem Superior Court to a charge of insurance fraud. He was sentenced to serve four months in the House of Correction. Salvatore claimed to Safety Insurance Company that his vehicle was damaged while parked outside a restaurant. Investigation revealed that Salvatore was involved in a hit-and-run accident on November 2, 2006 when, while driving his 2005 Cadillac Escalade, he struck a North Reading electrical transformer and then fled the scene. Property damage to the transformer was approximately \$30,000. The case was prosecuted by Essex County Assistant District Attorney James P. Gubitose.

Case Update - Quincy Women Charged with Alleged Jump-In Ruse

Quincy - The case against **Theresa Drew** was continued without a finding on November 6, 2008 for 18 months on a charge of motor vehicle insurance fraud. She was ordered to pay \$500 in court costs. On October 20, 2003, another subject, while driving her 1994 Ford Aerostar Van, was involved in a motor vehicle accident in which another vehicle collided with the right side of her vehicle. Police were called to the scene and the accident report notes one male passenger in the vehicle at the time of the accident and that neither the subject nor her passenger had sustained injuries in the accident. The subject subsequently completed a motor vehicle accident report and made a claim with Liberty Mutual and Safety Insurance Companies indicating there were three passengers in the vehicle at the time of the accident and that all three were injured and treated for their injuries. Investigation revealed that Drew was a jump-in passenger and had filed a claim so she could receive treatment for a pre-existing medical condition. This case is being prosecuted by the Office of Norfolk County District Attorney William Keating.

Community Insurance Fraud Initiatives Highlights

Boston CIFI

West Roxbury – A Roxbury man pleaded guilty to motor vehicle insurance fraud on December 1, 2008. He was fined \$2,000. The case against a Revere man was continued without a finding for six months on charges of motor vehicle insurance fraud and conspiracy. The pair were involved in a September 15, 2003 staged motor vehicle accident which involved jump-in passengers. The Roxbury man, the owner/operator of a 1995 Toyota Camry, collided with a 1990 Mitsubishi and claimed to Sentry Mutual Insurance Company one alleged passenger in the Camry. The Revere man was a jump-in passenger in the Mitsubishi. All listed passengers sought medical treatment for alleged injuries sustained in the accident.

East Boston – A Lynn man pleaded guilty to motor vehicle insurance fraud and identity fraud on December 9, 2008. He was sentenced to nine months in the House of Correction to be served concurrently with a sentence he is presently serving on unrelated charges. An Everett man reported to Safety Insurance Company an October 11, 2004 East Boston motor vehicle accident when a 2000 Honda Civic struck his 2004 Pontiac Vibe. He reported that there were only the driver and passenger in the Honda at the time of the accident. However, the owner of the Honda reported to her insurer, Plymouth Rock Assurance Company, that she was a passenger in her 2000 Honda Civic when it was struck by the Pontiac Vibe. She listed the Lynn man as the driver of her vehicle and she and another subject as passengers. The woman later admitted there was no third occupant of her vehicle. Additionally, the Lynn man used his brother's identity at the accident scene because his own driver's license was suspended.

Roxbury – On November 13, 2008, a Lawrence man pleaded guilty to motor vehicle insurance fraud charges relating to two separate Boston cases. He was placed on probation for three years and ordered to pay a total of \$4,953 restitution. In one case, the Lawrence man reported that he was driving his 1994 Mitsubishi Gallant when he was involved in a November 5, 2003 motor vehicle accident. He reported that another vehicle struck his Gallant during inclement weather conditions. He was paid \$1,474 under his collision coverage with Premier Insurance Company for repairs to his vehicle. The Lawrence man later admitted that the accident was staged. In a second case, the Lawrence man claimed that he was sitting in his 1994 Mitsubishi Gallant when it was struck in the left rear by a City of Boston Department of Public Works snow plow on December 8, 2003. He claimed to Premier Insurance Company that he was injured as a result of the collision. The man reported the hit-and-run to Boston police and began treatment for alleged injuries sustained in the accident. A witness came forward and reported that the man was never in the vehicle at the time of the hit-and-run. The man later confessed that he was not in his vehicle at the time of the accident and was uninjured.

The Boston task force is assisted by Boston Police Det. Steven Blair. Community Insurance Fraud Initiative (CIFI) cases are prosecuted by the Offices of Suffolk County District Attorney Daniel F. Conley and Attorney General Martha Coakley's Insurance and Unemployment Fraud Division.

Brockton CIFI

On February 4, 2009, complaints were issued against a Brockton man on charges of motor vehicle insurance fraud, attempt to commit a crime and false report of a motor vehicle theft. The Brockton man reported to police that his 2001 Honda CBR900 was allegedly stolen on July 21, 2008 after he was stopped by an unknown vehicle, punched in the face and struck unconscious. Upon regaining consciousness he discovered his motorcycle was gone and walked to a nearby friend's home. The man allegedly did not report the motorcycle as stolen until the next day and did not seek medical attention. The man allegedly made inconsistent statements to his insurer, Norfolk and Dedham Insurance Company, regarding the circumstance of the purchase of the motorcycle and the theft report. Neighbors and co-workers stated that they never saw the Brockton man operating a motorcycle. The motorcycle in question is allegedly a "paper" vehicle.

A Brockton woman admitted to sufficient facts on December 1, 2008 to charges of motor vehicle insurance fraud and attempt to commit a crime. The charges were continued without a finding for six months. She was placed on supervised probation. On June 19, 2004, the Brockton fire department was alerted to an automobile fire of a 1994 Nissan Sentra. On that same day, the Brockton woman reported to police and Commerce Insurance Com-

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pany the alleged theft of her 1994 Nissan Sentra. An expert examination of the vehicle determined that the security features were in tact at the time of the fire and the correct key was required to drive the vehicle. The woman stated that she was in possession of all keys to the vehicle.

On November 14, 2008, complaints were issued against eight Brockton individuals for their involvement in an alleged May 4, 2005 staged motor vehicle accident in Brockton. One individual, the driver of a 1998 Honda Civic, was in an alleged collision with a 2002 Toyota Sienna operated by another individual. Other individuals were listed as alleged passengers in the vehicles. All alleged passengers reported to Amica Mutual and Safety Insurance Companies that they were injured in the accident. An accident reconstruction determined that there was no evidence to indicate a collision between the two vehicles.

The Brockton task force is assisted by Brockton Police Det. John Lonergan. CIFI cases are prosecuted by the Office of Plymouth County District Attorney Timothy Cruz.

Chelsea CIFI

On December 3, 2008 a Chelsea man received pre-trial probation on charges of motor vehicle insurance fraud and larceny. He was ordered to pay restitution. The Chelsea man reported to OneBeacon Insurance Company that his 1996 Toyota Camry was damaged by a hit-and-run vehicle while parked and unoccupied on February 20, 2006. An accident reconstruction determined that the damage to the vehicle was not consistent with being struck by another vehicle while it was parked as reported.

The Chelsea task force is assisted by Chelsea Police Officer Ed Nofle. CIFI cases are prosecuted by Suffolk County Assistant District Attorney Nicholas Brandt.

Lawrence CIFI

Leo Lopez pleaded guilty on January 26, 2009 to insurance fraud-related charges in connection with his involvement in the staging of six separate fraudulent motor vehicle accidents during January 2002 through March 2003.

- January 2002 staged accident: Lopez pleaded guilty to his involvement in a staged motor vehicle accident that occurred in Methuen on January 16, 2002. Investigators discovered that Lopez and his girlfriend, Elsa Moure, allegedly recruited several individuals to participate in a staged accident in order to falsely obtain insurance benefits. The two insurance companies for the vehicles involved in the staged accident paid a total of nearly \$60,000 in benefits to the participants. Lopez admitted that the accident was false and that he had recruited the participants. The case against Moure is pending.
- November 2002 staged accident: Lopez also pleaded guilty to his involvement in a staged motor vehicle accident involving two vehicles which reportedly occurred near the Haverhill/Methuen line on November 11, 2002. The drivers of the two vehicles each reported to their respective insurance companies that they had been in motor vehicle accidents, and that they and their passengers had suffered injuries. The insurance companies investigated the accident reports and determined that the incident never occurred and subsequently denied all claims. Several participants in the claims admitted to investigators that Lopez recruited them to participate in the alleged accident. Lopez admitted that he coached recruits regarding the "facts" of the alleged accident; instructed them that they would have to make statements consistent with the "facts" to insurance investigators; brought several recruits to two different chiropractors to receive treatment for their "injuries;" promised monetary payments to the recruits for their involvement; and drove several of his recruits to the scene of the alleged accident to survey the location.
- October 2002 and February 2003 staged accidents: Lopez pleaded guilty for his participation in a series of three staged motor vehicle accidents occurring between October 2002 and February 2003 in the Lawrence and downtown Boston areas. Lopez admitted that these accidents never actually occurred, but that he, along with two other co-defendants, Omar Castillo and Josue Jerez, schemed and staged these accidents. The recruited participants would give their vehicles to Lopez, or to his two co-conspirators, who would then damage the vehicles so as to make it appear to the insurance companies that the vehicles had been involved

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in motor vehicle accidents. Chiropractor Michael Kaplan was also indicted, along with Lopez, for his alleged participation in the scheme by treating individuals involved in these staged accidents and then submitting fraudulent insurance claims. Kaplan allegedly knowingly employed Lopez and Castillo to recruit claimants for these staged accidents. Lopez and Castillo then directed the recruits to the chiropractor for unnecessary medical treatment for accidents that never occurred. Kaplan allegedly submitted fraudulent injury claims and letters to the claimants' insurance companies seeking payment for injuries they allegedly received in the staged accidents.

- March 2003 staged accident: Lopez pleaded guilty to staging a sixth accident that occurred in Haverhill on March 9, 2003. Lopez again recruited several individuals to participate in the scheme. Investigators from the insurance companies performed an accident reconstruction and discovered that the alleged accident never occurred as claimed. This claim was ultimately denied by the insurance companies after investigation. Lopez admitted recruiting the participants and planning the staged accident.

Lopez pleaded guilty to 12 counts of motor vehicle insurance fraud, four counts of larceny, eight counts of attempted larceny and 12 counts of conspiracy. He was sentenced to serve nine months in the House of Correction on each of the charges of motor vehicle insurance fraud and larceny, with these sentences to run concurrently. He was also ordered to serve three years of probation on the charges of attempted larceny and conspiracy, to be served upon completion of the House of Correction sentence. Lopez was also ordered to pay \$55,899 in restitution. Insurance companies affected in the schemes include Liberty Mutual, OneBeacon, Safety, MetLife, Arbella Mutual and Plymouth Rock.

On February 6, 2009, complaints were issued against **Josue Jerez, Justo Ceballos, Carmen Arias** and **Erica Duran**. Jerez and Ceballos were each charged with two counts of motor vehicle insurance fraud and one count of attempt to commit a crime and larceny. Arias and Duran were each charged with motor vehicle insurance fraud, attempt to commit a crime and conspiracy. On November 27, 2002, there was an alleged motor vehicle accident between a 1990 Honda Civic and a 1992 Toyota Tercel. Duran and Arias were alleged passengers in the Civic at the time of the accident; Jerez and Ceballos were alleged passengers in the Toyota. All listed passengers reported and treated for alleged injuries sustained in the accident. Amica Mutual Insurance Company insured the Toyota and paid more than \$9,000 in no-fault claims for the alleged accident. Commerce Insurance Company insured the Honda. Subjects involved in the accident allegedly admitted that the accident never occurred and was a "paper" accident only.

Complaints were issued against a Lawrence man and woman on February 18, 2009. The woman was charged with two counts of motor vehicle insurance fraud, two counts of attempt to commit a crime, one count of larceny and one count of conspiracy. The man was charged with one count each motor vehicle insurance fraud, attempt to commit a crime and conspiracy. The pair claimed that while the man was operating the woman's 1998 Kia Sportage on September 10, 2003, he was in an alleged motor vehicle accident with a 1994 Pontiac Transport. They reported to Liberty Mutual Insurance Company that both the man and woman plus the woman's two minor daughters were occupants of the Kia at the time of the accident. An accident reconstruction concluded that the accident did not occur where or how it was reported. In addition, investigation determined that the two minor daughters were not in the vehicle but were added as jump-in passengers to defraud Liberty Mutual.

The Lawrence task force is assisted by Lawrence Police Det. Sgt. Michael Simard and Det. Ryan Guthrie. CIFI cases are prosecuted by Essex County Assistant District Attorneys James Gubitose, Greg Friedholm and Maura Officer.

Lowell CIFI

The case against a Lowell woman was continued without a finding for one year on January 7, 2009 on charges of insurance fraud, filing a false stolen motor vehicle report and filing a false police report. The Lowell woman reported to police and Travelers of MA the alleged theft of her 2002 Ford Explorer on April 9, 2006 from the parking lot of her home. The vehicle had been recovered burning prior to the report of theft. The woman stated that she had all keys in her possession and that the vehicle was locked and alarmed prior to the theft. A foren-

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sics report concluded that the vehicle was equipped with a transponder and could only be operated with the proper key.

The Lowell task force is assisted by Lowell Police Det. Mark Poirier. CIFI cases are prosecuted by Middlesex County Assistant District Attorney Elisha Willis.

Lynn CIFI

On February 4, 2009 complaints were issued against a Lynn couple. The husband and wife were each charged with motor vehicle insurance fraud, conspiracy and attempt to commit a crime. The husband was operating his wife's 1994 Honda Civic on April 23, 2007 when he was involved in a motor vehicle accident. The Honda was insured by Safety Insurance Company. The operator of the other vehicle observed only a male in the Honda at the time of the accident and reported to his insurer, Premier Insurance Company, that the collision caused only minor damage to both vehicles. Both the husband and wife subsequently claimed and treated for injuries allegedly sustained in the accident. An accident reconstruction concluded that there was insufficient contact between the vehicles to cause injury.

On January 27, 2009 a Lynn man admitted to sufficient facts on two separate cases. In the one case, charges of motor vehicle insurance fraud, larceny and conspiracy to commit a crime were continued without a finding for one year and he was ordered to pay \$3,112 restitution. The Lynn man reported to his insurance carrier, Arbella Mutual Insurance Company, that he was involved in a January 1, 2005 motor vehicle accident. The adverse driver claimed two other subjects as passengers in his vehicle at the time of the accident; the passengers claimed alleged injuries sustained in the accident. An accident reconstruction determined that the damage to the two vehicles could not have occurred as reported. In addition, there were numerous inconsistencies in the statements made regarding how the accident occurred. Charges against other subjects involved in this case are still pending. In the second case, charges of motor vehicle insurance fraud, conspiracy to commit a crime and attempted larceny were continued without a finding for one year. The Lynn man was a jump-in passenger in a 1994 Jeep, insured by Liberty Mutual Insurance Company, which was allegedly involved in an August 26, 2004 motor vehicle accident. The Lynn man claimed he sustained injuries in the accident. An accident reconstruction determined that the two vehicles did not collide as reported. Charges against other subjects in the case are still pending.

The Lynn task force is assisted by Lynn Police Officer Robert LeBlanc. CIFI cases are prosecuted by Essex County Assistant District Attorney Emily Tarr McClain.

New Bedford/Fall River CIFI

Fall River – In November 2008, a Fall River woman was charged with two counts of larceny involving two separate incidents. In one incident, the woman reported to Travelers of MA that on May 20, 2004 the tracking of the sunroof of her 1997 Dodge Avenger was vandalized. Travelers issued a check, less the deductible, to the woman for the damages. The woman then reported that she had recently moved and did not receive the check. Travelers stopped payment on the first check and issued a second check. The woman allegedly received both checks and cashed them both. In the second case, the woman reported that on October 15, 2005 her boyfriend was operating her 2000 Chrysler 300M when he was involved in a two car collision. The woman was paid by Travelers for the damages to her vehicle, less the \$500 deductible. The adverse vehicle was subsequently deemed to be 100% at fault and Travelers issued the woman a check for \$500 for her deductible. The woman claimed that she lost her pocketbook with the \$500 check in it. Travelers placed a stop payment on the \$500 check. A subsequent appraisal of the damages to the vehicle determined that the repair costs were higher than first indicated. Travelers issued the woman a check for the additional repairs plus the \$500 deductible. It was later discovered that the woman allegedly cashed the \$500 check initially issued and then claimed as lost.

Fall River – On November 25, 2008, complaints were issued against four Fall River individuals on charges of motor vehicle insurance fraud and conspiracy. The driver's door of a parked 1988 Chevy Monte Carlo was

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struck by a 1994 Toyota on October 31, 2003. The operator of the Chevy reported to his insurer, Liberty Mutual Insurance Company, that he was standing beside his vehicle when he saw the Monte Carlo coming toward him. To avoid the approaching Monte Carlo, he jumped out of the way but was struck in the thigh by the Monte Carlo. The operator of the Toyota, insured by Encompass Insurance Company, claimed that the owner/occupant of the Chevy opened his door into the Toyota as it passed by. The Toyota operator also reported that he had three passengers in his vehicle at the time of the accident. All alleged passengers claimed they had sustained injuries from the impact and treated for their injuries. The occupant of the Chevy along with his passengers and a responding police officer all stated that there was only one person in the Toyota at the time of the incident.

North Carver – The case against a North Carver man was continued without a finding for six months on February 2, 2009. The man had been charged with motor vehicle insurance fraud, attempt to commit a crime and false report of a crime. The North Carver man reported his 2007 Harley Davidson FLHX was vandalized on July 6, 2008 while it was parked in his garage. Police were called to the scene and photographed the damaged motorcycle. After the report of vandalism, the man questioned his insurance agent regarding the coverage for the motorcycle and subsequently added appropriate coverage to his policy with OneBeacon Insurance Company that would cover the vandalism damages. Several days later, the man reported to OneBeacon the alleged vandalism to his motorcycle which he then reported as occurring on July 9, 2008. The man also reported a second vandalism claim to police with a loss date of July 9; both the July 6 and July 9 reports claimed the same damages.

The New Bedford/Fall River task force is assisted by New Bedford Police Det. Bill Westgate and Det. Paul Demers and Fall River Police Det. Andrew Desrosiers and Lt. Paul Bernier. CIFI cases are prosecuted by the Office of Bristol County District Attorney C. Samuel Sutter.

Randolph CIFI

Quincy – A Quincy man pleaded guilty on November 24, 2008 to motor vehicle insurance fraud. He was placed on administrative probation for one year. Another subject in the case reported that on March 26, 2005 while driving his 2002 Jeep Liberty, insured by Arbella Mutual Insurance Company, he collided with a 1999 Mercedes C280. The Quincy man was a passenger in the Mercedes which was owned and operated by his brother and insured with Plymouth Rock Assurance Corporation. The Jeep sustained collision damage and the Mercedes was deemed a total loss. The four men involved in the accident claimed and treated for alleged injuries sustained in the accident. Statements from the four men regarding the alleged accident were inconsistent.

The Randolph task force is assisted by Randolph Police Det. Sgt. David Avery and Det. Melissa McCormack. CIFI cases are prosecuted by Norfolk County Assistant District Attorney Joshua Katz.

Revere CIFI

A Lynn woman admitted to sufficient facts on January 21, 2009 to two counts of motor vehicle insurance fraud which were continued without a finding for one year. She was ordered to pay \$2,800 in restitution. The woman reported to Amica Mutual Insurance Company that she was involved in a motor vehicle accident on March 3, 2005 in Revere. She listed one passenger in her vehicle at the time of the accident. Both the woman and her passenger treated for alleged injuries sustained in the accident. The driver of the other vehicle reported that the woman was the sole occupant of her vehicle at the time of the accident.

On February 17, 2009 a complaint was issued against an East Boston man on a charge of motor vehicle insurance fraud. The man reported to Pilgrim Insurance Company that his 2001 Honda Accord was allegedly stolen from a Revere church parking lot on October 8, 2007. The vehicle was subsequently recovered. A forensic examination of the Honda determined that there were no signs of forced entry and no visible signs of ignition damage. The East Boston man accounted for all keys to the vehicle.

The Revere task force is assisted by Revere Police Officer Pat Hartigan. CIFI cases are prosecuted by Suffolk County Assistant District Attorneys Amy Martin and Maryrose Anthes.

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Springfield/Holyoke CIFI

On February 6, 2009, a Springfield man pleaded guilty to motor vehicle insurance fraud and attempt to commit a crime. He was sentenced to one year in the House of Correction, suspended, and ordered to pay \$135 restitution. On March 8, 2007, a man was driving a 1990 Honda Accord when he was involved in a motor vehicle accident. The man did not have a valid driver's license at the time of the accident. The Springfield man, a friend of the Honda driver, was driving by the accident scene and stopped to help his friend. The Honda driver asked his friend to lend him his driver's license which the driver then used to provide information on the police report. The Springfield man, who was not involved in the accident, submitted an injury claim to Commerce Insurance Company and treated for alleged injuries sustained in the accident.

A Chicopee woman admitted to sufficient facts on January 13, 2009 on charges of insurance fraud and attempt to commit a crime. Her case was continued without a finding and she was ordered to pay \$2,613 in restitution. The woman rented a 2006 Ford Taurus on April 25, 2007 while her personal vehicle was being repaired. On May 5, 2007, she reported the theft of the Ford Taurus to her insurer, MetLife Auto & Home. The woman stated that she was in possession of all keys to the vehicle provided by the car rental agency. A forensic analysis of the vehicle determined that the correct transponder key was needed to operate the vehicle which was in her possession at the time of the reported theft.

On December 10, 2008 a Springfield mother and daughter admitted to sufficient facts on charges of motor vehicle insurance fraud, attempt to commit a crime and conspiracy. Their cases were continued without a finding for two years. Each was ordered to pay \$570 restitution and a \$50 victim witness fee. A third subject reported to his insurer, Liberty Mutual Insurance Company, that while operating his 1995 Toyota Tercel on February 3, 2007 he was involved in a one vehicle collision. He stated that no police were called to the scene and no police report was completed. He claimed the two Springfield women as passengers in his vehicle at the time of the accident. Both women submitted PIP claims for injuries sustained in the accident. Investigation revealed that police did respond to the February 3, 2007 accident and the police report indicates that only the driver was present in the vehicle at the time of the accident.

The Springfield/Holyoke task force is assisted by detectives of the Massachusetts State Police and area police departments. CIFI cases are prosecuted by Hampden County Assistant District Attorneys David Jenkins and John A. Compton, Jr.

Worcester CIFI

On November 21, 2008, a Shrewsbury man was charged with four counts each of motor vehicle insurance and attempt to commit a crime. After being involved in a single vehicle truck accident, a plumbing & heating company brought their truck to the Shrewsbury man's auto repair shop. The man supplied Peerless Insurance Company with an invoice indicating that \$800 in freight charges were incurred in shipping a replacement box for the truck and another invoice for the rental of fork lifts for another cost of \$1,495. Peerless became suspicious of the dollar amounts of these invoices when it was noted that a different font was used for the billing amount from the rest of the document. When questioned about the validity of the invoices presented, the Shrewsbury man supplied new invoices which were also allegedly altered.

On October 30, 2008 a Worcester man admitted to sufficient facts on charges of motor vehicle insurance fraud, false report of a crime and failure to return leased or rented property. The charges were continued without a finding for 18 months and he was ordered to perform 500 hours of community service. The Worcester man rented a 2007 Volvo S60 on April 18, 2007. The same 2007 Volvo was observed by Philadelphia police being loaded into a shipping container along with three other vehicles on April 27, 2007. The Volvo was subsequently recovered from the same shipping container at U.S. Customs in Elizabeth, New Jersey on July 6, 2007. The Worcester man reported the alleged theft of the Volvo to Worcester police on May 5, 2007. He claimed that the vehicle had been stolen in Worcester after he left the vehicle running with the keys in the ignition.

The Worcester task force is assisted by Worcester Police Det. Scott Blakeney. CIFI cases are prosecuted by Worcester County Assistant District Attorneys John O'Leary and Jason Lemieux.