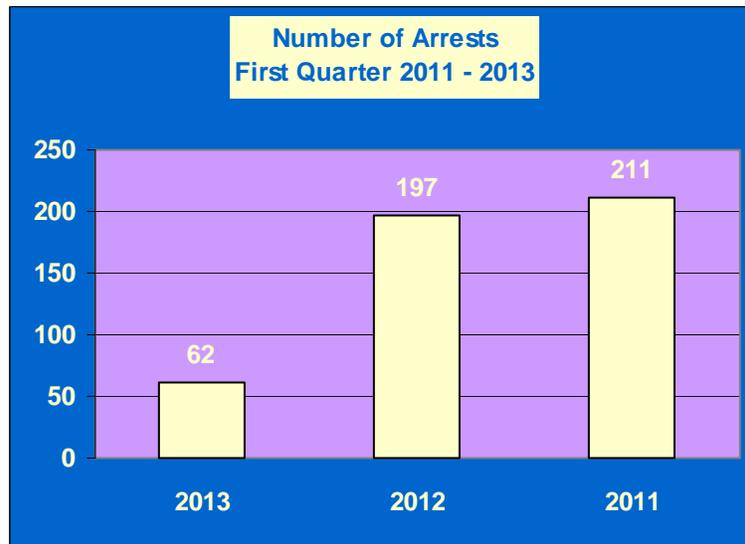


Arrests/Convictions/IFBs

First Quarter 2013

- The Insurance Frauds Bureau recorded 62 arrests during the first quarter of 2013.



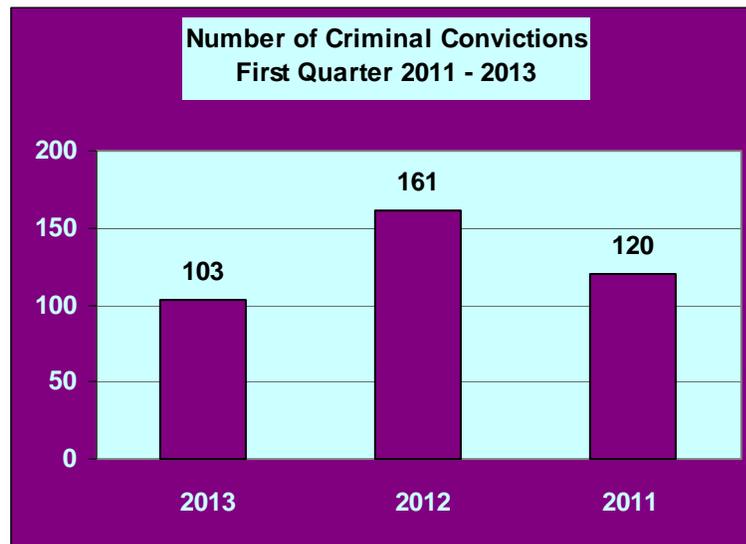
The following are among the noteworthy cases for the January-March 2013 period:

- An investigation conducted jointly by the Attorney General's Office, the NYPD's Fraudulent Accident Investigation Squad and the Department of Financial Services' Insurance Frauds Bureau led to the 1/24/13 arrest of 16 defendants for their participation in a staged-accident scheme in order to collect the insurance payouts. Most of the defendants allegedly agreed to participate in the accidents in exchange for money up front and the promise of settlement money from bodily injury lawsuits after they were treated for nonexistent injuries at a Brooklyn medical clinic. They filed \$331,993 in claims that contained false information about the accidents and their purported injuries. Only two of the defendants were subsequently awarded lawsuit settlements totaling \$13,500. They were charged with insurance fraud, grand larceny, falsifying business records and conspiracy to commit those crimes.
- An investigation by the Insurance Frauds Bureau and the Workers' Compensation Board's Office of the Fraud Inspector General led to the arrest on 2/28/13 of a Dutchess County man accused of claimant fraud. Following a work-related injury, he began collecting workers' compensation benefits. During the benefit period, he submitted written statements to Greater New York Insurance Company reporting that he was not working. However, the investigation revealed that he was employed while fraudulently collecting \$117,580 in benefits.

- Based on information developed from sources in the High Intensity Drug Trafficking Area (HIDTA) Program that a certain woman was believed to be conducting a scheme to defraud financial institutions, the Insurance Frauds Bureau initiated an investigation. The Bureau uncovered evidence that the woman was actually a victim of a scheme orchestrated by a Queens man who used his knowledge of computers, the Internet and financial institution procedures to carry out an elaborate plot that resulted in substantial losses to four banks. The investigation revealed that the suspect opened accounts at the banks in the names of individuals and corporations whose identities he had stolen. He then wrote worthless checks to other accounts under his control and successfully withdrew the funds prior to discovery of the fraud. Many of the victims whose identities he stole were tenants in his mother's home. He used the names of these victims to open bank and credit card accounts and a mail drop in Manhattan that was used to receive documents from the financial institutions and give the appearance of legitimacy. In addition, the suspect obtained the account information of third-party victims and created checks that were deposited to accounts under his control. However, bank surveillance cameras that captured numerous ATM and teller withdrawals led investigators to the suspect and resulted in his arrest. He netted \$101,000 in this scheme which he used for personal gain. He was charged with grand larceny, criminal possession of stolen property, forgery, identity theft and scheme to defraud.
- An investigation by the Queens DA's Office, the NYPD's Fraudulent Accident Investigation Squad and the DFS Insurance Frauds Bureau resulted in the 2/5/13 indictment of nine suspects and a Queens medical clinic for allegedly participating in a no-fault scheme that defrauded insurance companies of more than \$150,000. Seven separate indictments charge that five of the suspects who had been in minor auto accidents received cash payments from two runners who coached them on how to fabricate and exaggerate their injuries and steered them to the clinic where they received unnecessary medical treatment. Also charged were the clinic's receptionist and its manager, who was accused of paying the runners for finding the patients. The investigation included physical surveillance, court-authorized electronic eavesdropping and intelligence information. Among the charges contained in the indictment were insurance fraud, grand larceny, attempted grand larceny and related crimes.
- A Nassau County woman filed a claim for damage caused by a fire at her home and Hartford Insurance Company issued a \$33,596 check for the loss. The check was issued in the name of the woman's former husband who was the policyholder. The defendant subsequently reported that she never received the check and Hartford issued a duplicate check. However, an investigation uncovered evidence indicating that in both instances, the defendant's son, who had the same name as the former husband, endorsed the checks with the knowledge and consent of his mother and deposited the funds into his personal account. The defendant then used a debit card to withdraw the funds. An investigation conducted by the Nassau County Police Department with the assistance of the Insurance Frauds Bureau led to her arrest on 3/6/13.

- The defendant in this case reported that his 2008 Honda had been stolen from a Queens street on 2/8/13 at approximately 10:00 A.M. He stated that he had last seen the car at approximately 1:20 A.M. on that same day and was in possession of all the keys for the car. However, an investigation by the Insurance Frauds Bureau and the NYPD's Auto Crime Unit revealed that the car was recovered burned by the Mt. Vernon, NY, Police Department at 12:45 A.M. on 2/7/13, a full day before the defendant reported last having seen it. He was arrested on 3/1/13 on charges of insurance fraud, grand larceny, falsifying business records and falsely reporting an incident.
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- The number of criminal convictions obtained by prosecutors in Insurance Frauds Bureau cases totaled 103 during January-March 2013.



- The Insurance Frauds Bureau received 5,332 reports of suspected fraud during the first quarter of 2013.

**Number of Fraud Reports Received
First Quarter 2011 - 2013**

