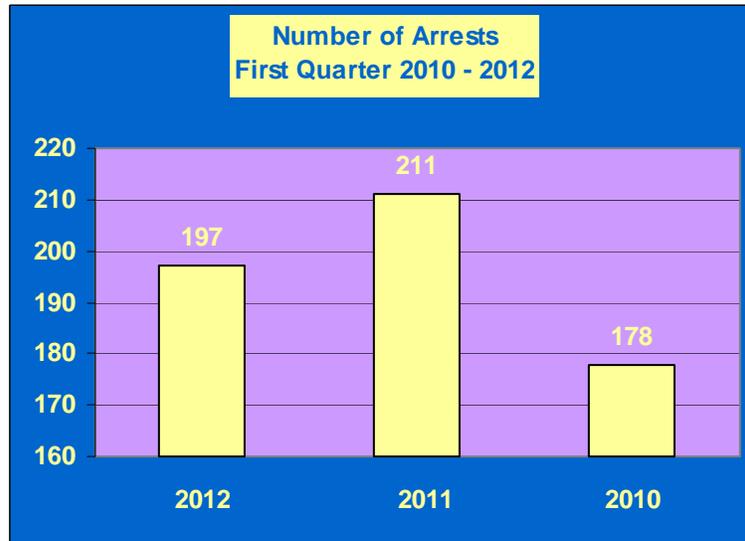


## Arrests/Convictions/Fraud Reports

### First Quarter 2010 – 2012

- The Insurance Frauds Bureau posted 197 arrests during the first quarter of 2012.

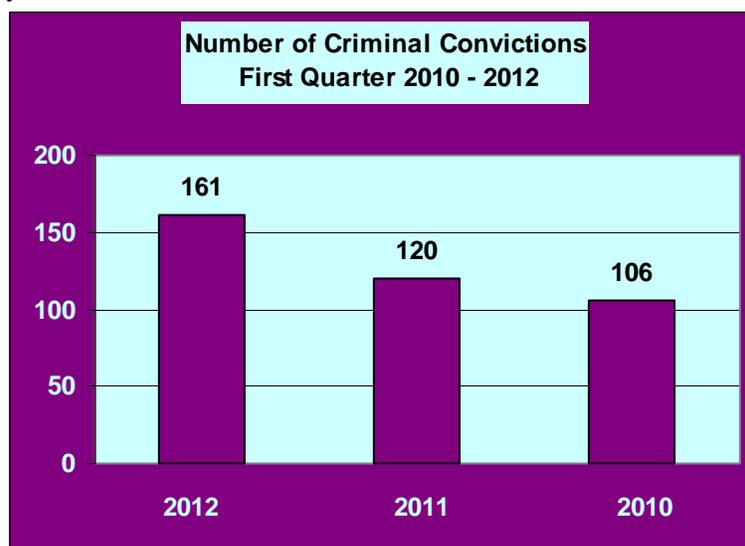


The following are among the noteworthy cases closed in the January-March 2012 period:

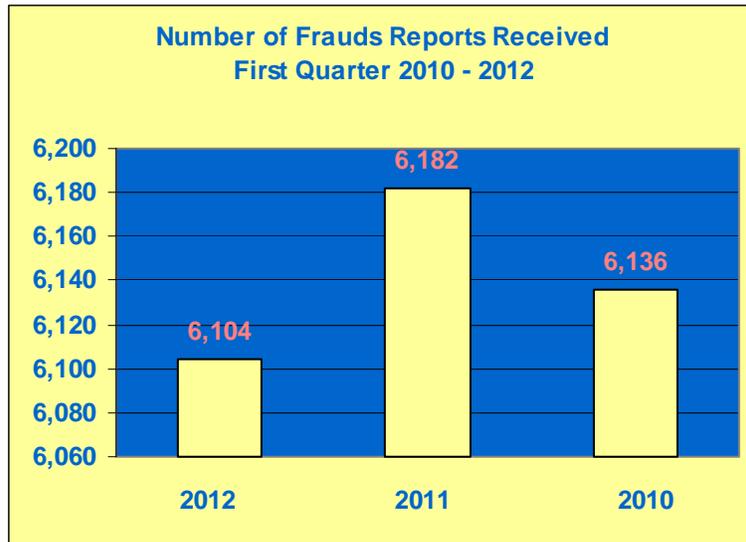
- The 65<sup>th</sup> suspect in this long-term, no-fault fraud investigation was allegedly a “jump-in” to a car involved in an accident. He subsequently altered a Police Accident Report to make it appear that he was an injured passenger. New York Central Mutual Insurance Company was billed more than \$9,000 for this suspect’s nonexistent injuries. His 1/20/12 arrest was As the result of the collaborative efforts of the Insurance Frauds Bureau and the NYPD’s Fraudulent Accident Investigations Squad, he was arrested on 1/20/12 and charged with insurance fraud, larceny and forgery.
- An investigation by the Insurance Frauds Bureau and the State Insurance Fund led to the arrest on 1/9/12 of a Suffolk County contractor who had applied for and was issued a workers’ compensation insurance policy by the State Fund. On the application, he reported that his company had a payroll of \$10,000 and no employees with the exception of himself as a part-time worker. However, an audit of another State Fund policyholder revealed a payment of \$190,350 to the defendant’s business. In addition, sign-in documents at a Long Island business at which the contractor had done roofing work showed the signatures of three workers from the contractor’s company on one occasion and “a crew” on another occasion. As a result of the fraud, the contractor avoided paying the State Fund \$37,753 in premiums owed.

- Thomas Douglass, a former Newburgh City Police Officer, was sentenced on 2/10/12 to 1-to-3 years in prison and ordered to pay \$13,000 in restitution to State Farm Insurance Company. After an eight-day trial, he was convicted on 11/23/11 of insurance fraud and falsifying business records, both felonies. Those charges stemmed from Douglass's filing of an auto insurance claim in which he fraudulently reported that damage to his vehicle was caused by his hitting a deer while he was driving off-duty in October 2009. In fact, a car-deer accident was not the cause of the damage to his car. As part of the prosecution, Douglass's friend, Scott Hecht, a tow-truck operator who aided Douglass in filing the false claim, was convicted of perjury for falsely testifying before the Ulster County Grand Jury as to the circumstances of Douglass's auto accident
- In a follow-up to a November 2011 workers' compensation fraud sweep in ten upstate counties, two suspects were arrested on 3/15/12, bringing the total number of arrests in this case to 21. The two most recent suspects were charged with offering a false instrument for filing for allegedly submitting false reports regarding an incident involving a co-worker arrested in the November sweep. The previously arrested suspect, a teacher aide, claimed she broke her ankle on the job when the accident actually occurred at her home. The Incident Report stating that the injury happened at work was completed and signed by the suspects arrested on 3/15/12. The arrests were the result of an investigation by the Insurance Frauds Bureau and the Workers' Compensation Board's Office of the Fraud Inspector General with the assistance of the State Insurance Fund.

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- The number of criminal convictions obtained by prosecutors in Insurance Frauds Bureau cases totaled 161 during January-March 2012, versus 120 for the same period in the prior year.



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- The Insurance Frauds Bureau received a total of 6,104 reports of suspected fraud during the first quarter of 2012.



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