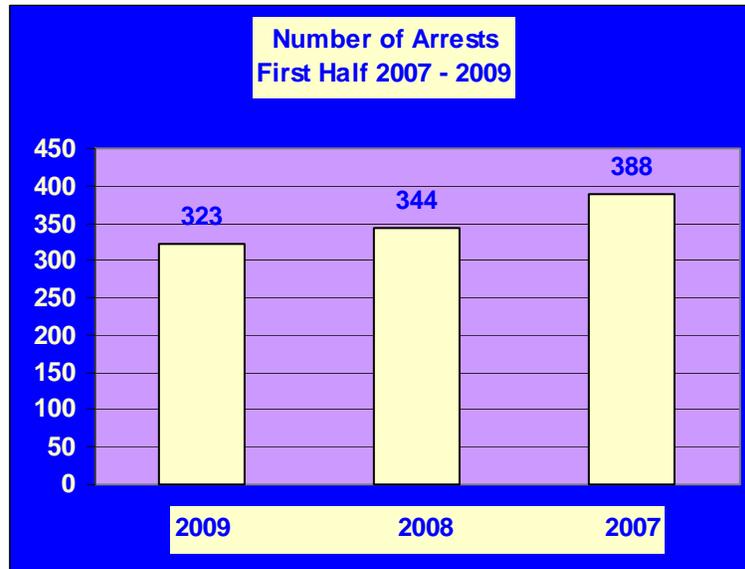


## Arrests/Convictions/IFBs

### First Half 2007 – 2009

- The Frauds Bureau recorded 323 arrests for the first half of 2009, compared with 344 for the same period in 2008 and 388 in 2007.



The following cases are among the many that resulted in arrests during the January-June 2009 period.

- Three family members were arrested on 1/16/09 in connection with a January 2004 fire at an apartment building in Gloversville, NY. The indictment charged that the building owner, and his daughter and her husband who were tenants in the building, knowingly set fire to the property. They subsequently filed an insurance claim and were paid \$210,000 for the loss. The fire was originally blamed on cooking oil that had been accidentally left heating on a stove. However, the case was reopened following a fatal fire in December 2007 at another property owned by the defendant. The property owner, who is in jail on a federal weapons possession charge, was named a “person of interest” in the 2007 arson fire which remains under investigation. The arrests were the result of a team effort by the Frauds Bureau, the Gloversville and Johnstown Police Departments, the Fulton County DA’s Office, the Gloversville Fire Department, the State Police and the New York State Office of Fire Prevention and Control.
- Between February 2005 and February 2008, the defendant in this case submitted 113 claims to United HealthCare Insurance Company for medical services he and his estranged wife allegedly received at a local family health care practice. He stated on

the claims that they received medical treatments for which they paid \$370 per visit. However, an investigation by the Frauds Bureau and the State Police revealed that neither the defendant nor his wife received any medical services at the health care facility in question. Over the three-year period, the defendant fraudulently collected \$233,138 in reimbursements from United HealthCare.

- An investigation by the Frauds Bureau, the Workers' Compensation Board and the Westchester County DA's Office led to the arrest of a Yorktown Heights orthopedist for conspiring with a patient (a former correction officer) to defraud the workers' compensation system. From 2001 to 2006, the doctor filed 55 reports stating that the patient was totally disabled, was not working and should continue receiving benefits. In exchange, the patient, who owned a general contracting and home renovation business, agreed to perform renovations on the doctor's home and office. The patient pleaded guilty in 2006 to grand larceny in the 2<sup>nd</sup> degree and filing a false tax return in connection with this case and was ordered to pay \$131,853 in restitution.
- William Raymond Miller, former chief underwriting officer of Upper Hudson National Insurance Company in Monticello, NY, was sentenced to ten years and one month in federal prison on June 18 for selling \$535 million in fraudulent surety bonds and stealing \$22.5 million in premiums. The court also ordered a personal money judgment of \$22 million against Miller who has already forfeited \$22.5 million to the government, along with real estate in Maryland and Florida. The Frauds Bureau began investigating Miller in early 2008 after he was fired by Upper Hudson. The insurance company contacted authorities after learning that Miller had sold a worthless \$38 million performance bond purportedly authorized by Upper Hudson. He was accused of keeping \$1.9 million in premiums paid for the bond by a construction company engaged in a project in Nebraska. Under a plea agreement with federal authorities, Miller admitted that from 2005 to April 2008 he used the names of several corporations to sell the worthless bonds on construction projects throughout the U.S. Besides the New York investigation which was conducted by the Frauds Bureau and the U.S. Postal Inspection Service, Miller was also investigated by state authorities in Maryland and Florida and the FBI.

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- The number of criminal convictions obtained by prosecutors in Frauds Bureau cases totaled 281 for the first six months of 2009, versus 160 for the first half of 2008 and 245 in 2007.



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- The Frauds Bureau received 12,961 reports of suspected fraud during the January-June 2009 period, up from 11,260 in the same period a year ago and 11,549 in 2007.

