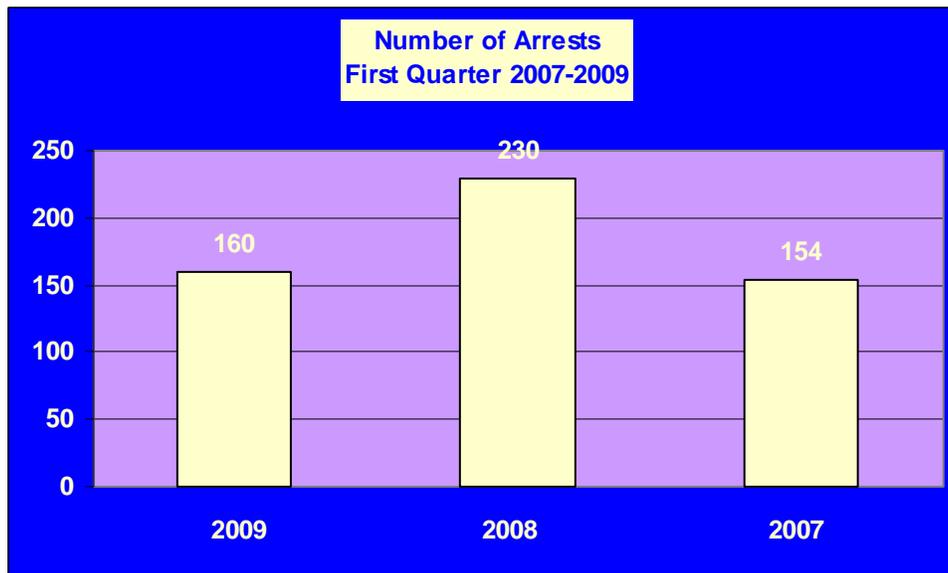


Arrests/Convictions/Fraud Reports

First Quarter 2007 – 2009

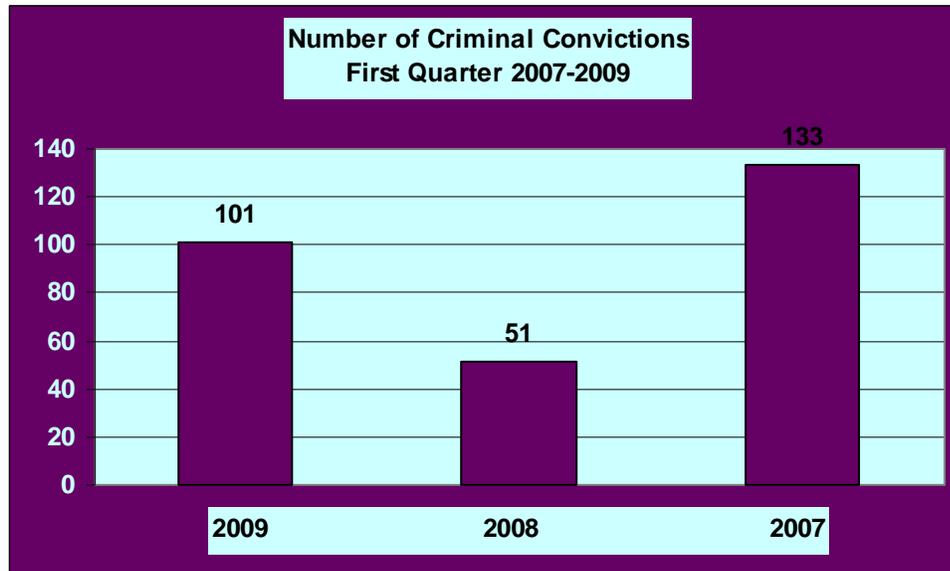
- The Frauds Bureau posted 160 arrests for the first quarter of 2009, versus 230 for the same period in 2008 and 154 the year before. Investigators collaborated with law enforcement agencies on the federal, state and local levels in the investigations that led to the arrests.



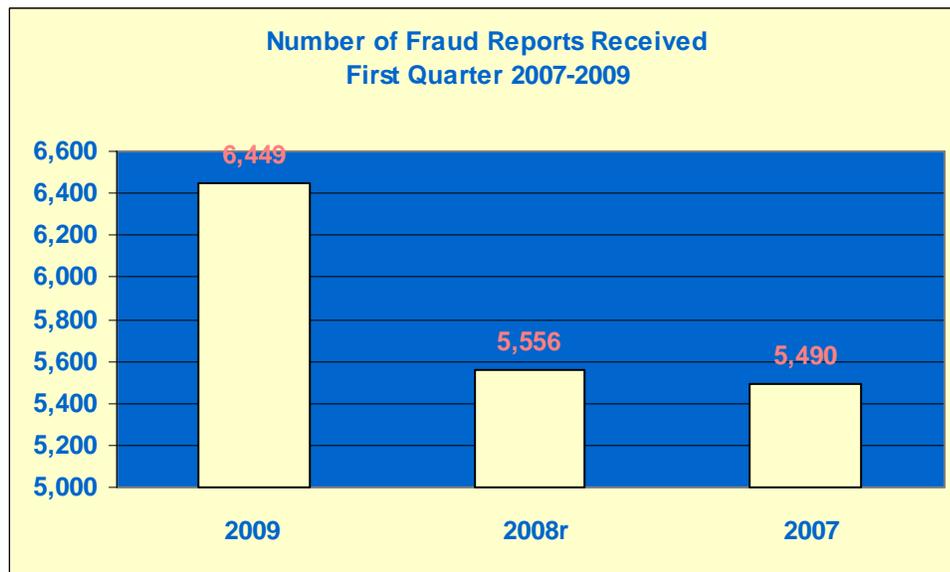
Among the noteworthy cases closed in the January-March 2009 period are the following:

- 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.

- A Queens man was arrested on 2/6/09, bringing to 63 the number of suspects arrested in this case. This defendant allegedly submitted fraudulent documentation to GEICO Insurance Company stating that he was injured in an auto accident when no injuries were incurred. The ring allegedly staged more than 40 auto accidents over a three-year period, targeting unsuspecting Asian drivers, who while backing out of a driveway or a parking lot, would be deliberately hit by a car full of passengers, all of whom were participants in the fraud. Occupants of the cars involved were then sent to the same Upper Manhattan medical clinic whose operators were knowing participants in the scheme. In fact, these operators allegedly paid “runners” up to \$2,500 for each person referred to the clinic. The “patients” were also paid. Two corporations have also been charged in the scheme to defraud insurers of \$1.6 million. The investigation was conducted by the Frauds Bureau, the Queens DA’s Office, the FBI, and the NYPD’s Fraudulent Accident Investigation Squad, with the assistance of the National Insurance Crime Bureau and several insurance companies.
 - A major undercover operation conducted by the NYPD’s Auto Crime Division resulted in the arrest in January 2008 of 61 suspects and the seizure of 70 vehicles worth \$1.7 million. Eight additional suspects have since been arrested, including this most recent defendant on 3/18/09. Moreover, 15 additional vehicles have been recovered. The scheme involved auto give-ups and buy-backs by owners who subsequently reported their cars stolen and filed fraudulent claims for the insurance payout. This defendant fled the New York area for California before the investigation was completed. However, he was arrested by the NYPD when he returned to New York in March. The investigation was conducted by the Frauds Bureau, the NYPD’s Auto Crime Division and the Queens DA’s Office.
-
- The number of criminal convictions obtained by prosecutors in Frauds Bureau cases totaled 101 for the first three months of 2009, compared with 51 for the same period in 2008.



- The Frauds Bureau received 6,449 reports of suspected fraud during the January-March 2009 period, a 16% increase over the same period in 2008.



r - revised