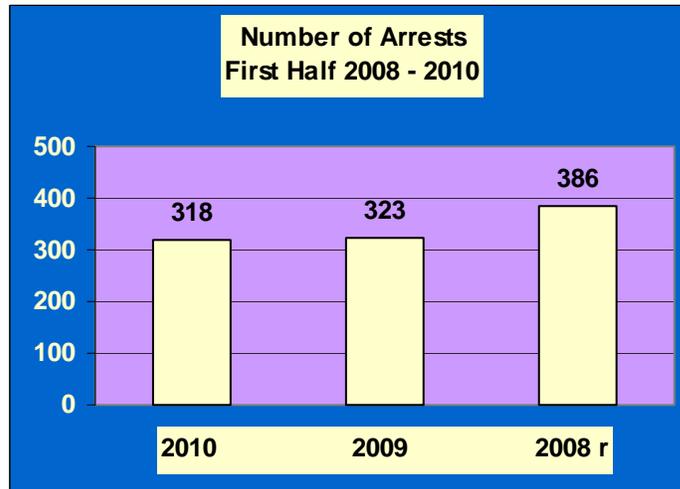


Arrests/Convictions/IFBs

First Half 2010

- The Frauds Bureau recorded 318 arrests for the first half of 2010, compared with 323 for the same period in 2009 and 386 in 2008.



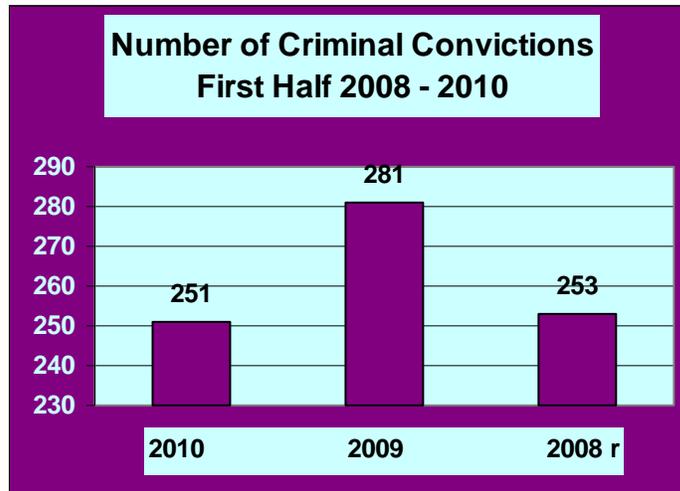
The following are among the cases that resulted in arrests during the January-June 2010 period:

- An investigation by the Frauds Bureau resulted in the arrest of a Queens woman charged with filing fraudulent health insurance claims. While working as a medical billing clerk in a doctor's office from 2005 to 2010, she filed 182 claims totaling \$82,625 with an Oxford health insurance plan for medical treatments she purportedly received from the doctor who employed her. On occasion, she sent the insurer as many as four or five claims a week. Oxford paid \$61,545 on the claims directly to the suspect who used the money for personal gain. She was arrested on 5/20/10 and charged with grand larceny and insurance fraud.
- Lester Mancuso and two of his sons, Steven and Paul, were sentenced on 6/9/10 to federal prison after pleading guilty to conspiracy and mail fraud-related charges. They pleaded guilty on 10/28/09 to conspiring to cover up an illegal asbestos removal operation throughout the Mohawk Valley region. The father was sentenced to a term of 3 years, Steven Mancuso to 3 2/3 years and attorney Paul Mancuso, the mastermind behind the operation, to 6 1/2 years and a fine of \$20,000. The fine was levied for allowing asbestos to be dumped in a field and washed down a drain at a Utica School. The three Mancuso's were also sentenced to three years of supervision once released from prison. Additionally, a hearing is scheduled for 9/8/10 to determine the amount of restitution they

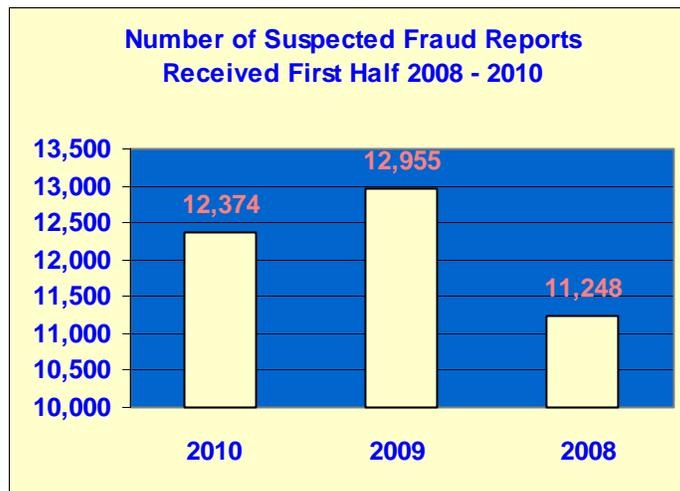
should be responsible for as a result of their shoddy work. A third son, Ronald, who testified against the other family members, is awaiting sentencing. The investigation that led to the arrests was conducted jointly by the Frauds Bureau, the Environmental Protection Agency and the Workers' Compensation Board's Office of the Fraud Inspector General.

- The three defendants in this case were charged with stealing \$474,000 from Progressive and Mercury Insurance Companies over a ten-year period. The scheme was carried out between 2000 and 2006 while defendant #1 was employed as a claims examiner by Progressive and later when she worked for Mercury. (She was fired in December 2009.) She allegedly issued insurance company checks for supplemental payments to policyholders to whom legitimate claims had already been paid. She used fake claim numbers, or in some cases, no claim numbers on the checks. She then forged claimants' signatures and countersigned the checks, making them payable to herself, or gave the checks to her two co-defendants to do the same. The scheme was uncovered when a bank clerk noticed an unusual number of checks bearing different claimants' names being countersigned and cashed by defendant #1 for deposit into her personal account. An investigation by the Frauds Bureau and the Colonie Police Department led to the arrests on 6/30/10.
- Complaints made by two property owners prompted an investigation by the Insurance Department's Frauds and Consumer Services Bureaus that led to the arrest of a former licensed insurance agent who was accused of stealing \$15,400 in premiums. The defendant allegedly collected premiums from property owners in 2008 and 2009 but failed to remit them to an insurer. The policies were subsequently cancelled. One of the property owners lost \$25,000 as a result of damage that occurred to the roof of a commercial structure that he paid the agent to insure. The agent's license to sell insurance expired in 2008 when he failed to renew it.

-
- The number of criminal convictions obtained by prosecutors in Frauds Bureau cases totaled 251 for the first six months of 2010, compared with 281 for the first half of 2009 and 253 in 2008.



-
- The Frauds Bureau received 12,374 reports of suspected fraud during the January-June 2010 period, down slightly from 12,955 received in the same period the year earlier and up from 11,248 in 2008.



r - revised