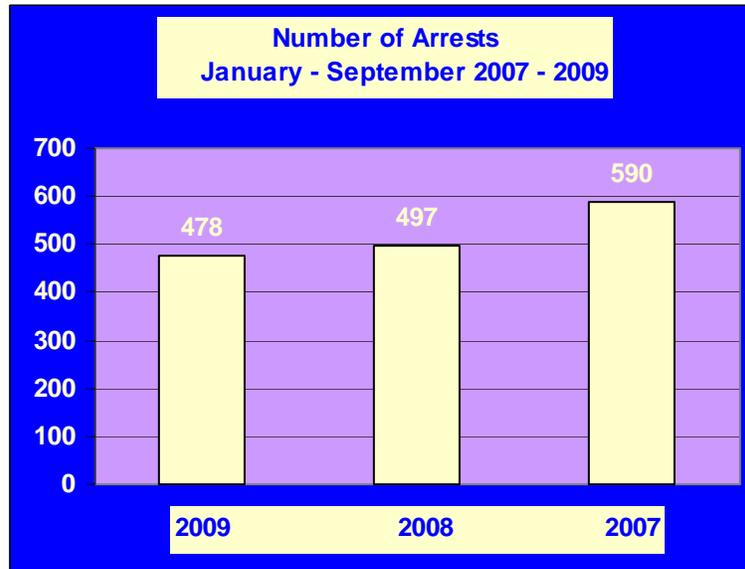


Arrests/Convictions/IFBs

January – September 2007 – 2009

- Frauds Bureau investigators recorded 478 arrests during January – September 2009, compared with 497 for the same period in 2008 and 590 in 2007.

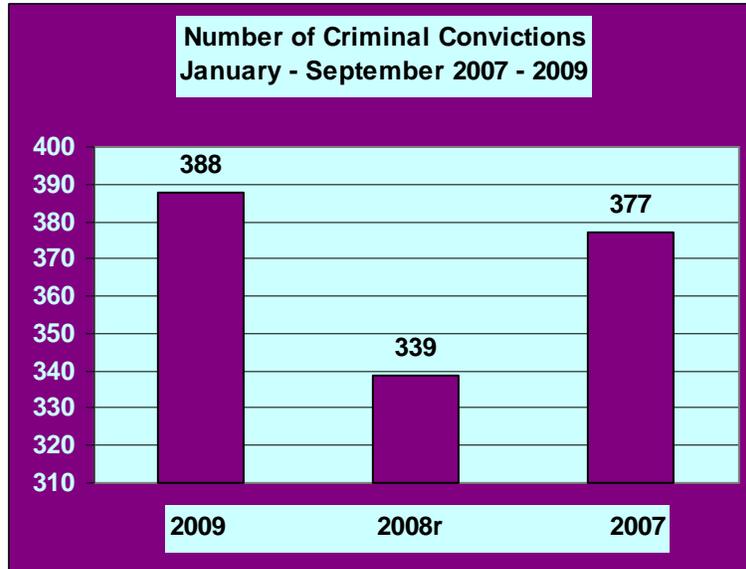


Among the noteworthy cases closed during the first three quarters of 2009 are the following:

- 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.
- 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.

- The owner of a Long Island residential carpentry business was charged with failing to disclose more than \$900,000 in gross sales and accurate payroll information to the State Insurance Fund. As a result, he paid \$44,000 less in workers' compensation premiums than he rightfully owed the Fund for his coverage. His arrest was the result of an investigation by the Frauds Bureau.
 - A Bronx man with no medical insurance allegedly used the identity he stole from an acquaintance to obtain \$70,000 in medical treatment and sue a landlord for injuries he suffered when he fell from a fire escape trying to get into his mother's locked apartment in January 2007. An investigation by the Frauds Bureau revealed that the suspect received emergency care and follow-up medical treatment for leg injuries under the identity he assumed without that person's knowledge. He was also charged with using the stolen identity to file a negligence lawsuit against the landlord. He claimed he suffered his injuries when he fell on an interior stairway. The landlord's insurance company contacted the Frauds Bureau after discovering discrepancies in the lawsuit. That led investigators to look into the health insurance claims the suspect filed with Fidelis Healthcare, his former acquaintance's health insurer.
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- The number of criminal convictions obtained by prosecutors in Frauds Bureau cases during the first nine months of 2009 totaled 388, versus 339 during the first nine months of 2008 and 377 in 2007.



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- The Frauds Bureau received 19,110 reports of suspected fraud during the first three quarters of 2009, an increase of about 13% over the same period in 2008 and in 2007.

