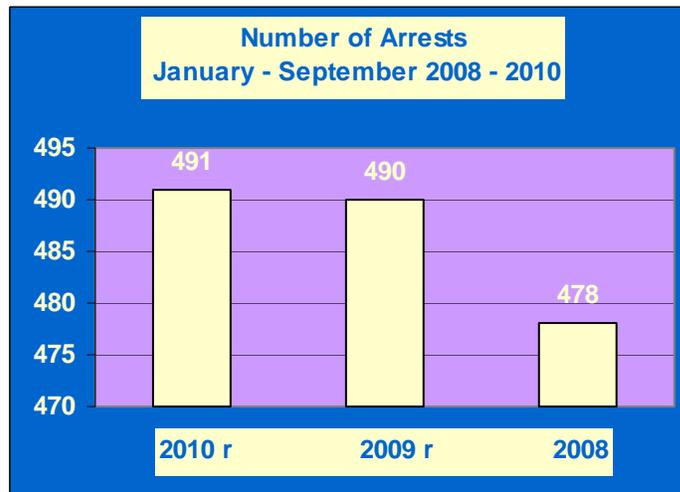


Arrests/Convictions/IFBs

January – September 2008 – 2010

- Frauds Bureau investigations resulted in 491 arrests for the first three quarters of 2010, compared with 490 for the same period in 2009 and 478 in 2008.



Among the noteworthy cases closed in the January – September 2010 period are the following:

- Ronald Mancuso, the last family member to be sentenced in a case involving conspiracy and mail fraud-related charges, was given three years' probation on 7/29/10. He testified against the other family members at trial. His father, Lester Mancuso, and two brothers, Steven and Paul, were sentenced on 6/9/10 in the same case after pleading guilty on 10/28/09 to conspiring to cover up an illegal asbestos removal operation throughout the Mohawk Valley region. Lester Mancuso 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 ½ 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. All three were also sentenced to three years of supervision once released from prison. Additionally, a hearing will be held to determine the amount of restitution they should be responsible for as a result of their shoddy work. The arrests were the result of an investigation by the Frauds Bureau, the Environmental Protection Agency and the Workers' Compensation Board's Office of the Fraud Inspector General.
- Jeffrey Alnutt, who was convicted on 5/10/10 of charges that he set a fire in 2007 at a home he owned in which a tenant died, was sentenced on 8/19/10 for those charges.

Alnutt received a sentence of 25 years to life on a murder conviction; 5 to 15 years on second-degree manslaughter; 25 years on second-degree arson; 5 to 15 years on third-degree arson; and time served on second-degree reckless endangerment. He had previously been convicted of setting fire to another home he owned in 2004 and is serving 5 to 15 years in that case. All the sentences are to be served concurrently. Alnutt's daughter and son-in-law also got jail time for their part in the 2004 scheme. The jury convicted them of conspiring to set fire to the home in order to collect an insurance payment of \$210,000 on a claim they filed for the loss. An investigation conducted jointly by the Frauds Bureau, the Fulton County DA's Office, the Groversville Police and Fire Departments, the State Police and the State Office of Fire Prevention and Control resulted in successful conclusions in these cases.

- The owner and president of a title abstract company and his company were indicted on charges of stealing more than \$6.7 million in connection with more than 105 real estate transactions. His company acted as a title agent for various title insurance companies, primarily Stewart Title Insurance Company. Between November 2006 and April 2008, he and his company allegedly failed to record the deeds, mortgages and other documents on 105 real estate closings, diverted the money to various accounts and then depleted the accounts. Stewart Title, having been obligated by the defendant and his company to insure the transactions, ultimately sustained the loss from the thefts and paid nearly \$5.4 million to cover unpaid fees and taxes. The Frauds Bureau and the Manhattan DA's Office pooled resources in the investigation that led to the arrest on 8/15/10 on charges of grand larceny and scheme to defraud..
- A client of a Rockland County insurance agency purchased a commercial general liability insurance policy from the father/son owners of the business. The client made a down payment of \$9,415 on an \$18,831 policy and arranged for the agency to have the remainder handled by a premium finance company. The client subsequently made seven payments totaling \$7,763 to the agency. However, an investigation by the Frauds Bureau and the Rockland County DA's Office revealed that the client was overcharged for coverage that should have cost \$5,200. Moreover, only one payment of \$466 was made to the finance company. The policy was cancelled for nonpayment of premium and the suspects were accused of stealing more than \$10,000 from the client. Both they and their company were charged with grand larceny and falsifying business records in connection.
- An investigation by the Medicare Fraud Strike Force, of which the Frauds Bureau is a member, led to the 9/22/10 arrest of a medical doctor specializing in colo-rectal surgery on charges that from 2/09 to 1/10, he defrauded Medicare and numerous other health care benefit programs of at least \$3.5 million. Investigators began reviewing the doctor's practice after receiving complaints from patients who said the doctor had submitted claims for services they had not received. He allegedly consistently filed claims for office visits, examinations and subsequent surgical procedures as if he were treating unrelated conditions, when in fact he was providing follow-up services related to an initial procedure. In addition, he often billed for working more than 24

hours in a day. A search warrant was executed at his office on the day of his arrest and bank records were seized.

The Medicare Fraud Strike Force supplements the criminal health care fraud enforcement activities of the U.S. Attorney's Offices by targeting chronic fraud as well as emerging or migrating schemes perpetrated by criminals operating as health care providers or suppliers. The Strike Force members include the Department of Justice Criminal Division's Frauds Section, law enforcement partners in the Department of Health and Human Services (HHS), the New York Insurance Frauds Bureau and other state and local law enforcement agencies.

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- The number of criminal convictions obtained by prosecutors in Frauds Bureau cases during the first nine months of 2010 totaled 335, versus 389 during the same period a year earlier and 338 in 2008.



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- The Frauds Bureau received 18,503 reports of suspected fraud during the first three quarters of 2010, down marginally from the 19,114 received in the prior year.



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