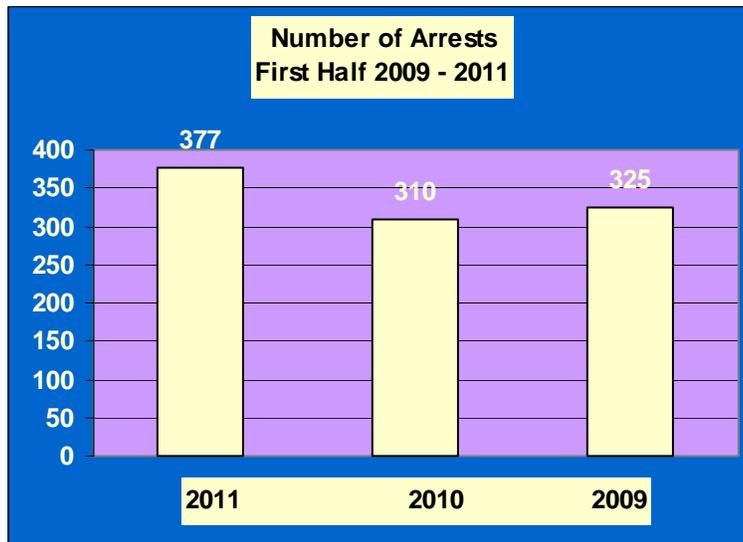


Arrests/Convictions/IFBs

First Half 2009 – 2011

- The Frauds Bureau recorded 377 arrests for the first half of 2011, versus 310 for the same period in 2010 and 325 in 2009.



The following are among the cases that resulted in arrests during the January-June 2011 period:

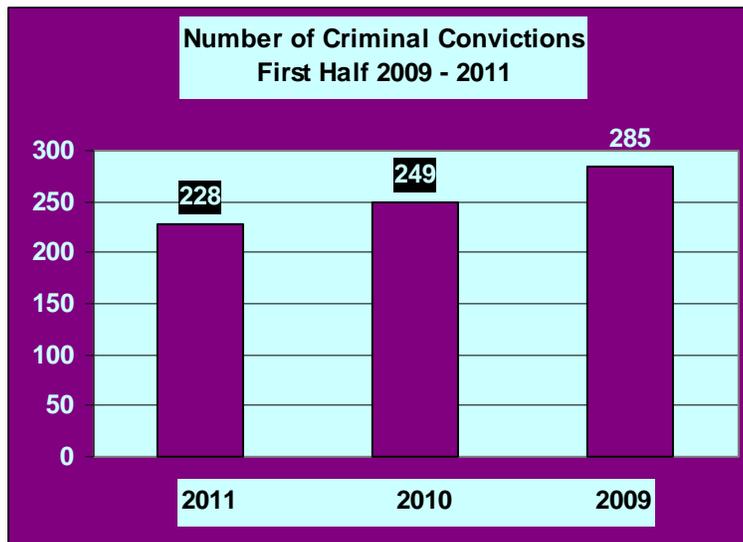
- The vice president and an office manager/bookkeeper of a roofing company, Defendants #1 and #2 in this case, were arrested on 1/10/10 and charged with insurance fraud in the 3rd and 5th degrees, respectively. An investigation by the Frauds Bureau and the State Police found evidence that from March 2010 to the time of their arrests, they engaged in a scam that defrauded a number of insurance companies. They allegedly contacted homeowners in several upstate communities asking if they wanted their roofs inspected for wind and/or hail damage. They told the homeowners that the company would complete the work for whatever the insurance settlement was, if the home required a new roof. Defendant #2 would then contact the insurer purporting to be the homeowner and set a date and time for an insurance company inspection. Prior to the inspection, Defendant #1 would cause or enhance damage by removing roof shingles so the insurer would approve the cost of a new roof. Defendant #2 gave a written confession stating that she had misrepresented herself as the homeowners when she contacted the insurers.
- A 16-month undercover investigation led to the takedown of an auto-theft ring based in Queens accused of stealing 17 cars over the past year and reselling them on craigslist, as well as to family members and friends. The crew stole the cars, changed the vehicle identification numbers (VINs) and registered them with “washed” titles.

Ten suspects were arrested on 2/9/11, six of whom were charged with enterprise corruption under New York State's Organized Crime Control Act. If convicted, these six suspects face up to 25 years in prison. The investigation used court-authorized wiretaps and surveillance, as well as undercover work. During the execution of a search warrant at the home of the alleged ringleader, investigators recovered 100 VIN plates and federal stickers, eight cell phones, numerous keys and a key making kit and titles. In addition, evidence indicating that this defendant was bleaching \$1 bills and using his printer to make counterfeit \$100 bills was also found. A second search warrant executed at the home of two co-defendants yielded a .22 caliber semi-automatic and numerous rounds of ammunition for a variety of firearms including an AK-47 and a .9mm. Numerous stickers, VIN plates, titles and keys were also recovered. The investigation was conducted by the Queens DA's Office and the NYPD's Auto Crime Division, with the assistance of the Frauds Bureau and the National Insurance Crime Bureau.

- In a twisted tale of homeowners insurance fraud, an upstate man filed a claim with Nationwide Insurance Company after his home was destroyed by fire and he was reimbursed \$300,000 for the loss. He subsequently was contacted by a Nationwide claims representative who informed him that he believed he could get the homeowner an additional settlement with the help of a lawyer friend. The deal was that the unnamed lawyer would get half of whatever additional compensation the homeowner received. The homeowner agreed although he later said that he doubted there would be any additional money. About ten days later, the claims rep informed him that the attorney had been able to arrange an additional settlement of \$89,822 and produced the check from Nationwide. As a claims rep, the defendant was authorized to settle claims and write settlement checks on behalf of the company. The claims rep told the homeowner that the attorney in question wanted his name kept out of the transaction. So the homeowner was asked to write a personal check payable to the claims rep for \$44,911 – half the amount of the additional settlement. The claims rep advised the homeowner to deny any knowledge of this transaction if Nationwide were to ask. A red flag went up and the homeowner reported his suspicions to Nationwide. The claims rep was fired after Nationwide learned that he had cashed the homeowner's check and deposited the money into his personal account. He was arrested on 4/13/11 following an investigation by the Frauds Bureau and Nationwide.
- On 3/30/11, agents from the FBI and the IRS contacted the Frauds Bureau for assistance in a case involving health care fraud. An investigation revealed that a Rochester attorney was receiving large quantities of prescription pain killers from a local doctor, though his medical records did not support the necessity for those medications. Over a five-year period, Excellus Health Plan paid out \$398,793 for the illegally obtained medications. Following a sealed federal grand jury indictment, a warrant was issued and the attorney was arrested on 5/11/11.
- On 2/25/11, an upstate chiropractor accompanied his patient to an independent medical examination conducted to determine whether the patient was eligible for surgery. When the exam was completed, the chiropractor, posing as an Insurance

Department Frauds Bureau investigator, displayed the business card of an authentic Frauds Bureau investigator and threatened the examining chiropractor with arrest if he did not authorize the surgery. During an investigation by the Frauds Bureau, the chiropractor admitted that he had misrepresented himself and gave a signed confession. He was arrested on 6/15/11.

- The number of criminal convictions obtained by prosecutors in Frauds Bureau cases totaled 228 for the first six months of 2011, compared with 249 a year earlier.



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- The Frauds Bureau received 12,050 reports of suspected fraud during the January-June 2011 period, down from 12,374 received in the same period the year earlier and 12,961 in 2009.

**Number of Suspected Fraud Reports Received
First Half 2009 - 2011**

