



focusFraud

An Insurance Fraud Bureau of Massachusetts Publication

Volume 16, Number 2

July 2009

CIFI Program Marks 5 Years of Progress

A joint study recently released by the Automobile Insurers Bureau of Massachusetts (AIB) and the Insurance Fraud Bureau of Massachusetts (IFB) highlights the progress made by the IFB's Community Insurance Fraud Initiative (CIFI) program.

Following a staged accident in late 2003 that resulted in the death of a Lawrence grandmother, the IFB, the Lawrence Police Department, the Essex County District Attorney and the Office of the Attorney General partnered in the creation of a joint task force to attack the problem of insurance fraud in Lawrence. This task force effort, later to be named a Community Insurance Fraud Initiative (CIFI) has, to date, charged 387 people with insurance fraud, has seen convictions involving chiropractors, attorneys, runners and average citizens and has dramatically dropped the insurance claim level in the city.

Daniel Johnston, Executive Director of the IFB said "Prior to the creation of the CIFI task force, for every 100 accidents in Lawrence, there were 141 injuries reported to insurance companies - nearly four times the statewide average. This inflated number of injuries was the result of a cottage industry of 'staged accidents' in the city. By 2008, that statistic had dropped to only 48 for every 100 accidents. The remarkable success in reducing fraud and drop in insurance claims in Lawrence meant that premiums went down too. Since the inception of the CIFI task force in Lawrence, over \$40 million has been saved in auto insurance premiums by Lawrence residents."

The Lawrence success was so dramatic that beginning in 2004, the CIFI task forces were replicated in 12 other communities across the state and in each one, similar reductions of fraudulent claims, along with dramatic reductions in premiums, have been achieved. The chart below lists the favorable impact for residents of the CIFI communities.

<i>CIFI Town</i>	<i>Task Force Created</i>	<i>Policyholder Savings from Inception to 2008</i>
Boston	June 2004	\$195,930,630
Brockton	April 2004	\$26,031,505
Chelsea	November 2005	\$11,542,289
Fall River	September 2006	\$7,501,010
Holyoke	April 2004	\$9,961,137
Lawrence	October 2003	\$40,253,213
Lowell	September 2004	\$43,982,007
Lynn	July 2004	\$28,568,072
New Bedford	September 2006	\$7,349,475
Randolph	November 2005	\$18,257,586
Revere	December 2006	\$9,431,190
Springfield	April 2004	\$54,075,500
Worcester	November 2006	\$43,468,059
GRAND TOTAL		<u>\$496,351,673</u>

A comprehensive report provides a complete overview of this CIFI effort and examines its evolution over the most recent five year period. This effort, which has been supported by the IFB, various police departments, district attorneys, the Massachusetts Attorney General's office and auto insurance companies across the state has had a major impact in reducing fraud in auto insurance and has been a major factor in reducing premiums across the Commonwealth. To read the entire report, go to www.ifb.org.

Multi-Lines Insurance Fraud

Insurance Fraud Bureau of Massachusetts

101 Arch Street, Suite 600
Boston, MA 02110-1131

Telephone (617) 439-0439
Fax (617) 439-0404

IFB Fraud Hotline
1-800-32FRAUD

IFB Website
<http://www.ifb.org>

Daniel J. Johnston
Executive Director

Anthony M. DiPaolo
*Vice President and Chief of
Investigations*

Laura A. Kessler
Vice President and General Counsel

Thomas Simon
Vice President of Administration

Deborah Terry
*Editor
Administrative Manager
dterry@ifb.org*

Individuals who have been charged and whose names have been publicly disseminated have been identified.

focusFraud and *e-focusFraud* are published periodically throughout the year. News flashes on current press releases and news articles and updates on prosecution court activity are posted frequently on the IFB website www.ifb.org.

If you prefer to receive your issues of *focusFraud* and IFB announcements by email, please forward your name, company name and email address to dterry@ifb.org.

Referrals and general questions can be emailed to referrals@ifb.org.

Case Update - Boston Man Indicted on Charges of Insurance Fraud and Attempted Larceny

Boston - **David Fioravanti** pleaded guilty in Suffolk Superior Court on April 6, 2009 to making a false statement on a motor vehicle registration and admitted to sufficient facts on five counts of motor vehicle insurance fraud, two counts of insurance fraud, and one count each larceny and attempted larceny. Fioravanti attempted to defraud insurance companies by reinsuring expensive jewelry that had allegedly been stolen and for defrauding his auto insurance company by presenting a false registration address. Fioravanti was sentenced to two years probation on the charge of making a false statement on a motor vehicle registration. He was also ordered to perform 100 hours of community service and to pay \$3,971 in restitution to Arbella Mutual Insurance Company. In May 2002, Fioravanti purchased an insurance policy with Chubb Insurance Company to insure \$63,000 worth of jewelry that he owned. In February 2003, Fioravanti filed a police report alleging that his apartment was broken into and that all of the insured jewelry was stolen. One of the pieces of jewelry Fioravanti claimed was stolen was his wife's engagement ring. Based upon Fioravanti's police report, Chubb paid the entire \$63,000 claim. None of the stolen jewelry was ever reported to be recovered. Investigation revealed that in December 2003 Fioravanti purchased another insurance policy from Vermont Mutual Insurance Company and insured all of the same jewelry he claimed had been stolen from his apartment in February 2003. Fioravanti also insured the engagement ring he claimed was stolen, yet this time he claimed it was worth \$10,000 more than it had originally been appraised. When Vermont Mutual learned of the claim that had already been paid out to Fioravanti, they cancelled his policy. Investigators then discovered that in October 2004 Fioravanti purchased another insurance policy from OneBeacon Insurance and insured the same jewelry he had previously listed plus additional items. During the course of the investigation, investigators discovered that Fioravanti also had motor vehicle insurance policies with Arbella Mutual Insurance Company. All of the auto insurance policies issued to Fioravanti listed his mother's address in Marshfield as the address where his car was registered. However, investigation revealed that Fioravanti actually lived in Boston and that he fraudulently registered and insured his automobiles at the Marshfield address in order to pay lower auto insurance premiums. Assistant Attorney General Audrey Cosgrove of Attorney General Martha Coakley's Insurance and Unemployment Fraud Division prosecuted the case.

Inside this Issue of *focusFraud*

Multi-Lines Insurance Fraud	page 2
Premium Evasion Fraud	page 3
Workers' Compensation Fraud	page 4
Insider Fraud	page 5
Automobile Insurance Fraud	page 6
CIFI Highlights	page 8

Premium Evasion Fraud

Case Update - New Hampshire Man Arraigned on Insurance Fraud Charges

Woburn - On June 10, 2009 **Michael Kazanjian** pleaded guilty in Middlesex Superior Court to charges of attempt to commit a crime, failure to maintain workers' compensation insurance and making a false statement to a municipality relative to the document of a contract. He was fined \$11,500. Kazanjian, principal of CJM Excavating and Development Corporation, altered a Certificate of Insurance to fraudulently represent that he had workers' compensation coverage. Kazanjian presented the falsified certificate to the City of Lowell in order to obtain a lucrative snowplowing contract. Assistant District Attorney Elisha Willis of Middlesex District Attorney Jerry Leone's office prosecuted the case.

Case Update - Former Nashua, NH Man Charged with Tax Evasion and Mail Fraud

Concord, NH - **Michael Monahan**, who pleaded guilty to tax evasion, mail fraud and identity theft related offenses in April 2008, was sentenced on April 15, 2009 to 33 months in prison followed by three years of supervised release and ordered to pay \$366,603 in restitution. Monahan evaded paying more than \$365,000 in workers' compensation insurance premiums from 2000 to 2004 by submitting applications to the Workers' Compensation Rating and Inspection Bureau that falsely reported the number of employees who worked for the businesses he owned, managed and/or operated, falsely described the work the employees performed and underreported the businesses' estimated payroll. The case was prosecuted by Criminal Bureau Chief Robert Kinsella of the United States Attorney's Office, New Hampshire District.

Holliston Man and His Business Indicted on Insurance Fraud Charges

Holliston—**Paul McKunes** and his business **M&M Equipment Services, Inc.**, doing business as Earth Designs, were indicted on June 30, 2009 in Middlesex Superior Court on ten counts of unemployment fraud, 31 counts of failure to withhold state income tax, three counts of workers' compensation fraud and three counts of larceny. McKunes and his company allegedly provided inaccurate payroll information to Atlantic Charter Insurance Company and their payroll administrator to secure a lower workers' compensation insurance premium and to avoid paying the full amount of unemployment insurance and state income tax. McKunes and M&M purchased workers' compensation insurance from Atlantic Charter for the policy years from September 2002 to September 2005. Allegedly, in an effort to obtain a lower workers' compensation premium, McKunes and M&M underreported its actual payroll by not reporting payments to undisclosed employees and not reporting overtime compensation. An auditor from Atlantic Charter discovered corporate tax returns filed by McKunes and M&M for nearly \$400,000 in payments to subcontractors, which were not disclosed in the premium audit. As a result of this alleged premium avoidance scheme, McKunes and M&M underpaid Atlantic Charter a total of \$51,850 in premium payments. In addition, by allegedly underreporting its payroll to its payroll administrator during the relevant dates, McKunes and M&M underpaid the Division of Unemployment Assistance in the amount of \$23,769 of unpaid assessments and failed to withhold over \$40,405 in state income taxes to the Department of Revenue. Assistant Attorney General Michael J. Walsh of Attorney General Martha Coakley's Insurance and Unemployment Fraud Division is prosecuting the case.

Owner of Roofing Co. Arraigned for Allegedly Failing to Pay Approximately \$119,000 in W/C Ins. Premiums

Boston - **Richard Copeland**, owner of Copeland Contracting Inc. (CCI), was arraigned in Suffolk Superior Court on April 24, 2009 in connection with not paying the proper workers' compensation insurance premiums by misclassifying his employees and filing false tax returns over a five-year period. During the period of November 2003 through January 2008, Copeland held workers' compensation policies with AIM Mutual Insurance Company and American International Group. During that time, Copeland allegedly avoided paying the proper premium for these policies by misclassifying the type of work his employees performed when he allegedly classified his employees as carpenters instead of roofers. During this five-year time period, three workers suffered serious injuries on work sites where CCI was doing business. When the injured workers filed workers' compensation claims with CCI's insurers, the insurance companies discovered that none of the injured employees were listed on CCI's payroll. Investigation revealed that Copeland had employed over 16 full-time roofers since he initiated the first workers' compensation insurance policy in November 2003. As a result of this scheme, Copeland allegedly avoided paying approximately \$119,000 in workers' compensation premiums during the five-year period. Copeland also allegedly filed false unemployment contribution reports with the Department of Unemployment Assistance by misrepresenting the number of employees he had in his company for each quarter for approximately five years. Copeland also allegedly falsified the company's tax returns by failing to with-

(Continued on page 4)

Premium Evasion Fraud *continued*

(Continued from page 3)

hold state and federal income tax from all of his employees. Assistant Attorney General Jeremy Eisemann of the AG's Insurance and Unemployment Fraud Division is prosecuting the case.

Brookline Company Ordered to Pay Restitution

Brookline—Charges against a Brookline company, its president and vice-president were continued without a finding for nine months on March 13, 2009. Each had been charged with workers' compensation fraud and larceny. Restitution of \$9,000 was ordered. The company's president and vice-president failed to report the extensive use of subcontractor labor to Liberty Mutual Insurance Company, their workers' compensation insurance carrier, in order to artificially reduce the amount of their workers' compensation insurance premium. The case was prosecuted by Assistant Attorney General Glenn Cunha, Chief of the AG's Insurance and Unemployment Fraud Division.

Workers' Compensation Fraud

Billerica Man Arraigned for Alleged Workers' Compensation Fraud

Billerica - On June 11, 2009 **William Bertrand** was arraigned in Suffolk Superior Court on four counts of workers' compensation fraud, two counts of larceny and one count of perjury for allegedly stealing over \$35,000 in workers' compensation benefits to which he was not entitled. Investigation revealed that in July 1997 Bertrand suffered a legitimate injury while working as a heavy equipment operator and began collecting workers' compensation benefits from his employer's insurance carrier, Liberty Mutual Insurance Company. Bertrand collected benefits from July 1997 until July 2004, and received a \$15,000 lump sum settlement to which he was not entitled in April 2005. Investigators discovered that between June 2003 and January 2005 Bertrand was allegedly employed and collected paychecks from four different employers. Although Bertrand was permitted to earn some income because he received "partial incapacity benefits," he was required to disclose his earnings to Liberty Mutual. Bertrand allegedly informed Liberty Mutual that he had not returned to work and failed to disclose the income he had earned. He also allegedly filed false earnings reports twice with the Department of Industrial Accidents and Liberty Mutual claiming that he had minimal income from self-employment. Because of Bertrand's alleged failure to disclose his earnings and the production of false information to both Liberty Mutual and the DIA, Bertrand received over \$35,000 in benefits to which he was not entitled. Assistant Attorney General Marina Moriarty of Attorney General Martha Coakley's Insurance and Unemployment Fraud Division is prosecuting the case.

Case Update - Lawrence Man Indicted for Alleged W/C and Unemployment Fraud

Lawrence - **Rigoberto Tellez** pleaded guilty in Suffolk Superior Court on April 13, 2009 to charges he schemed to collect over \$14,000 in unemployment and workers' compensation benefits. He was sentenced to two years probation and ordered to pay \$14,398 restitution. Tellez applied for and began receiving unemployment benefits from the Division of Unemployment Assistance in October 2005 while separated from his employer. In November 2005, Tellez was re-hired by his employer but continued to receive unemployment benefits because he failed to disclose his employment status to DUA. Then, on December, 10, 2005, Tellez was injured in a fall sustained at work. He applied for and began receiving workers' compensation benefits from Commerce & Industry Insurance Company from December 2005 until May 2006, at which time he was cleared through an independent medical examination for light duty work. Tellez's employer offered employment which met the criteria stated by the IME which Tellez refused. In June 2006, Tellez filed an employee claim with the Department of Industrial Accidents. The DIA heard the claim and ordered Commerce & Industry to pay Tellez benefits retroactively from June 2006. Tellez filed an employee earnings report in June 2006 stating that he was entitled to workers' compensation benefits and earned no other wages. However, during part of this time, Tellez was collecting unemployment benefits in addition to workers' compensation benefits. For each of the 23 weeks that Tellez collected unemployment benefits, from November 2005 to April 2006, he notified DUA that he was not working, but that he was able to work and was available for work although he was collecting disability benefits and claiming to Commerce & Industry that he was unable to work. Tellez was paid unemployment benefits totaling \$14,398. Assistant Attorney General Jeremy Eisemann of the AG's Insurance and Unemployment Fraud Division prosecuted the case.

(Continued on page 5)

(Continued from page 4)

Florida Man Indicted for Allegedly Collecting Workers' Compensation Benefits While Working

Boston - **Nelson Morillo**, formerly of Framingham and now residing in Florida, was indicted in Suffolk Superior Court on March 20, 2009 on charges he schemed to falsely collect workers' compensation benefits and lied under oath. On December 15, 2003, Morillo was injured while working as an asbestos technician. As a result of his injuries, Morillo applied for and began receiving total disability benefits from his employer's insurance company, Zurich North American Insurance Company, from December 2003 through March 2004. During part of this time, Morillo was allegedly employed full-time with another company. Morillo's total disability benefits were terminated in April 2004 as a result of an IME which cleared him to work without restriction. Morillo reopened his claim in March 2005 allegedly in an attempt to obtain partial disability benefits for his December 2003 injuries, and was subjected to a second IME, at which time he underreported his work hours despite being employed full-time. As the result of a modification hearing held by the DIA in May 2005, Zurich was ordered to provide Morillo partial disability benefits while he was allegedly working full-time. Morillo allegedly collected approximately \$3,904 in workers' compensation benefits to which he was not entitled. Assistant Attorney General Audrey Cosgrove of the AG's Insurance and Unemployment Fraud Division is prosecuting the case.

Insider Fraud

Norwood Lawyer Charged in Fraud and Kick-Back Scheme

Norwood—**James Ciapciak**, a Norwood-based lawyer, has been charged with defrauding Metropolitan Life Insurance Company through an arrangement whereby he arranged with a company insider to bill the company for non-existent legal work and then to split the proceeds of the fraud between them. Ciapciak was charged by Information on June 29, 2009 in United States District Court for the District of Massachusetts on five counts of mail fraud and three counts of filing false tax returns. Ciapciak, the sole shareholder of a law practice Ciapciak & Associates, P.C., performed legal services for Met Life. Beginning in 2003, Ciapciak and a Met Life in-house lawyer, identified only as A.P., allegedly defrauded Met Life by a variety of means. According to the Information, the fraud began with Ciapciak and A.P. splitting \$550,000 in monies that Ciapciak was supposed to collect on behalf of Met Life in connection with a lawsuit. Allegedly, beginning in 2005, Ciapciak and A.P. arranged for Ciapciak to submit "retainer" invoices to Met Life, which A.P. then approved, even though Ciapciak never provided any services for "retainer" payments. It is further alleged that between 2005 and 2008, the pair shared approximately \$650,000 in bogus retainer payments. In addition, the Information alleges that Ciapciak arranged to bill Met Life for expenses associated with a Super Bowl trip taken by A.P. The Information further charges that Ciapciak filed false tax returns, which failed to report most of the money Ciapciak had obtained from defrauding Met Life. The case was investigated by the U.S. Postal Inspection Service and the Internal Revenue Service—Criminal Investigation, with assistance from the IFB and in cooperation with Office of the U.S. Attorney for the Eastern District of New York. It is being prosecuted by Assistant U.S. Attorneys Sarah Walters and Paul Levenson of Acting United States Attorney Michael K. Loucks's Office.

Mark Your Calendars!

IFB Announces **October 29, 2009** Seminar

Emerging Trends in Provider Fraud

Topics include: Looking Beyond the Referral, Prosecutor's View of Provider Fraud, Analyst's Prospective, Provider Fraud Case Study, Panel Discussion

Speakers from: Federal Bureau of Investigation, U.S. Postal Inspection Service, U.S. Attorney's Office, Insurance Fraud Bureau

Further details will be available by the end of August.

Automobile Insurance Fraud

New Hampshire Woman Allegedly Collects for Pre-Existing Injury

Seabrook, NH - **Ana Keegan**, formerly of Haverhill, was indicted on June 12, 2009 in Essex Superior Court on three counts of motor vehicle insurance fraud, two counts of larceny and two counts of attempted larceny for allegedly embellishing several insurance claims and fraudulently collecting lost wages. Keegan suffered legitimate injuries from a dog biting incident in August 2002 and received a settlement from State Farm Fire & Casualty Insurance Company. Investigation revealed that Keegan sustained additional injuries as the result of an auto accident in February 2003, at which time she reported her injuries to MetLife Auto & Home. Allegedly, in an effort to embellish her insurance claim, Keegan also cited the injuries she sustained from her previously settled August 2002 claim. MetLife paid Keegan \$20,000 in compensation for her total injuries and purported loss of wages as result of the accident. At the time of the accident Keegan claimed to be employed at a restaurant/bar that had closed in July 2002, before any of the alleged injuries occurred. In addition, on three separate instances occurring in April 2003, September 2004, and January 2005, Keegan allegedly embellished insurance claims as the result of minor motor vehicle accidents citing the injuries, medical reports, and loss of wage claims from the August 2002 and February 2003 settlements. Assistant Attorney General Michael J. Walsh of Attorney General Martha Coakley's Insurance and Unemployment Fraud Division is prosecuting the case.

Case Update - Plainville Couple Indicted for Alleged Insurance Fraud and Larceny

Plainville - On March 27, 2009 **Efrain Colon** and **Rosita Colon** pleaded guilty in Plymouth Superior Court in connection with stealing funds from their auto insurance company, lying under oath and obtaining fake MA identification cards. Rosita Colon pleaded guilty to two counts each motor vehicle insurance fraud, larceny and conspiracy and one count each falsification of a Massachusetts identification card and attempting to falsify a Massachusetts identification card. She was sentenced to three years probation and ordered to pay \$20,000 restitution. Efrain Colon pleaded guilty to two counts of motor vehicle insurance fraud, two counts of conspiracy and one count each larceny, attempted larceny and perjury. He was sentenced to three years probation and ordered to pay \$4,000 restitution. Investigation revealed that in October 2003, Rosita, Efrain and two of their children were involved in a minor motor vehicle crash in the parking lot of South Shore Plaza when their vehicle was struck from behind by a mall security vehicle at a low speed. As a result of the motor vehicle crash, both Efrain and Rosita filed personal injury protection claims with their insurer MetLife Auto & Home and bodily injury claims with Travelers Insurance Company, the insurer of the South Shore Plaza security. They both claimed to have missed work from their jobs in Quincy. Based on the documents submitted for their claims, the Colons received approximately \$9,000 in PIP payments. In addition, Rosita settled a bodily injury claim for \$50,000. Further investigation conducted revealed that the Colons' former employer's main office was actually located in Allston, not in Quincy, and that the Quincy address given by Efrain and Rosita was actually an apartment rented by relatives. The couple also misrepresented information on their insurance claims forms and stated they were employed at the time the accident occurred. Investigation further revealed that Rosita Colon had obtained three different Massachusetts driver's licenses under different names, dates of birth and social security numbers. Further, when Efrain's BI claim did not settle, he filed a lawsuit against Travelers for bodily injury. During a deposition pursuant to that civil lawsuit, Efrain made false statements claiming that he was employed full time on the date of the accident and thereafter. However, neither Rosita nor Efrain were employed at the time of the motor vehicle accident. The pair submitted multiple fake and forged documents to the insurance companies in an effort to validate their claims. This case was prosecuted by Assistant Attorney General David Andrews of the AG's Insurance and Unemployment Fraud Division.

Case Update - Trio Arraigned on Charges of M/V Insurance Fraud

Stoughton - **Ronn Bravetti**, **Mary Muraca-Parker** and **David Cross** pleaded guilty to insurance fraud charges in Stoughton District Court on March 16, 2009. Bravetti pleaded guilty to motor vehicle insurance fraud, attempted larceny, conspiracy to commit motor vehicle insurance fraud and filing a false report of a motor vehicle theft. Muraca-Parker and Cross pleaded guilty to motor vehicle insurance fraud, attempted larceny and conspiracy to commit motor vehicle insurance fraud. The trio were each placed on probation for one year and ordered to perform 40 hours of community service. In March 2007, Bravetti and his girlfriend, Muraca-Parker, reported to the Sharon Police Department that his truck was stolen from a parking lot. The next day, Bravetti initiated an insurance claim with MetLife Auto & Home. Investigators discovered that in an effort to avoid having his truck listed as an asset and to cease further payments, Bravetti had put his truck up for sale on consign-

(Continued on page 7)

(Continued from page 6)

ment at a car dealership. Cross, a salesman at the dealership, attempted to sell the truck on behalf of Bravetti, but was not successful. Cross then suggested that Bravetti file a stolen vehicle claim with his insurer. In April 2007, Bravetti's truck was recovered at the home of a salesman from the dealership. This case was prosecuted by Assistant Attorney General Joshua Pakstis of the AG's Insurance and Unemployment Fraud Division.

Lawrence Woman a Jump-In Passenger in Her Own Vehicle

Boston - On March 3, 2009 in Boston Municipal Court **Ligia Lara** pleaded guilty to motor vehicle insurance fraud, attempt to commit a crime and conspiracy. She was sentenced to 18 months supervised probation and ordered to pay victim witness and probationary fees. **Jose Miguel Melgar** pleaded guilty to motor vehicle insurance fraud and conspiracy. He was sentenced to 18 months supervised probation and ordered to pay victim witness and probationary fees. On June 14, 2007, Melgar was involved in a motor vehicle accident while driving a vehicle owned and insured by Lara. Melgar and Lara both filed personal injury protection claims with Lara's insurance company, Plymouth Rock Assurance Company, seeking benefits for injuries they claimed occurred in the accident, as well as payments for all of their medical expenses. An investigation found that Lara and Melgar conspired to defraud Plymouth Rock by claiming Lara was also a passenger in the vehicle at the time of the accident. Investigation revealed that Melgar was the sole occupant of the vehicle at the time of the incident. Hanover Insurance Company insured the other vehicle. The case was prosecuted by Assistant Attorney General Jeremy Eisemann of the AG's Insurance and Unemployment Fraud Division.

A Plainville Man Reports Alleged Phony Motor Vehicle Theft

Plainville— A Plainville man was arraigned on May 28, 2009 in Wrentham District Court on charges of motor vehicle insurance fraud, attempt to commit a crime, false statements alleging theft of a motor vehicle and false report of a crime. The subject reported to police and Hanover Insurance Company the alleged theft of his 2002 BMW 530I from the Wrentham Village Premium Outlets on November 20, 2007. Later that same day, Wrentham police were notified that the BMW had been recovered in Providence, RI on November 18, 2007. The Providence police report indicated that the BMW had been parked in Providence since November 15. Due to inconsistencies made by the subject regarding the alleged theft loss, Hanover declined the claim. The case is being prosecuted by Assistant Attorney General Steve Scharobem of the AG's Insurance and Unemployment Fraud Division.

Plainville Man Allegedly Uses Deceased Neighbor's Identity to Commit Fraud

Plainville— A Plainville man was charged with motor vehicle insurance fraud in Attleboro District Court. The man, whose license was revoked for a motor vehicle homicide conviction, allegedly obtained a motor vehicle insurance policy for his 1996 Ford Ranger under the name of a neighbor who was deceased. After a report that the Plainville man was driving with a revoked license, the man was stopped by police but released when he produced a valid license and vehicle registration. The license and registration were in the name of his neighbor who had died several years before. Attleboro Police charged the Plainville man with identity fraud and perjury. The motor vehicle insurance fraud charge relates to the false application of an automobile insurance policy with Amica Mutual Insurance Company. A prosecutor from the Bristol County District Attorney's office is prosecuting the case.

Boston Man Admits to Sufficient Facts on Submitting Fraudulent Tow Bills

Boston— A Boston man admitted to sufficient facts on May 13, 2009 in Quincy District Court on three counts of filing a fraudulent insurance claim, two counts of larceny and one count of attempt to commit a crime. The case was continued without a finding for 18 months. He was ordered to pay \$100 restitution and \$350 in court costs. The Boston man added towing coverage to his Arbella Mutual Insurance Company policy in June 2004. He then submitted tow bills in July 2004, August 2004 and September 2004. Investigation determined that the towing receipts had been falsified. Two of the fraudulent bills were paid by Arbella before the bills were determined to be fraudulent. The case was prosecuted by Assistant Attorney General Jennifer Cotter of the AG's Insurance and Unemployment Fraud Division.

Community Insurance Fraud Initiatives Highlights

Boston CIFI

Dorchester—A Brockton woman pleaded guilty to motor vehicle insurance fraud and larceny on June 10, 2009. She was placed on probation for 2 ½ years and ordered to pay \$2,100 restitution. Two Roxbury men previously admitted to sufficient facts and their cases were continued without a finding. One of the men, while driving his 1993 Chevrolet Blazer, was involved in a three vehicle chain reaction rear-end collision on December 19, 2005. He claimed the Brockton woman and the other Roxbury man as passengers in the Blazer at the time of the accident. Occupants of the other two vehicles involved in the accident reported that there was only one occupant in the Blazer at the time of the pile-up.

West Roxbury—The case against a Roslindale man was continued without a finding for one year on June 8, 2009. The man claimed that after parking his 2002 Honda Odyssey in front of his mother's home the vehicle was damaged in a hit-and-run collision. The man subsequently confessed that his wife was driving the Honda when she backed into a truck, causing the damage to the vehicle. Since the wife was not listed on the Honda insurance policy with Arbella Insurance Company the man claimed the hit-and-run collision in order to secure coverage.

Boston—The case against a Dorchester woman was continued without a finding for two years on charges of motor vehicle insurance fraud and attempt to commit a crime. The woman reported to Liberty Mutual Insurance Company that she and her nephew were struck by a vehicle on March 23, 2006 while crossing a street and sustained injuries from the impact. Police responded to the accident and upon arrival at the accident scene observed a female and minor in an ambulance. The operator and passenger stated that their vehicle never struck the alleged victims. A witness at the scene also stated that the vehicle never hit the Dorchester woman and her nephew.

The Boston task force is assisted by Boston Police Det. Steven Blair. Community Insurance Fraud Initiative (CIFI) cases are prosecuted by Suffolk County assistant district attorneys and assistant attorneys general from the AG's Insurance and Unemployment Fraud Division.

Brockton CIFI

On May 13, 2009 complaints were issued against two men for allegedly falsifying documents in support of a January 28, 2008 theft loss of a Brockton business. Police responded to the alarm call at the Brockton business location. An itemized list of the alleged stolen items, including cash and merchandise, was subsequently forwarded to the business's insurance carrier, Zurich Insurance Company, and checks totaling approximately \$21,000 were issued for the theft losses. A subsequent investigation revealed that the police report on the alleged break-in indicated nothing more than \$100 in cash was taken from the store. A study of the list of merchandise allegedly stolen revealed several inconsistencies including the shipping and delivery dates of at least ten items that were reported stolen but had not yet been received at the store.

The case against a Brockton man was continued without a finding for one year on charges of burning a motor vehicle to defraud an insurer and motor vehicle insurance fraud. At about 10:08 p.m. on October 27, 2005 the Brockton man reported the theft of his 2003 Ford Ranger from his place of employment in Raynham, MA. At approximately 10:10 p.m. on October 27, 2005 the Brockton Fire Department responded to a vehicle fire. The vehicle was the man's Ford Ranger and it was completely burned. The Brockton man stated to police and Safety Insurance Company that the vehicle was locked and he was in possession of all keys to the vehicle. A vehicle analysis of the Ford Ranger determined the proper key was needed to drive the vehicle.

Complaints were issued against four Brockton individuals on charges of motor vehicle insurance fraud, attempt to commit a crime and conspiracy. One man reported that his 1994 Honda Civic was allegedly involved in a motor vehicle accident on April 17, 2005 when a 1993 Nissan Maxima backed into his Honda. The Maxima left the scene of the accident but the man followed to get the license plate number. He then reported to MetLife Auto & Home that he and his three passengers sustained alleged injuries in the accident. The driver of the Nissan denies striking the man's vehicle. An accident reconstruction determined that there was no damage to the Nissan and that the damage to the Honda did not coincide with the horizontal or vertical profile or color of the

(Continued on page 9)

(Continued from page 8)

Nissan. The report concluded that if contact had been made between the vehicles it was insufficient to cause injury.

The Brockton task force is assisted by Brockton Police Det. John Lonergan. CIFI cases are prosecuted by the Office of Plymouth County District Attorney Timothy Cruz.

Lawrence CIFI

On June 24, 2009 arrest warrants were issued for 13 individuals for their alleged involvement in a May 26, 2003 staged motor vehicle accident between a 1994 Dodge van and a 1989 Toyota Corolla. The accident was allegedly staged by a known Lawrence runner. Commerce and Arbella Mutual Insurance Companies, the insurance carriers of the two vehicles allegedly involved in the accident, paid approximately \$76,355 in personal injury protection, bodily injury and collision payments to the claimants.

Complaints were issued on June 3, 2009 against a Lawrence man on charges of motor vehicle insurance fraud, attempt to commit a crime, larceny and false report of a motor vehicle theft. The man reported to Amica Mutual Insurance Company the alleged theft of his 1993 Honda Civic on August 12, 2006 and claimed that he last saw the vehicle the previous day and that the Honda was locked and he was in possession of all keys. Investigation determined that the Honda had been left in Plaistow, New Hampshire and had been stripped. A neighbor at the address where the vehicle had been parked had the Honda towed off the property. The Lawrence man was allegedly identified by the New Hampshire resident as the person who left the vehicle at the New Hampshire location and later stripped parts off the vehicle.

Elsa Moure pleaded guilty to motor vehicle insurance fraud, larceny and conspiracy on March 25, 2009. She was sentenced to three years probation. Moure was involved in the planning of a staged motor vehicle accident that occurred in Methuen in January 2002. Moure and her boyfriend **Leo Lopez**, recruited several individuals to participate in the staged accident in order to falsely obtain insurance benefits. MetLife and Safety Insurance Companies, insurers for the vehicles involved in the staged accident, paid a total of nearly \$60,000 in benefits to the participants. Lopez previously pleaded guilty and was sentenced to serve nine months in the House of Corrections.

The Lawrence task force is assisted by Lawrence Police Det. Sgt. Michael Simard and Det. Ryan Guthrie. CIFI cases are prosecuted by Essex County Assistant District Attorneys James Gubitose, Greg Friedholm and Maura Officer.

Lowell CIFI

A Lowell woman and two Lowell men pleaded guilty to insurance fraud charges on March 25, 2009. They were each placed on three years probation and ordered to pay \$2,229 restitution. The woman was involved in two motor vehicle accidents, June 20, 2006 and June 22, 2006, while operating her 2004 Honda Civic EX. One of the men was an alleged passenger in both accidents; the other was an alleged passenger in the June 22, 2006 accident. All reported that they had sustained injuries in the accidents and sought treatment. Witnesses at the accident scenes reported that the two men were not present during the accidents.

A Lowell man admitted to sufficient facts on June 18, 2009 on charges of motor vehicle insurance fraud, uttering and larceny. The charges were continued without a finding for 11 months. He was ordered to pay \$1,776 restitution. The Lowell man sought reimbursement from State Farm Insurance Company for substitute transportation and storage after he was involved in a July 12, 2006 motor vehicle accident. He submitted fraudulent manufactured receipts from two non-existent businesses for services which were never rendered.

The Lowell task force is supported by Lowell Police Dets. James Latham and Mark Poirer. CIFI cases are prosecuted by Middlesex County Assistant District Attorney Elisha Willis.

(Continued on page 10)

(Continued from page 9)

Lynn CIFI

Three Lynn subjects received a six month general continuance on charges of motor vehicle insurance fraud, attempted larceny and conspiracy to commit a crime. They were each ordered to pay \$500 court costs. The case against a fourth subject was continued without a finding for one year. He was ordered to pay \$3,112 in restitution. One of the subjects reported to Arbella Mutual Insurance Company that he was involved in a January 1, 2005 motor vehicle accident. The three Lynn subjects claimed they were in the adverse vehicle. Accident reconstruction determined that the damage to the three vehicles could not have occurred as reported. In addition, there were numerous inconsistencies in the statements made regarding how the accident occurred.

On May 20, 2009 a Lynn woman was found guilty on charges of motor vehicle insurance fraud and false report of a motor vehicle theft. She was sentenced to six months in the House of Correction, suspended for one year, and ordered to pay \$375 restitution. The woman's mother purchased a 1997 Honda in February 2005 and insured it with Liberty Mutual Insurance Company. The woman listed only herself and her husband as operators of the vehicle and indicated the vehicle would be garaged in Randolph. Investigation revealed that subsequent to the purchase of auto coverage, the Lynn woman obtained two parking stickers for the Honda; one at her residence in Lynn and one at her school in Lynn. She also had a radio and security system installed in the Honda and obtained a safety and emissions inspection for the vehicle in Lynn. On July 2, 2006, the Lynn woman reported the Honda stolen while it was parked overnight at her Lynn residence, accounted for all keys and indicated the Honda was locked and alarm set. Her parents made a claim against Liberty Mutual for the theft loss. The Honda was recovered in Lynn in August 2006. A forensics examination of the vehicle concluded that the doors, ignition locking systems and security system were in tact and it was necessary to use the remote to deactivate the alarm and key to drive the vehicle.

The Lynn task force is assisted by Lynn Police Officer Robert LeBlanc. CIFI cases are prosecuted by Essex County Assistant District Attorney Emily Tarr McClain.

New Bedford/Fall River CIFI

On May 20, 2009 complaints were issued against a Providence woman on charges of insurance fraud and attempt to commit a crime. The woman reported to New Bedford police and MetLife Auto & Home that on July 27, 2005, while she and her daughter were sitting in her parked 1994 Jeep Cherokee, a 1993 Pontiac Bonneville backed into her vehicle. The woman claimed that both she and her daughter were allegedly injured as a result of the impact. Both treated for alleged injuries from the accident. The operator of the Pontiac stated that when he began to back out his vehicle from the parking lot, his rear bumper lightly tapped the woman's Jeep. As the operator and his passenger exited the Pontiac, a woman from a nearby picnic table approached him and confronted him for hitting her vehicle. Both the operator and the passenger stated that there was no one in the woman's vehicle at the time of the impact. In addition, neither man saw any damage to either vehicle. An independent witness corroborated the operator and his passenger's statement that there were no occupants in the woman's vehicle at the time of the accident.

Complaints were issued against a South Dartmouth man and woman on charges of motor vehicle insurance fraud and attempt to commit a crime. The woman reported that while operating a 1996 Mercury Mystique on March 6, 2008, a 1994 Toyota Celica rolled backwards and struck the front end of the Mercury. The woman and man, a passenger in the Mercury at the time of the accident, allegedly reported to Liberty Mutual Insurance Company there was extensive damage to the front end of the Mercury as a result of the collision. The operator of the Toyota reported that his vehicle only tapped the Mercury and the minor collision could not have resulted in extensive damage to the Mercury. Investigation revealed that the Mercury was in two previous collision losses and photos of all three losses show similar front end damage.

The New Bedford/Fall River task force is assisted by New Bedford Police Det. Bill Westgate and Det. Paul Demers and Fall River Police Lt. Paul Bernier. CIFI cases are prosecuted by the Office of Bristol County District Attorney C. Samuel Sutter.

(Continued on page 11)

(Continued from page 10)

Randolph CIFI

A Randolph man pleaded guilty to motor vehicle insurance fraud and conspiracy charges on June 15, 2009. He was placed on probation for two years and ordered to pay \$12,995 restitution. The man reported the alleged theft of his 2003 GMC Sierra from the MBTA train station in Randolph on July 26, 2003. He reported to Arbella Mutual Insurance Company that the vehicle was locked and at the time of the theft he was in possession of all keys to the vehicle. Later the same day, the Brockton fire department responded to a passenger vehicle fire. The vehicle was the Randolph man's GMC Sierra. The man staged the theft and burning of the GMC Sierra with the assistance of a second subject who previously pleaded guilty to similar charges.

A Brockton man was found guilty of motor vehicle insurance fraud on April 1, 2009. He was sentenced to six months in the House of Correction, suspended for two years, and ordered to pay a \$9,000 fine. Another subject in the case was operating a 1994 Honda Accord on January 19, 2004 when he allegedly struck a 1990 Mercedes Benz. The Brockton man was a jump-in passenger in the Honda and claimed he sustained injuries in the accident. An accident reconstruction determined that the damage on the two vehicles indicated mutual contact, however the damage patterns were in conflict with the sequence of events from the reported collision. In addition, numerous inconsistencies in the statements of all involved subjects led Quincy Mutual and Safety Insurance Companies to deny all claims.

The Randolph task force is assisted by Randolph Police Det. Sgt. David Avery and Det. Melissa McCormack. CIFI cases are prosecuted by the Office of Norfolk County District Attorney William R. Keating.

Revere CIFI

On May 13, 2009 an East Boston man admitted to sufficient facts on a charge of motor vehicle insurance fraud and his case was continued without a finding for six months. The man reported to Pilgrim Insurance Company that his 2001 Honda Accord was allegedly stolen from a Revere church parking lot on October 8, 2007. The vehicle was subsequently recovered. A forensic examination of the Honda determined that there were no signs of forced entry and no visible signs of ignition damage. The man accounted for all keys to the vehicle.

The case against a Revere man was continued without a finding for six months on a count of motor vehicle insurance fraud. The man claimed to Safety Insurance Company that his 2005 Mercedes C320 was hit while parked outside his Revere residence on November 16, 2006. An accident analysis determined that the Mercedes was in motion when the damages occurred and the damages resulted from multiple unrelated impacts.

The Revere task force is assisted by Revere Police Officer Pat Hartigan. CIFI cases are prosecuted by Suffolk County Assistant District Attorneys Amy Martin, Maryrose Anthes and Nicholas Brandt.

Springfield/Holyoke CIFI

Complaints were issued in Chicopee District Court on May 28, 2009 against a mother and son on insurance fraud charges. On July 14, 2007, the son reported to police the alleged theft of his parents' 2003 Audi A4 from in front of their Chicopee residence. The vehicle had been recovered in Connecticut earlier that day when it was involved in a single vehicle accident resulting in serious injury to a passenger. The mother reported the alleged theft of the vehicle to Commerce Insurance Company. Investigation revealed that the son was allegedly operating the Audi early on July 14, 2007 when he was involved in a single vehicle accident which resulted in injury to one of the rear-seat passengers. The son and another passenger allegedly fled the scene of the accident.

Complaints were issued against a Springfield man on May 1, 2009 on charges of motor vehicle insurance fraud, attempt to commit a crime and false report of a motor vehicle theft. The man reported the alleged theft of his 1996 Isuzu Rodeo to police and Commerce Insurance Company on October 13, 2007 and claimed the vehicle had been stolen from in front of his residence. Police tracked the location of the vehicle through the installed Lo-Jack and recovered the Isuzu at a nearby residence. Police questioned the homeowner of the property where the vehicle was recovered and he stated that the man's sister allegedly asked permission to park the Isuzu Ranger in his driveway. The homeowner did not know that the vehicle had been reported stolen.

(Continued on page 12)

Insurance Fraud Bureau of Massachusetts
101 Arch Street, Suite 600
Boston, Massachusetts 02110-1131

**PRESORTED
STANDARD
BOSTON, MA
PERMIT NO.
51826**

(Continued from page 11)

Complaints were issued against a Springfield man on March 4, 2009 on charges of insurance fraud, larceny and registering a motor vehicle improperly to avoid taxes/premiums. The man reported to Amica Mutual Insurance Company that he was garaging his vehicles at a Ludlow address. However, the man allegedly garaged his vehicles in Springfield and thus evaded approximately \$4,000 in premiums over a four year period by misrepresenting the garaging location.

The Springfield/Holyoke task force is assisted by detectives of the Massachusetts State Police and area police departments. CIFI cases are prosecuted by Hampden County Assistant District Attorneys David Jenkins and John A. Compton, Jr.

Worcester CIFI

The case against a Cotuit man was continued without a finding for one year on June 17, 2009 on charges of motor vehicle insurance fraud and burning a motor vehicle to defraud an insurer. The man reported that his 1997 Nissan Pathfinder was destroyed by fire on December 20, 2004 after he attempted to jump start the vehicle. He claimed to MetLife Auto & Home that flames and smoke began to emerge from underneath the dashboard. An expert examination of the vehicle concluded that the source of the fire was a rag that had been ignited and placed under the left side of the dashboard.

At a bench trial on March 10, 2009 a Worcester man was found guilty of motor vehicle insurance fraud. He was placed on probation for one year and ordered to pay a \$1,000 fine. The man was driving a 1999 Jeep Grand Cherokee on May 15, 2007 when he was rear-ended by a 2005 Toyota 4 Runner. The driver of the Toyota admitted fault for the accident. Damages to the man's vehicle were appraised at approximately \$2,000 by Commerce Insurance Company. The driver of the Toyota, subsequent to the accident, observed the man's vehicle and reported the damages were enhanced since the accident. A police report also supported the driver's observation of enhanced damage to the Jeep. Furthermore, an accident reconstruction concluded the damage on the Jeep did not correspond with the damages on the Toyota.

The Worcester task force is assisted by Worcester Police Det. Scott Blakeney. CIFI cases are prosecuted by Worcester County Assistant District Attorneys John O'Leary and Jason Lemieux.