



Man Sentenced to 63 Months in Glass-Eating Scheme

Case Update - Husband and Wife Duo Scam Insurers by Eating Glass

Boston- **Ronald Evano** pleaded guilty on August 15, 2007 in U.S. District Court to charges related to a fraudulent scheme in which he submitted false insurance claims that he ingested glass found in food he had eaten at restaurants and grocery stores in Massachusetts, Rhode Island, Maryland, Virginia and the District of Columbia. Evano was sentenced on October 4, 2007 to 63 months imprisonment followed by three years supervised release and ordered to pay \$347,038 in restitution. Evano's wife, Mary, who had also been charged in the 2006 indictment, is a fugitive. From at least August 1997 through June 2005, the Evanos falsely claimed that various hotels, restaurants and supermarkets had served them food with glass particles. Although in some instances the Evanos may have actually ingested glass particles, those glass particles did not come from food served by the restaurants, hotels and supermarkets. Rather, the Evanos intentionally ingested the glass particles and then falsely claimed that the restaurants, hotels and supermarkets had caused the particles to be in food that they were served. In connection with their scheme, the Evanos submitted their various glass ingestion claims under a variety of identities, using false identification and false social security number information. Through their fraudulent scheme, the Evanos obtained in excess of \$200,000 and incurred over \$100,000 in medical bills, which are unpaid to date. The case was investigated by the Federal Bureau of Investigation and the IFB. It is being prosecuted by Assistant U.S. Attorney Jack W. Pirozzolo of United States Attorney Michael J. Sullivan's Economic Crimes Unit.

CIFI Program Continues to Produce Results

Last year's good news about the drop in the number of injury claims and total claim dollars led to the announcement in December 2006 of auto premium reductions across Massachusetts. Recent statistics show, for the third consecutive year, a continued decrease in injury claims and total claim dollars in communities throughout the state.

Much of this positive effect can be attributed to the presence of Community Insurance Fraud Initiatives (CIFI) in eleven Massachusetts urban communities. Statistics show a reduction in total claim dollars and the number of injury claims reported since the initiation of the first CIFI program in Lawrence in October 2003. Similar task forces have been established in Brockton, Boston, Springfield/Holyoke, Lowell, Lynn, Randolph, Chelsea, and most recently in New Bedford/Fall River, Worcester and Revere in 2006. The presence of CIFIs in these major urban areas, combined with other contributing factors, have resulted in a decrease in claims of over \$255 million over the past three years. These communities make up only 8% of the population, but represent 46% of the statewide reduction in claim dollars. The statewide number of injury claims have dropped from 43 per 100 accidents in 2002 to 30 per 100 accidents in 2006.

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Other factors can contribute to the decline in claims, such as yearly weather conditions, road conditions and general driving habits. Intensified fraud legislation, including making the filing of a fraudulent insurance claim a felony offense punishable by a state prison sentence in September 2002 and the enactment of the "anti-runner bill" in January 2006 as well as

CIFI Program Continues to Produce Results *continued*

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.

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heightened awareness of the anti-fraud efforts has also contributed to the decline.

The following 2006 statistics display the savings in claim dollars in each CIFI area attributed to the drop in claim activity when compared to the year prior to the creation of that CIFI.

Lawrence	\$ 30,748,352	Holyoke	\$ 3,940,183
Boston (Total)	\$ 120,108,136	Springfield	\$ 19,893,702
• Roxbury	\$ 10,413,242	Brockton	\$ 26,619,215
• Dorchester	\$ 43,071,373	Lowell	\$ 14,989,958
• Hyde Park	\$ 13,115,793	Lynn	\$ 17,073,144
• Jamaica Plain	\$ 10,182,522	Randolph	\$ 3,769,474
• Boston Central	\$ 11,681,150	Chelsea	\$ 3,567,484
• Brighton	\$ 6,800,826	New Bedford	\$ 2,400,827
• Charlestown/E. Boston	\$ 7,723,696	Fall River	\$ 2,643,451
• Roslindale	\$ 11,263,931	Worcester	\$ 9,386,898
• South Boston	\$ 3,550,797		
• West Roxbury	\$ 2,304,806	CIFI Total	\$ 255,140,824
Note: 2006 Savings = Total Loss Amount for year prior to CIFI launch - 2006 Total Loss Amount			

Savings have resulted in part from a significant drop in the number of injury claims reported. The statistics below show the progressive decline in the number of injury claims per 100 accidents between 2002 and 2006.

Injuries Per 100 Accidents				
	<u>2002</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Lawrence	141	60	53	51
Boston (Total)	85	64	48	45
• Roxbury	122	102	73	70
• Dorchester	118	86	68	60
• Hyde Park	104	85	63	55
• Jamaica Plain	89	61	38	36
• Boston Central	61	45	35	35
• Brighton	39	31	24	25
• Charlestown/East Boston	65	47	38	37
• Roslindale	90	72	49	46
• South Boston	69	40	36	33
• West Roxbury	35	30	22	23
Holyoke	100	78	72	63
Springfield	92	82	75	72
Brockton	93	83	65	61
Lowell	72	63	54	48
Lynn	71	61	50	41
Randolph	59	56	49	46
Chelsea	77	62	51	50
New Bedford	46	43	37	37
Fall River	45	39	37	36
Worcester	54	41	37	35
Statewide average	43	36	31	30
2006 Total Number of Claims Per 100 Accidents (PIP)				

Please turn to page 12 for CIFI prosecution statistics.

Boston CIFI Highlights

Dorchester – On August 9, 2007, the cases against **Sara Berhe** and **Edwidge Jean-Baptiste** were continued without a finding for six months. They had been charged with motor vehicle insurance fraud and attempt to commit a crime. Jean-Baptiste reported to Safety Insurance Company that while driving her 1995 Volvo 960 on May 1, 2003 she was involved in a motor vehicle collision with a 1994 Nissan Quest. Berhe was a passenger in the Volvo at the time of the accident. Both sought medical treatment for neck and back injuries allegedly sustained in the accident. An engine analysis determined the Volvo was undrivable due to a broken connecting rod and a bent crank shaft and that there were inconsistent damages between both vehicles which would cause catastrophic engine failure.

Roxbury - **Sean McCarthy** admitted to sufficient facts on September 28, 2007 on charges of motor vehicle insurance fraud, attempted larceny and failure to stop after a collision. His case was continued without a finding for one year. McCarthy reported to Premier Insurance Company that on October 15, 2006 he struck a deer while operating his 2004 Honda Civic in Bourne, MA. On October 14, 2006, Boston police responded to a call from a woman reporting that her vehicle had incurred damage while parked overnight at her Roxbury residence. Pieces of the vehicle debris were found at the scene and produced a vehicle identification number which matched McCarthy's Honda Civic.

Jamaica Plain—Complaints were issued against **Mildred Molina**, **Edwin Collazo**, **Hector Gonzalez** and **Fatima Alcantara** on October 10, 2007. Each was charged with motor vehicle insurance fraud, larceny and conspiracy for their roles in an alleged staged motor vehicle accident. Molina reported to her insurer, Middlesex Insurance Company, that while operating her 1990 Nissan Maxima on May 11, 2003 she was struck by a 1991 Nissan 240SX which was driven by Collazo. Gonzalez and Alcantara were reported to Collazo's insurer, Hanover Insurance Company, as alleged passengers in the Nissan 240SX. Several of the subjects confessed that the accident was staged and did not occur as reported.

Roxbury - Complaints were issued on July 23, 2007 against **Adairis Serrano**, **Ramon Perez** and **Alma Carrasquillo**. Each was charged with motor vehicle insurance fraud, attempted larceny and conspiracy to commit insurance fraud. Serrano, while driving her 1993 Toyota Camry, was allegedly in an intersection accident on January 10, 2004. She reported to Arbella Mutual Insurance Company that a Nissan Maxima, owned and operated by Perez, struck her vehicle as it was trying to pass her on the passenger side. Carrasquillo and her three grandchildren were passengers in the Perez vehicle at the time of the accident. Perez stated that the accident occurred when Serrano went through a stop sign and hit his vehicle. Along with conflicting statements regarding the accident, an accident reconstruction determined that the damages on both vehicles were not consistent with the two vehicles colliding.

West Roxbury—Complaints were issued on August 3, 2007 against **Amos Don**, **Shauntelle Malcom**, **Shaunette Bennett**, **Areitah Malcom**, **Altenor Vaval**, **Denise Deguerre**, **Nonoroms Geespere Constant** and **Monise Fortune**. Each was charged with insurance fraud, attempted larceny and conspiracy to commit insurance fraud. Shauntelle Malcom, while operating Don's 1995 Mazda 626 on September 21, 2004, was allegedly involved in an intersection accident with a 1988 Volvo. Mazda passengers reported to Arbella Mutual Insurance Company were Bennett and Areitah Malcom. The Volvo was owned and operated by Vaval who reported to his insurance carrier, Pilgrim Insurance Company, that Fortune, Deguerre and Constant were passengers in his vehicle at the time of the accident. An accident analysis determined that the damages to both vehicles could not have occurred from the accident as reported.

Dorchester—On July 26, 2007 eight individuals were charged for their involvement in an alleged January 26, 2003 staged motor vehicle accident. **Shawn Gittens** was charged with insurance fraud, larceny and conspiracy to commit insurance fraud. **Dennison White** was charged with insurance fraud and conspiracy to commit insurance fraud. **Ingrid Gittens**, **Michele Bradley**, **Chantel Rostant**, **Lindon Pierre**, **Ruth Bodden** and **Ver-melly Warner** were each charged with insurance fraud, attempted larceny and conspiracy to commit insurance fraud. Shawn Gittens reported to Arbella Mutual Insurance Company that while driving his 2001 Honda Accord a 1989 Acura Legend, owned by Pierre and operated by White, struck his vehicle as it was passing

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through an intersection. Ingrid Gittens, Bradley and Rostant were reported passengers in the Honda. Pierre, Bodden and Warner were reported passengers in the Acura. All passengers sought chiropractic treatment for alleged injuries sustained in the accident. An accident reconstruction determined that there was no evidence of a reciprocal collision between the Honda and Acura.

West Roxbury – Complaints were issued against a West Roxbury man on September 25, 2007. He was charged with motor vehicle insurance fraud, attempt to commit a crime and false report to police. The man reported to police and Premier Insurance Company the alleged theft of his 2000 Cadillac Escalade on June 16, 2006 from a Roche Brothers parking lot in West Roxbury. The Cadillac was subsequently recovered on August 2, 2006 at Foxwoods Casinos. There was no ignition or other damage on the vehicle. Investigation revealed that the man was in Foxwoods prior to the report of alleged theft.

The Boston task force is assisted by Boston Police Det. Joseph Lally and 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 Highlights

Complaints were issued against **Olga Rich** on October 19, 2007 on charges of motor vehicle insurance fraud and larceny. A Brockton man was operating his 1998 Toyota when he collided with a 1995 Buick LeSabre on February 14, 2007. The Brockton man and his passenger were injured and treated for injuries sustained in the accident. Commerce Insurance Company received physical therapy bills from two different physical therapy facilities with overlapping treatment dates and payments. Investigation revealed that the passenger did treat at a physical therapy facility but had initially visited South Coastal Physical Therapy and filled out paperwork but never treated at that facility. Rich, owner of South Coastal, allegedly falsely billed Commerce for physical therapy which was never performed.

Complaints were issued against **Frederick Matta** and **Antonio Marcelino** on August 23, 2007. Matta was charged with motor vehicle insurance fraud, larceny and conspiracy. Marcelino was charged with motor vehicle insurance fraud and conspiracy. A Brockton man, while operating his 1990 Chevy Beretta Coupe on April 15, 2003, reported to Amica Mutual Insurance Company that he was hit by a 1992 Dodge Caravan. The man reported no passengers in his vehicle. Matta subsequently submitted a PIP claim and received chiropractic medical treatment for alleged injuries sustained in this motor vehicle accident. A police officer at the scene observed the accident and reported seeing only one man in the Chevy Beretta. The driver of the other vehicle also observed only the driver in the Chevy Beretta at the time of the accident. Marcelino allegedly helped complete the accident report for the Brockton man and added Matta as a passenger in the vehicle at the time of the accident.

Complaints were issued against **Eloisa Oliveira**, **Jose Andrade**, **Henrique Pina** and **Sanixa Dos Reis** on August 1, 2007. Each was charged with motor vehicle insurance fraud, attempt to commit a crime and conspiracy. Andrade reported to Liberty Mutual Insurance Company that on June 2, 2003 while operating a 1991 Chevrolet Corsica, owned by another individual, he was struck by a 1995 Suzuki Sidekick which ran a stop sign. Andrade listed Oliveira, Dos Reis and Pina as passengers in the Corsica at the time of the accident. The driver and passenger of the Sidekick fled the scene of the accident. A physical damage comparison of the vehicles determined that the damages to each vehicle were not consistent with a mutual collision.

On August 23, 2007 complaints were issued against **Julia Pucciarelli** and **Daniel Clouser**. Pucciarelli was charged with motor vehicle insurance fraud, attempt to commit a crime, burning a motor vehicle, perjury and conspiracy. Clouser was charged with motor vehicle insurance fraud, attempt to commit a crime, burning a motor vehicle and conspiracy. On April 15, 2005 the Brockton Fire Department was alerted to a passenger motor vehicle fire. The fire, involving a 1994 Volkswagen Jetta owned by Pucciarelli, was extinguished. The vehicle fire was ruled an arson. Clouser allegedly admitted to MetLife Insurance Company that he was allegedly paid by Pucciarelli to burn the Volkswagen because she wanted to get rid of the vehicle.

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A Brockton woman was found guilty of motor vehicle insurance fraud on September 21, 2007. She was sentenced to six months in the House of Correction and one year supervised probation. On November 24, 2005, another woman, while operating a 1995 Nissan Altima, slid off the roadway on some black ice and struck a stop sign. The police report listed the female driver, the Brockton woman and two male passengers in the Nissan at the time of the accident. The driver, one of the male passengers and the Brockton woman alleged injuries as a result of the accident and submitted claims to Pilgrim Insurance Company. The driver subsequently admitted that the Brockton woman and a male passenger had exited the Nissan before her vehicle slid on the ice and came into contact with the stop sign but re-entered the vehicle before police arrived and then reported they were injured in the accident. Charges are still pending on the male passenger.

The Brockton task force is assisted by Brockton Police Det. John Lonergan and CIFI cases are prosecuted by Plymouth County Assistant District Attorney Catherine Ham.

Chelsea CIFI Highlights

Aemelina Alvarado admitted to sufficient facts on an insurance fraud charge on August 22, 2007. The case was continued without a finding for six months. She was ordered to pay restitution of \$635. Alvarado reported to police and OneBeacon Insurance Company the alleged theft of her 1999 Ford Explorer on November 18, 2005. She stated she last saw the vehicle on November 17 at about 7:30 pm and discovered it missing the following morning. Alvarado reported she had all keys to the vehicle in her possession. The vehicle was recovered prior to the report of theft when police responded to a motor vehicle accident the evening of November 17. Witnesses reported seeing four young adults flee the scene of the accident. A forensic analysis of the vehicle determined that the steering column was not defeated, there was no damage to the steering column or ignition lock, the vehicle was equipped with transponder-based security and that the correct key was needed to start the engine.

The Chelsea task force is assisted by Chelsea Police Officer Ed Nofle and CIFI cases are prosecuted by Suffolk County Assistant District Attorney John Lacey.

Lawrence CIFI Highlights

Nine people were charged with a total of 38 counts of insurance fraud-related charges on October 4, 2007 for their alleged involvement in a staged motor vehicle accident. Arrest warrants were issued for **Jose Manuel Polanco**, **Gina Quinones**, **Jhan Polanco**, **Rhina Alvarez**, **Virginia Alvarez** and **Luis Rodriguez**. **Janet Jimenez**, **Andy Joel Ortiz** and **Louis Norris** will be summonsed to court. The nine individuals were allegedly the drivers or passengers in three vehicles which were allegedly involved in an intersection collision on November 8, 2002. No police, fire or ambulances were called to the accident scene despite reports of six individuals allegedly sustaining injuries. It was reported that a 1992 Toyota Camry ran a stop sign causing a 1993 BMW to strike the Camry. The 1992 Isuzu Trooper, traveling behind the BMW, struck the BMW in the rear. There were numerous discrepancies in the statements of the nine individuals regarding the events of the alleged accident. Additionally, a forensic analysis of the three vehicles determined that the three vehicles were not involved in reciprocal collisions as reported. OneBeacon and Arbella Mutual Insurance Companies insured the vehicles.

On July 25, 2007 five individuals were charged for their involvement in an alleged September 29, 2002 staged motor vehicle accident. **Alejandro Santiago** and **Rafael Guillen** were each charged with two counts of motor vehicle insurance fraud and one count attempted larceny, larceny by false pretense and conspiracy to commit insurance fraud. **Yahaira Hernandez** was charged with two counts each motor vehicle insurance fraud and attempted larceny and one count conspiracy to commit insurance fraud. **Gricelda Martinez** was charged with motor vehicle insurance fraud, larceny by false pretense and conspiracy to commit insurance fraud. **Ramon Melendez** was charged with motor vehicle insurance fraud and conspiracy to commit insurance fraud. Santiago reported to Encompass Insurance Company that his 1997 Mitsubishi Diamante, operated by Melendez, was allegedly involved in a collision with a 2000 Jeep Wrangler. Martinez reported to Commerce Insurance Company that her 2000 Jeep Wrangler, operated by Guillen, was struck by the 1997 Mitsubishi. Hernandez was listed as a passenger in the Jeep at the time of the alleged accident. Guillen, the driver of the Jeep at the time of the acci-

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dent, was the previous owner of both vehicles involved in the alleged accident and had gifted both vehicles to their new owners. Police were not called to the scene and both vehicles were allegedly non-drivable. A forensic analysis of the vehicles determined that the damage to the Mitsubishi was the result of two separate impacts by the Jeep while the Mitsubishi was stationary.

Arrest warrants were issued for **Ingrid Hilario** and her brother **Jose Hilario** on July 19, 2007. Ingrid Hilario was charged with one count each motor vehicle insurance fraud, larceny and filing a false police report. Jose Hilario was charged with conspiracy to commit insurance fraud. Ingrid Hilario reported to Lawrence police and Amica Mutual Insurance Company the alleged theft of her 1992 Honda Accord from her home on November 12, 2003. The vehicle was towed as an abandoned vehicle the day before the report of theft and had allegedly been parked at that location for approximately two weeks prior to the tow.

A Lawrence man pleaded guilty to motor vehicle insurance fraud, attempted larceny and conspiracy to commit insurance fraud on October 4, 2007. He was sentenced to six months in the House of Correction, suspended for two years. He was also ordered to pay restitution, a \$1,000 fine and to perform 60 hours of community service. The cases against two other Lawrence men were continued without a finding for two years. They were both ordered to pay restitution, a \$1,000 fine and to perform 100 hours of community service. A U-Haul truck rented and operated by one of the subjects allegedly struck a 1992 Honda owned and operated by another subject. The three subjects treated for alleged injuries sustained in the accident. A collision analysis determined that the impact between the vehicles was very minor. In addition, numerous inconsistencies in the statements made by all subjects led Republic Western and Liberty Mutual Insurance Companies, the insurers of the vehicles, to deny the claims.

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

Lowell CIFI Highlights

On July 30, 2007 **Sithorn Tith** was sentenced to two years to two years and one day in state prison followed by three years probation. He had pleaded guilty to two counts of motor vehicle insurance fraud, two counts of larceny, negligent operation of a vehicle and four counts of conspiracy to commit insurance fraud. Tith was one of the drivers in a May 24, 2004 staged motor vehicle accident. Another subject in the case pleaded guilty to insurance fraud on August 20, 2007. He was sentenced to three years probation.

Venide Forcilus admitted to sufficient facts and her case was continued without a finding for one year on August 9, 2007. She had been charged with motor vehicle insurance fraud, attempted larceny and false statements alleging theft of a motor vehicle. Forcilus reported to Lowell police and Amica Mutual Insurance Company that, while staying at a friend's home on November 16, 2005, her 1997 Infiniti QX4 was stolen. She claimed that the vehicle had been locked and she was in possession of all keys. The vehicle was subsequently recovered in Connecticut with extensive damage. Amica deemed the Infiniti a total loss. A forensic analysis of the vehicle determined that there was no damage to the steering column or the ignition lock; there was no evidence of forced entry to the automobile; and the correct key was required to operate the vehicle.

The Lowell task force is assisted by Lowell Det. Jim Latham and CIFI cases are prosecuted by Middlesex County Assistant District Attorney Elisha Willis.

New Bedford/Fall River CIFI Highlights

Complaints were issued on September 21, 2007 against a Fall River man on charges of motor vehicle insurance fraud, larceny by false pretenses and false report of a crime. The man reported to MetLife Insurance Company the alleged theft of his 1994 Mitsubishi Diamante ES from in front of his home on December 8, 2003. The vehicle was recovered a few blocks away on December 10, 2003. The man reported that the vehicle was locked and he was in possession of all keys; however, a forensic analysis of the vehicle determined there was no forced entry and that the proper key had been used to operate the vehicle.

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Complaints were issued against a Fall River man on September 13, 2007 on charges of motor vehicle insurance fraud and attempt to commit a crime. The man reported that his 1995 Nissan 240 SX was allegedly damaged by a hit-and-run vehicle while parked outside his home on September 1, 2006. He claimed right front damage to his vehicle. Investigation revealed that the man was allegedly involved in an August 31, 2006 accident in which he rear-ended another vehicle. The occupant of the other vehicle claimed back and neck injuries as a result of this accident. The man allegedly submitted the false hit-and-run claim to MetLife Insurance Company in an attempt to conceal the real accident in which he was the at-fault driver.

On September 9, 2007, complaints were issued against a Fall River man on charges of motor vehicle insurance fraud and attempt to commit a crime. The man reported to National Grange Insurance Company that his 2002 Ford F350 pickup was allegedly damaged on March 2, 2006 by an unidentified vehicle when he left the vehicle parked near a friend's home. A forensic analysis of the vehicle determined that the damages to the vehicle were inconsistent with contact from another vehicle but were consistent with contact with a fixed object

Complaints were issued on July 19, 2007 against **Joaquin Teixeira** on charges of motor vehicle insurance fraud, attempt to commit a crime and filing a false police report. Teixeira reported the alleged theft of his 2001 Chevy Malibu from outside his New Bedford residence on June 9, 2004 to MetLife Insurance Company. Teixeira reported that he allegedly started the vehicle the morning of June 9, left it running to warm up the engine and returned to the house. When he returned the vehicle was allegedly missing. The Chevy was recovered the next day in another town. An expert inspection of the vehicle determined that there were mechanical problems with the vehicle at the time of recovery. In addition, Teixeira did not live at the New Bedford address but allegedly resided five minutes from where the vehicle was recovered.

A New Bedford man was arraigned on September 4, 2007 on charges of motor vehicle insurance fraud, false report of a crime and attempt to commit a crime. The man filed a theft report with MetLife Insurance Company claiming the alleged theft of his 2004 Cadillac DeVille from in front of his home on August 29, 2006. The vandalized vehicle was recovered the following day. An ignition and security feature analysis was conducted and found the Cadillac's active transponder security system was not defeated and that the correct key was needed to move the vehicle. The man claimed to have the sole key to the Cadillac in his possession.

A New Bedford woman was arraigned on September 26, 2007 on charges of motor vehicle insurance fraud, false report of a crime and attempt to commit a crime. The woman reported to police and Liberty Mutual Insurance Company the alleged theft of her 1996 Honda Civic on April 23, 2006. She claimed the vehicle was parked near her home and that it was locked. The vehicle was subsequently recovered in New York. A forensic analysis of the vehicle determined that there were no signs of forced entry, the vehicle's ignition was not defeated and the correct key was needed to drive the vehicle. The woman stated that she was in possession of the only key to the Honda.

The New Bedford/Fall River task force is assisted by New Bedford Police Det. Bill Westgate and Fall River Police Det. Mike Digangi and CIFI cases are prosecuted by the Bristol County District Attorney's office.

Randolph CIFI Highlights

Complaints were issued on October 15, 2007 against a Randolph woman on charges of motor vehicle insurance fraud, larceny and false report to police. The woman reported to her insurance agent that she was in a December 7, 2005 motor vehicle accident when another vehicle struck her 2002 Suzuki XL7 as it attempted to pass her on the right while she was stopped at a stop sign. Her insurer, Arbella Mutual Insurance Company, issued a check for \$515 for damages to the Suzuki. On April 6, 2006, the woman reported a hit-and-run accident to police and Arbella. The damages to the Suzuki from the April 2006 hit-and-run accident were allegedly identical to the damages sustained in the September 2005 accident.

The cases against **Raymond Auguste** and **Andrea Dorvilus** were continued without a finding for 11 months on July 26, 2007. Each had been charged with motor vehicle insurance fraud, larceny and conspiracy. Dorvilus was a jump-in passenger of a March 2, 2005 motor vehicle accident in which Auguste, while driving his 1994 Honda

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Accord, struck a 2000 Nissan Altima head on. The driver of the Nissan noted that there were no other passengers in Auguste's vehicle. Both the driver of the Nissan and Auguste provided police information regarding the collision and both declined medical assistance when asked. The Nissan driver and Auguste also each reported the accident to their respective insurers, Firemen's Fund and OneBeacon Insurance Companies. Each reported no injuries and no passengers in their vehicles. However, Auguste claimed on his Operator's Report that Dorvilus was a front seat passenger in his vehicle at the time of the accident. Both Auguste and Dorvilus subsequently claimed injuries sustained in the accident.

The Randolph task force is assisted by Randolph Police Det. Sgt. David Avery and Det. Melissa McCormack and CIFI cases are prosecuted by Norfolk County Assistant District Attorney Joshua Katz.

Springfield CIFI Highlights

Complaints were issued against **Modesta Marquez** on September 14, 2007. She was charged with motor vehicle insurance fraud, larceny and garaging misrepresentation. On April 15, 2007, Marquez's parked 1996 Jeep Grand Cherokee was struck by another vehicle when the driver attempted to avoid a pedestrian. The Jeep sustained damage to the entire passenger side. Subsequent to the accident Encompass Insurance Company determined that Marquez allegedly resided in Holyoke and not Northampton as she had represented on her automobile insurance application. Due to this garaging misrepresentation, Marquez allegedly fraudulently saved \$1,693 on her insurance premiums.

On October 4, 2007 complaints were issued against **Jessica Nieves** on charges of motor vehicle insurance fraud and attempt to commit a crime. Nieves reported to Premier Insurance Company that she and two passengers were allegedly involved in a motor vehicle accident on December 4, 2006. Nieves claimed that she was allegedly sitting in the driver's seat of her 2001 Honda Accord when she was hit in the rear by another vehicle. Investigation revealed that a friend was the operator of the Honda at the time of the accident and Nieves was not involved in the accident.

The Springfield/Holyoke task force is assisted by Springfield and Holyoke police officers and CIFI cases are prosecuted by the Hampden County District Attorney's office.

Worcester CIFI Highlights

Three people were indicted on September 21, 2007 in connection with an insurance fraud scheme that included the staging of two Worcester motor vehicle collisions. **Eric Bonnette**, **Mercy Encarnacion** and **Damaris Matos** were each charged with two counts of motor vehicle insurance fraud and four counts of conspiracy to commit motor vehicle insurance fraud. Additionally, Bonnette was charged with one count of assault and battery. The three were previously charged in Middlesex County on similar charges for alleged staged accidents in the Lowell area. The current charges resulted when on May 7, 2004 and May 26, 2004, Bonnette, Encarnacion and Matos allegedly recruited individuals to participate in staged accidents. These individuals would then file fraudulent insurance claims against their auto insurance carriers for injuries they would claim to have received in the accidents and for lost wages due to the injuries. On one occasion, Bonnette was allegedly involved in a physical altercation with one of the individuals who participated in a staged accident but did not want to file insurance claims.

The case against **Jesse Catino** was continued without a finding for one year on September 5, 2007. He was ordered to pay \$3,000 restitution. Catino reported the alleged theft of his 1996 BMW 328I on August 8, 2003. The vehicle was recovered the same day. When recovered the vehicle had heavy right front damage and had been set on fire. A forensic analysis determined that the vehicle could not have been moved without the correct key. Catino stated to Premier Insurance Company he was in possession of the only key to the vehicle.

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

For the most recent CIFI court activity, check www.ifb.org.

Automobile Insurance Fraud Court Activity and Case Updates

Case Update - East Otis Man Alleges Hit-and-Run Accident

East Otis - **Adam Chaffee** admitted to sufficient facts of motor vehicle insurance fraud and attempt to commit a crime on September 10, 2007 in Southern Berkshire County District Court. The case was continued without a finding for six months. He was ordered to pay \$500 in court costs. Chaffee reported to Plymouth Rock Assurance Company that he had parked his 2001 Nissan Xterra at his place of business on March 11, 2006 when an unidentified vehicle hit the passenger side of the vehicle and fled the scene. A forensic examination of the Nissan determined that the Nissan was moving forward when damaged and made contact with a fixed object. There were other inconsistencies in statements made by Chaffee regarding the alleged accident. Berkshire County Assistant District Attorney Michele Arsenault prosecuted the case.

West Dennis Man Indicted on Auto Insurance Fraud Charges

Worcester - **Luigi Campobello** was indicted on September 21, 2007 by a Worcester County Grand Jury on charges of motor vehicle insurance fraud, larceny, false report to police and false report to police of a motor vehicle theft. On July 21, 2005 Campobello filed a loss notice with his insurance agency reporting that his 2005 Jeep Wrangler was allegedly stolen the previous day in Hyannis. Commerce Insurance Company issued checks to Campobello in the amount of \$1,079 and to the lien holder for \$17,949 for payment of the theft loss of the Jeep. The vehicle was recovered on December 12, 2005 in Springfield. Investigation revealed that the vehicle was not stolen but instead allegedly stored at the Springfield home of a relative of Campobello. Assistant Attorney General Francesca Stabile of Attorney General Martha Coakley's Insurance and Unemployment Fraud Division is prosecuting the case.

Anonymous Fax Leads to Insurance Fraud Investigation

Worcester - Complaints were issued against two men on September 26, 2007 in Worcester District Court. Each was charged with motor vehicle insurance fraud and larceny. The pair claimed to have been involved in a two car accident on July 22, 2003. No police were called to the scene and no injuries claimed. One of the men reported to Hanover Insurance Company that while driving his 1988 Mercedes 300E he ran a red light and hit a 2000 Kia Sophia. He was paid \$5,191 on his claim. Hanover subsequently received an anonymous fax indicating that the pair allegedly staged the accident. A physical examination of the vehicles determined that the Kia did strike the Mercedes but the Mercedes was stationary at the time of impact. Investigation also revealed that the two men knew each other prior to the accident. The case is being prosecuted by Assistant Attorney General Alexandra Alland of the AG's Insurance Fraud and Unemployment Fraud Division.

Wakefield Father and Son Allegedly Add Jump-In Passengers

Wakefield - Complaints were issued against a Wakefield father and son on September 12, 2007 in Salem District Court. Each was charged with two counts of motor vehicle insurance fraud, two counts of larceny and one count of conspiracy. On August 9, 2004 the son rented a Ford Taurus. On that same day he was involved in a motor vehicle accident when he struck another vehicle. The son filed an insurance claim with Liberty Mutual Insurance Company alleging that two younger brothers were also in the vehicle at the time of the accident. All claimed alleged injuries from the collision. The father filled out and signed PIP applications on behalf of his two minor sons. After a witness and a police officer called to the scene observed only the older son in the vehicle and at the accident scene, the father stated that he allegedly picked up his two minor sons at the accident prior to the arrival of police. Assistant Attorney General Joshua Pakstis of the AG's Insurance Fraud and Unemployment Fraud Division is prosecuting the case.

South Hadley Man Stages Auto Theft

South Hadley - **Jaysun Blasko** admitted to sufficient facts on October 4, 2007 on charges of motor vehicle insurance fraud, attempted larceny and false report of motor vehicle theft. The case was continued without a finding for 364 days. Blasko was ordered to pay \$1,943 restitution. Blasko reported to police and Encompass Insurance Company the alleged theft of his 2005 Chrysler Sebring Coupe on January 9, 2007 from the parking lot of his place of employment. The vehicle was recovered the next day. A forensic evaluation determined there was no forced entry damage and the vehicle's security features were uncompromised. Hampshire County Assistant District Attorney Marc Ruddy prosecuted the case.

For the most recent automobile insurance fraud court activity, check www.ifb.org.

Premium Evasion Fraud

Case Update - Three Former Quincy Residents Indicted in \$30M Under-the-Table Scheme

Quincy - **Tina Le, Steven Nguyen** and **Mercedes Acar** were sentenced on September 25, 2007 for their roles in the largest under-the-table payroll scheme prosecuted in Massachusetts. They had pleaded guilty in May 2007 to tax and insurance fraud. Le was sentenced to 97 months incarceration, Nguyen sentenced to 87 months incarceration and Acar sentenced to 70 months incarceration. The defendants also agreed to forfeit to the government their Quincy home, a Dorchester office building, a Brockton warehouse, as well as bank accounts and luxury automobiles. From December 1995 through the end of 2004, the defendants owned and operated a temporary employment agency that employed hundreds of workers who performed manual labor at factories and warehouses. The defendants would pay most of their employees in cash and did not report the cash payments to the IRS thus failing to pay payroll taxes and to withhold taxes from their employees' pay. Over the course of the conspiracy, the unreported cash payroll totaled approximately \$30 million. The defendants also defrauded their workers' compensation insurers, Travelers and Liberty Mutual Insurance Companies, by fraudulently reducing their insurance premiums by concealing their cash payroll from the insurers. The case was investigated by the Federal Bureau of Investigation, Internal Revenue Service, Postal Inspection Service and the IFB. It was prosecuted by Assistant U.S. Attorneys Jonathan F. Mitchell of United States Attorney Michael J. Sullivan's Economic Crimes Unit and Kristina Barclay of Sullivan's Asset Forfeiture Unit.

Painting Company and its President Plead Guilty to W/C Fraud

Norwood - **Arthur Tenaglia** and his business, **the Allstate Company, Inc.**, each pleaded guilty to charges of failure to pay the proper prevailing wages and workers' compensation fraud on October 2, 2007 in Dedham District Court. In addition, Tenaglia and the Allstate Company agreed to accept a citation for misclassification of workers. Tenaglia was sentenced to three years of probation. He and his company must pay a \$10,000 fine and were ordered to make full restitution in the amount of \$15,000 in wages to three of their employees. Restitution in the amount of \$100,000 must also be paid to Travelers Insurance Company, their workers' compensation insurance provider. Tenaglia and the Allstate Company are barred from public works projects for the next five years. Investigation revealed that from 2001 to 2005, Tenaglia and his company unlawfully classified employees as independent contractors. In addition, Tenaglia and his company willfully failed to pay the proper wages to their employees on a Plymouth County public construction project. On this project, the company's payroll amount was fraudulently understated, resulting in the payment of lower workers' compensation premiums. The case was prosecuted by Assistant Attorneys General Bruce Trager and Chris Buscaglia of Attorney General Martha Coakley's Fair Labor Division.

Lawrence Asbestos Removal Company Indicted for Fraud

Lawrence - **Regina Guzman** and her company, **AG Asbestos, Inc.**, were each indicted on July 27, 2007 in Essex Superior Court on one count of workers' compensation fraud and larceny by false pretenses and four counts of unemployment tax evasion. Guzman and AG Asbestos allegedly misrepresented the company's 2003 payroll by approximately \$1.3 million. In February 2004, Guzman allegedly provided documentation to its workers' compensation insurer, AIM Mutual Insurance Company, indicating the company payroll was only \$223,809. This misrepresentation reduced their workers' compensation insurance premium by approximately \$138,000. Guzman also allegedly directed employees of AG Asbestos to cash their paychecks for a fee at a Lawrence liquor store. AG Asbestos then allegedly bought back the paychecks from the store for 102% of their value. Of the nearly 5,000 paychecks totaling \$1.6 million in payroll for 2003, none were processed through a banking institution. Additionally, AG Asbestos allegedly underreported its quarterly payroll to the Division of Unemployment Assistance which allowed AG Asbestos to substantially reduce its 2003 tax liability. The case was handled by Assistant Attorney General Miranda Jones and Investigator Greg Reutlinger, both of the AG's Fair Labor Division.

Workers' Compensation Insurance Fraud Court Activity and Case Updates *continued*

Case Update - From W/C Fraud to Tax Fraud

Boston - **Stephen Mazzola, Christina Svendsen, James Konaxis** and **Anthony Marek** were sentenced on August 10, 2007 for their roles in a federal tax evasion scheme and the obstruction of an IRS audit involving Stoneham Towing, Inc. and Bodyworks Company, Inc. Mazzola was sentenced to 18 months in prison to be followed by three years of supervised release and a fine of \$7,500. Svendsen was sentenced to two years probation with the first six months in home detention under electronic monitoring. Konaxis was sentenced to one year probation with home detention under electronic monitoring for the first six months and a fine of \$3,000. Marek was sentenced to one year probation, six months of home detention and a fine of \$3,000. Mazzola and Svendsen were convicted of conspiracy for their roles in paying company employees cash wages "under-the-table," for concealing cash incomes and for producing false records to obstruct an IRS audit of the companies. In addition, Mazzola and Svendsen were each convicted for obstruction of an IRS audit. Mazzola was also convicted on four counts of filing false quarterly employment tax returns. Konaxis and Marek were convicted of obstruction of an IRS audit for their roles in preparing bogus sales invoices to support Mazzola's false claims during the IRS audit. The case was investigated by the U.S. Internal Revenue Service, Criminal Investigation Boston Field Office and the IFB. It was prosecuted by Assistant U.S. Attorney Victor A. Wild of Sullivan's Economic Crimes Unit.

Claimant Fraud

Brockton Man Allegedly Fraudulently Collects Over \$42,000

Brockton - **William Hoeg** was indicted on October 1, 2007 in Brockton Superior Court on charges of workers' compensation fraud and larceny. On June 7, 2004, while employed as a window and siding installer, Hoeg injured his back while at work. As a result of the injury, he began collecting temporary total workers' compensation benefits. One year after his work injury, Hoeg reported no significant improvement in his medical condition to his employer's insurer, St. Paul Travelers Insurance Company. In June 2005, Hoeg allegedly notified St. Paul Travelers that he did not earn any money from any other source during the period of time that he collected his workers' compensation benefits, including the time period that he had worked. An investigation revealed that on three occasions in June 2005 Hoeg was observed re-siding a garage. Later that month, St. Paul Travelers required Hoeg be seen by a doctor who reported that he was not disabled and able to work at full capacity. In July 2005, St. Paul Travelers filed a complaint with the Department of Industrial Accidents to discontinue Hoeg's workers' compensation benefits. Further investigation revealed that Hoeg worked on multiple projects before, during and after his injury resulting in his receipt of workers' compensation benefits. Hoeg has been a licensed home improvement contractor since June 2000. In total, Hoeg is alleged to have fraudulently collected \$42,382 in workers' compensation benefits. Assistant Attorney General Stephen Adams of AG Coakley's Insurance and Unemployment Fraud Division is prosecuting the case.

For the most recent workers' compensation premium evasion and claimant insurance fraud court activity, check www.ifb.org.

Property Insurance Fraud Court Activity and Case Updates

Falsified Dry Cleaning Receipt Used to Bill Insurer

Framingham - Complaints were issued on September 19, 2007 against a Framingham husband and wife. The husband was charged with one count each insurance fraud, attempted larceny and conspiracy. The wife was charged with one count of conspiracy. On October 9, 2003, the couple's Florida condominium sustained water damage as a result of a burst water pipe. As part of this claim, the husband submitted dry cleaning receipts from a Framingham dry cleaner as proof of damages to clothing worth \$2,945 stored in the Florida condo. Investigation revealed that the clothing was never brought to the cleaners; however the couple did ask for and received blank receipts from the cleaners. The receipts submitted to Chubb Life Insurance Company as proof of loss were allegedly falsified by the couple. Assistant Attorney General Joshua Pakstis is prosecuting the case in Framingham District Court.

For the most recent property and other lines insurance fraud court activity, check www.ifb.org.

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

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 51826

CIFI Court Activity – from inception of program through September 30, 2007

CIFI Location	Cases Referred	Individuals Charged	Convictions	Continued Without a Finding
Boston	95	175	10	43
Brockton	54	139	4	40
Chelsea	17	21	0	4
Fall River/ New Bedford	14	4	0	0
Lawrence	76	232	28	50
Lowell	17	28	10	2
Lynn	37	69	6	9
Randolph	12	12	1	5
Revere	2	1	0	0
Springfield/ Holyoke	26	36	9	2
Worcester	5	6	0	1
Total	355	723	68	156