



e-focusFraud

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Details contained in charging documents are allegations. Defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

e-focusFraud is 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.

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Agent Fraud

Case Update - Middleboro Financial Adviser Sentenced for Investment Adviser Fraud

Middleboro - On August 9, 2023, a Middleboro financial adviser was sentenced in federal court in Boston for defrauding his elderly and otherwise vulnerable clients and stealing the victims' retirement assets.

Paul McGonigle was sentenced by U.S. District Court Judge Nathaniel M. Gorton to 54 months in prison and two months of supervised release. McGonigle was also ordered to pay restitution in the amount of \$652,987. In February 2023, McGonigle pleaded guilty to one count of investment adviser fraud, two counts of money laundering, three counts of wire fraud, one count of mail fraud and one count of aggravated identity theft.

Acting United States Attorney Joshua S. Levy stated, "among the highest priorities of this office is protecting vulnerable victims from pernicious fraudulent schemes. This defendant took advantage of the elderly, including individuals living with dementia and other cognitive impairments, to line his own pockets. The conduct is despicable. The judicial system has now held him accountable and anyone embarking on such conduct is forewarned that you will be investigated and prosecuted."

Christopher DiMenna, Acting Special Agent in Charge of the Boston Division of the Federal Bureau of Investigation stated, "what Paul McGonigle did is despicable. He preyed on his elderly and vulnerable clients, betrayed their trust, and stole over \$1.2 million from their retirement accounts. Last year, investment scams cost consumers nationwide \$3.31 billion, and here in Massachusetts, victims reported losing almost \$76 million. This case demonstrates the FBI's commitment to holding fraudsters accountable."

McGonigle served as a financial adviser for the victims, many of whom were elderly, one of whom had dementia, and another who suffered a traumatic brain injury. Beginning no later than February 2015, McGonigle caused unauthorized withdrawals from victims' annuities and induced victims to give him money to invest on their behalf, which he then used for personal and business expenses. To carry out his scheme, McGonigle posed as clients on calls with their annuity companies and signed their names on forms requesting withdrawals from their annuities. When some of his clients began to ask questions, McGonigle concealed his scheme by falsely assuring clients that their investments were growing.



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Assistant U.S. Attorney Kristen A. Kearney of the Securities, Financial & Cyber Fraud Unit prosecuted the case. The Insurance Fraud Bureau provided valuable assistance with the investigation.

Owner of Insurance Agency Charged in Relation to Embezzlement Scheme

Gloucester- The owner of a Gloucester insurance agency was indicted and arraigned in connection with an alleged embezzlement scheme that left client companies uninsured.

Phyllis Palazzola, of Gloucester was arraigned on May 30, 2023 on charges of Larceny by Embezzlement Over \$1,200 (8 counts), Forgery (2 counts), and Unlicensed Insurance Practice (1 count). Her business, Palazzola Insurance Agency (PIA), was also arraigned on charges of Larceny by Embezzlement Over \$1,200 (8 counts) and Unlicensed Insurance Practice (1 count).

Prosecutors allege that Palazzola embezzled over \$39,000 from customers while working as an insurance producer at Palazzola Insurance Agency between May 2017 and September 2018. Palazzola was alleged to have taken one or more payments, after suspension of her insurance broker's license, from eight individuals who paid her for their workers compensation insurance. However, Palazzola was alleged to have issued fraudulent "certificates of insurance" to six of the eight affected businesses without binding coverage.

As a result of a complaint by one of the customers, the Massachusetts Division of Insurance investigated and revoked the insurance producer licenses for both Palazzola and PIA on June 11, 2018, as part of a settlement agreement signed by Palazzola. After the settlement, Palazzola informally transferred ownership of PIA to a family member and continued to work at the business for another 14 months. During that time, prosecutors allege that she forged the signatures of customers on two separate occasions, binding them to insurance premium financing agreements to cover up her previous embezzlement.

The case is being prosecuted by Assistant Attorney General Christopher O'Brien of Attorney General Campbell's Insurance and Unemployment Fraud Division with assistance from Investigator Lashauna Craig, of Attorney General Campbell's Insurance and Unemployment Fraud Division, and assistance from Victim Witness Advocate Megan Murphy. Investigators from the Insurance Fraud Bureau also aided the investigation.



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Mississippi Woman Pleads Guilty to Identity Fraud

Merrimack Valley - On June 7, 2023 a Mississippi woman pleaded guilty to two counts of larceny over \$1200 and four counts of identity fraud. She was sentenced to three years of probation and ordered to pay \$10,000 in restitution.

Between October 2018 and December 2018, the Mississippi woman worked as an insurance adjuster. In that role she was responsible for handling the financial claims from residents impacted by the September 2018 gas explosions in the Merrimack Valley that devastated the region, resulting in thousands of dollars in property damage and leaving thousands of residents and businesses without heat and hot water in the cold winter months.

The Attorney General's Office alleged that the Mississippi woman stole \$28,971 and the identities of four claimants impacted by the explosion, by dispersing pre-paid debit cards to herself. The Mississippi woman submitted false claims under a real claimant's file or created a file using a fictitious person's name.

This case was prosecuted by Assistant Attorney General William Aiello of Attorney General Andrea Joy Campbell's Insurance and Unemployment Fraud Division with assistance from Sallyann Nelligan, the Director of Financial Investigations of the Attorney General's Financial Investigations Division and Victim Witness Advocate Amber Cary, the Attorney General's Victim Witness Services Division, Massachusetts State Police assigned to the Attorney General's Office, and the Insurance Fraud Bureau.

Health Care Fraud

Brighton Man Sentenced To Prison Time for Role in Physical Therapy Clinic Fraud Scheme

Brighton- Gyulnara Bayryshova was sentenced on July 26, 2023 for her role in a scheme to defraud multiple insurance providers for physical therapy services not provided to patients.

Gyulnara Bayryshova was sentenced to three years in prison and two years of supervised release. Bayryshova was also ordered to pay restitution in the amount of \$7,383,756 and forfeit \$7,834. In April 2023, Bayryshova pleaded guilty to one count of conspiracy to commit mail fraud. Bayryshova was indicted in February 2021 along with co-defendants Anna Barenboym, Slava Pride and Raya Bagardi.

Bayryshova was the owner of Brighton Physical Therapy (BPT), a Brighton-based physical therapy clinic. From October 2018 through June 2020, Bayryshova, Pride, Bagardi, and her co-defendants



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conspired to cause multiple insurance companies to reimburse them for physical therapy services that were not actually provided and/or were not medically necessary and, in some cases, were provided by individuals not licensed to provide the services. Specifically, Bayryshova and her co-defendants falsely billed for services purportedly rendered to patients injured in automobile accidents when the services were not actually provided. BPT also paid patients for referrals and referred patients to attorneys to assist with patients' insurance settlements.

On July 12, 2023, Pride was sentenced to two years in prison, two years of supervised release, and was ordered to pay over \$2.3 million restitution.

On July 19, 2023, Bagardi was sentenced to two years of supervised release, with the first year spent in home confinement in connection with a scheme to defraud multiple insurance providers for physical therapy services that were not provided to patients.

On September 13, 2023 Anna Barenboym was sentenced by U.S. District Court Judge Richard G. Stearns to one year of probation with one month of home confinement. Barenboym was also ordered to pay restitution in the amount of \$648,852. In March 2022, Barenboym pleaded guilty to one count of conspiracy to commit mail fraud. Barenboym was indicted in February 2021 along with co-defendants Gyulnara Bayryshova, Slava Pride and Raya Bagardi.

Raya Bagardi was sentenced to time served (one day) and two years of supervised release, with the first year spent in home confinement. Bagardi was also ordered to pay restitution in the amount of \$2,301,645. In March 2023, Bagardi pleaded guilty to one count of conspiracy to commit mail fraud. Bagardi was indicted in February 2021 along with co-defendants Gyulnara Bayryshova, Anna Barenboym and Slava Pride.

The case was prosecuted by the Assistant U.S. Attorney Laura J. Kaplan of the United States Attorney's Organized Crime & Gang Unit. The case was investigated by the Federal Bureau of Investigation, Boston Division; Boston Police; Quincy Police; and the Insurance Fraud Bureau.



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Provider Fraud

Salem Man Pleads Guilty to Long-Term Care Benefits Scheme

Salem- On April 5, 2023 a Salem man pleaded guilty and was sentenced to two and a half years in the House of Corrections and three years of probation suspended, in connection with a scheme to set up a shell company to fraudulently collect benefits under a long-term care insurance policy. The Salem man was charged with one count of larceny over \$250 by false pretenses and one count of filing a fraudulent insurance claim. Between March 2016 and January 2017, the Salem man allegedly operated a shell home health care company. Using this company, the Salem man collected money from John Hancock Life Insurance Company by allegedly billing them for treatment not rendered under his father's long-term care insurance policy. The Salem man stole over \$45,000 by claiming he was his father's health care aide, when in fact he failed to provide care to his father.

Case Update - Roxbury Man Pleads Guilty in Connection with a Scheme to Fraudulently Bill Health Insurers for Care Not Received

Roxbury- A Roxbury man pleaded guilty on March 28, 2023 to charges of filing a fraudulent insurance claim and larceny over \$250. He was sentenced to one year of probation and ordered to pay \$30,928 in restitution. The Roxbury man, along with six other individuals, coordinated a scheme to collect reimbursement checks from Massachusetts health insurance companies for medical treatment they never received. From March 2015 through February 2021, the Roxbury man and five other defendants fraudulently collected more than \$326,000 in reimbursement checks from their insurance companies after submitting 18 false, substantially similar, insurance claims for medical treatment they allegedly received while traveling in Africa. Several of the defendants were working and collecting wages in the United States on the same dates they were allegedly hospitalized and receiving care in Africa.

The case was prosecuted by Assistant Attorney General Kelsey Force, formerly of Attorney General Andrea Joy Campbell's Insurance and Unemployment Fraud Division, with assistance from former Assistant Attorney General Joseph Posner and Investigator Loreny Bernabe, both of the Attorney General's Insurance and Unemployment Fraud Division, and the Insurance Fraud Bureau.



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Nurse Practitioner Prescribes Controlled Substances for Personal Use

Revere - Complaints were issued on June 14, 2023 against a Revere man on seven counts of obtaining a drug by fraud, seven counts of larceny of a drug, two counts of filing a false healthcare claim, and seven counts of possessing Class B and C drugs with the intent to distribute. The Revere man is alleged to have illegally prescribed and diverted for personal use large quantities of controlled substances, namely, Schedule II, III, and IV prescription drugs such as Adderall, Alprazolam, Clonazepam, Lorazepam, Tramadol, Testosterone, and Phentermine.

The Revere man was employed as a Registered Nurse Practitioner when he was alleged to have authored prescriptions for various patients. He is alleged to have either transferred others' prescriptions for personal use or retrieved others' prescriptions from the pharmacies personally or with the assistance of individuals he knew.

Investigation revealed that pharmaceutical claims data from several of the prescription drug programs confirmed that the prescriptions written and fraudulently obtained by the Revere man or others he knew, were allegedly processed through the prescription drug programs. Statements confirmed that medications prescribed by the Revere man were not received by the individuals for whom they were written. Multiple individuals reported having a pre-arranged agreement to divert the prescribed medication back to the Revere man for his personal use.

Case Update- Norwood Woman Pleads Guilty for Stealing Government Benefits

Karen Nolan of Norwood pleaded guilty on September 22, 2023 to two counts of theft of public funds and two counts of making false statements. U.S. Senior District Court Judge Mark L. Wolf scheduled sentencing for Dec. 7, 2023. Nolan was indicted by a federal grand jury in August 2021.

From approximately November 2017 through August 2021, Nolan repeatedly stole federal workers' compensation benefits, as well as Social Security disability benefits from approximately July 2019 through August 2021. In April 2019, Nolan falsely reported to the SSA that she had not worked since 2017 due to a medical disability, but was actively employed at a dermatology practice at the time. Nolan also made similar false statements to the Department of Labor, Office of Workers' Compensation Programs in May 2021.

The case is being prosecuted by Acting United States Attorney Joshua S. Levy and Special Assistant U.S. Attorney James J. Nagelberg of the Major Crimes Unit. The case was investigated by Christopher Algieri, Special Agent in Charge of the Department of Veterans Affairs, Office of Inspector General, Northeast Field Office; Sharon MacDermott, Special Agent in Charge of the Social Security Administration; and the Insurance Fraud Bureau.



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Case Update- Natick Psychiatrist Convicted for Billing for Services Never Rendered

A Natick psychiatrist was convicted by a federal jury on October 24, 2023 of billing Medicare and private insurance companies for over \$11 million in treatments he did not provide and obstructing justice in an attempt to conceal his crimes.

Gustavo Kinrys, of Wellesley, was convicted of seven counts of wire fraud, six counts of false statements relating to health care matters and one count of obstructing a criminal health care investigation. U.S. District Court Judge Denise J. Casper scheduled sentencing for Jan. 31, 2023. Kinrys was arrested and charged in December 2020.

“Through his scheme to defraud the Medicare program, the defendant stole taxpayer funds and violated the public’s trust in his position as a physician,” said Roberto Coviello, Special Agent in Charge of the U.S. Department of Health and Human Services, Office of Inspector General. “This conviction sends a clear message that we will hold accountable those who exploit our federal health care system for personal gain, and we will not tolerate attempts to obstruct our pursuit of justice.”

“This conviction is a big win for taxpayers who were cheated when Dr. Kinrys fraudulently billed Medicare and private insurance companies for more than \$11 million for medical treatments he never provided and then obstructed our investigation in an attempt to conceal his crimes,” said Jodi Cohen, Special Agent in Charge of the FBI Boston Division. “Healthcare fraud is not a victimless crime. It can raise health insurance premiums, expose patients to unnecessary medical procedures, and increase taxes. Anyone involved in, or entertaining similar activity, should know the FBI and our partners will not hesitate to pursue those trying to steal from our country’s vital health care system.”

“This matter illustrates the commitment of all agencies to combat medical billing fraud which affects all citizens. The Insurance Fraud Bureau of Massachusetts places a high priority on fighting this type of insurance fraud. Our continuing collaboration with our partners is critical to successfully fight insurance fraud,” said Anthony M. DiPaolo, Executive Director of the Insurance Fraud Bureau.

Kinrys was a licensed psychiatrist who owned and operated Advanced TMS Associates, located in Natick, Mass. Among other services, Kinrys offered transcranial magnetic stimulation (TMS) therapy and psychotherapy to patients suffering from depression. TMS therapy is a noninvasive method of brain stimulation that uses rapidly alternating or pulsed magnetic fields to induce electrical currents directed at a patient’s cerebral cortex.



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Between January 2015 and December 2018, Kinrys engaged in a variety of fraudulent billing schemes in which he sought and received reimbursement for services he did not render. For example, Kinrys billed Medicare and private insurers \$10.6 million for thousands of TMS sessions he never provided, including over 8,000 sessions he claimed were provided to 74 patients who, in fact, never received a single session of the therapy. Kinrys billed Medicare and private insurers for hundreds of thousands of dollars' worth of psychotherapy sessions he never provided, including over 900 face-to-face sessions he falsely claimed he provided while he was on vacation in locations like the Bahamas, Punta Cana, Dominican Republic, and the Czech Republic. On 382 occasions, Kinrys billed Medicare and private insurers for having provided more than 24 hours' worth of psychotherapy services in a single day, including one day in July 2017 when he claimed he had provided hour-long psychotherapy sessions to 70 different patients – all while outside the United States on vacation.

To further his fraudulent billing scheme, Kinrys made numerous false statements to his patients, the billing company with which he worked and the insurers to whom he submitted claims seeking reimbursement. When Medicare, private insurers and the Department of Health and Human Services (HHS) sought records from Kinrys pertaining to certain of his claims, he took steps to conceal his fraudulent conduct by making false representations and creating false documentation purporting to show that he had provided thousands of treatments he had billed for, but never rendered. For example, in response to a July 2018 subpoena from the HHS's Office of Inspector General seeking medical records for 10 of his patients, Kinrys created documents – and ordered his office workers to create documents – falsely stating that those patients had received dozens of treatments they had never been provided and falsely representing that the condition of those patients was improving.

Case Update- Brockton Woman Indicted in Connection with a Scheme to Fraudulently Bill Health Insurers for Care Not Received

Brockton- On March 28, 2023 a Brockton woman pleaded guilty to two counts of filing a fraudulent insurance claim, one count of larceny over \$250, and one count of attempt to commit a crime. She was sentenced to one year of supervised probation, ordered to pay \$13,171 in restitution, and a \$90 victim witness fee. The Brockton woman, along with six other individuals, coordinated a scheme to collect reimbursement checks from Massachusetts health insurance companies for medical treatment they never received. From March 2015 through February 2021, the Brockton woman and five other defendants fraudulently collected more than \$326,000 in reimbursement checks from their insurance companies after submitting 18 false insurance claims for medical treatment they allegedly received while traveling in Africa.



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Investigation found that the 18 sets of medical records provided by the defendants to their insurance companies were substantially similar and several of the defendants were working and collecting wages in the United States on the same dates they were allegedly hospitalized and receiving care in Africa.

The case was prosecuted by Assistant Attorney General Kelsey Force, formerly of Attorney General Andrea Joy Campbell's Insurance and Unemployment Fraud Division, with assistance from Assistant Attorney General Joseph Posner and Investigator Loreny Bernabe, both of the Attorney General's Insurance and Unemployment Fraud Division, and the Insurance Fraud Bureau.

Case Update- Revere Man Indicted in Connection with a Scheme to Fraudulently Bill Health Insurers for Care Not Received

Revere - On May 19, 2023 a Revere man pleaded guilty to one count of filing a fraudulent insurance claim, one count of larceny over \$250, and one count of conspiracy. He was put on probation for one year, ordered to pay \$31,892 in restitution, and a \$90 victim witness fee. The Revere man, along with six other individuals, coordinated a scheme to collect reimbursement checks from Massachusetts health insurance companies for medical treatment they never received. From March 2015 through February 2021, the Revere man and five other defendants fraudulently collected more than \$326,000 in reimbursement checks from their insurance companies after submitting 18 false insurance claims for medical treatment they allegedly received while traveling in Africa.

Investigation found that the 18 sets of medical records provided by the defendants to their insurance companies were substantially similar and several of the defendants were working and collecting wages in the United States on the same dates they were allegedly hospitalized and receiving care in Africa.

The case was prosecuted by the Assistant Attorney General Kelsey Force, formerly of Attorney General Andrea Joy Campbell's Insurance and Unemployment Fraud Division, with assistance from Assistant Attorney General Joseph Posner and Investigator Loreny Bernabe, both of the Attorney General's Insurance and Unemployment Fraud Division, and the Insurance Fraud Bureau.



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Workers' Compensation Fraud

Case Update- Two Worcester Area Men Plead Guilty on Mail Fraud and Employment Tax Charges

Worcester – On July 12, 2023 Juliano Fernandes, of Clinton, pled guilty to eleven counts of employment tax fraud, two counts of mail fraud, and two counts of making false statements to a federal agency. Anderson Dos Santos, of Leominster, pleaded guilty to one count of filing a false tax return.

Fernandes exercised financial control over Force Corporation and AB Construction, both Massachusetts-based construction companies. Between 2015 and 2017, Fernandes willfully failed to account for and pay over employment taxes for these companies to the United States Internal Revenue Service. In addition, from approximately April 2013 through January 2017, Fernandes defrauded workers' compensation insurance companies by misrepresenting the number of employees at Force Corporation and AB Construction and the wages paid to the employees. In August 2017, Fernandes also made materially false statements to the U.S. Department of Labor regarding the value of the property he owned in Lunenburg, Massachusetts and that he never had responsibility or control over the payroll of Force Corporation. These statements related to the Department of Labor's efforts to collect funds from Fernandes and his businesses concerning alleged civil wage violations.

Dos Santos, who worked for AB Construction, signed and filed individual tax returns for tax years 2013, 2014, 2016, and 2017, in which he materially underreported his income.

The case is being prosecuted by the Assistant U.S. Attorney John T. Mulcahy of the U.S. Attorney's Worcester Branch Office. The case was investigated by the Internal Revenue Service's Criminal Investigation; Department of Labor, Office of Inspector General, Office of Investigations; and the Insurance Fraud Bureau.

Dorchester Woman Pleads Guilty to Operating a Temporary Employment Agency

Boston- A Dorchester woman was sentenced on September 15, 2023 in federal court in Boston for tax and fraud offenses in connection with her operation of a temporary employment agency.

Dam Ngoc Luong, was sentenced by U.S. District Court Judge Leo T. Sorokin to one year and one day in prison and three years of supervised release. Luong was also ordered to pay \$3,993,169 in restitution to the IRS and \$155,870 in restitution to Traveler's Insurance Company. On April



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18, 2023, Luong pleaded guilty to two counts of filing false corporate and individual tax returns, three counts of failure to collect and pay over employee taxes and one count of mail fraud.

From at least 2015 through 2019, Luong owned and operated Four Seasons Temp, Inc., an agency providing temporary workers for client businesses. A temporary employment agency is responsible for paying wages to the employees, processing employee payroll, collecting and paying all employee payroll taxes and maintaining workers' compensation insurance to protect employees who suffer work-related injuries. The agency collects payments from the client businesses to cover the agency's expenses and a profit for the agency.

When collecting payments from business clients of her temporary employment agency, however, Luong cashed most checks rather than depositing the funds into her business account. Then, on annual corporate tax returns, Luong reported to the IRS only the amounts deposited to the business account and failed to pay federal taxes on more than \$14 million of the company's income. Additionally, because Luong created Four Seasons as an S-corporation, the net business income and expenses flowed through to her Form 1040 individual tax returns. As a result, Luong failed to report more than \$3 million in pass-through income and failed to pay \$885,000 in personal income taxes.

The case was prosecuted by the then Assistant U.S. Attorney Joshua S. Levy of the Office of the United States Attorney. The case was investigated by the Internal Revenue Service's Division of Criminal Investigation Team; Assistant U.S. Attorney Victor A. Wild of the Securities, Financial & Cyber Fraud Unit.

Randolph Woman Charged in Connection With Payroll Tax Scheme

Quincy - A Randolph woman was arrested on March 10, 2023 in connection with her involvement in a payroll tax avoidance scheme.

Lilian Giang was indicted by a federal grand jury with mail fraud and failure to collect and pay over taxes. Giang was released on conditions following an appearance in federal court in Boston on March 10, 2023 before U.S. District Court Magistrate Judge Donald L. Cabell.

According to court records, between 2015 and 2019, Giang owned and operated Able Temp Agency, a temporary employment agency in Quincy that served client companies in Massachusetts. The client companies paid Able Temp Agency for the temporary employees' work on an hourly basis. Giang deposited those payments into bank accounts in the name of Able Temp Agency that she controlled, and then allegedly paid the temporary employees through a combination of checks and cash. By using cash payments, Giang allegedly hid over \$3.2 million in payroll and avoided paying more than \$815,000 in required payroll taxes. It is further alleged



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that Giang used her false payroll numbers to obtain worker's compensation insurance with Hartford Insurance Company at lower premium rates.

The case is being prosecuted by the Suffolk County District Attorney's Office, Joleen D. Simpson, Special Agent in Charge of the Internal Revenue Service's Criminal Investigations Boston Unit, and Assistant U.S. Attorney Christopher J. Markham of Acting United States Attorney Joshua Levy's Securities, Financial & Cyber Fraud Unit.

Raynham Man Indicted on Workers' Comp Charges

Freetown - A Raynham man was indicted on March 30, 2023 on charges of workers' compensation fraud and larceny over \$1200. The Raynham man reported wrist and shoulder injuries sustained on June 26, 2017, during his employment as a welder for a family-owned and operated business. On October 26, 2018 the Raynham man attended an Independent Medical evaluation where he reported that he was unemployed at that time. Investigation revealed that the Raynham man was employed as a subcontractor for a scrap metal recycling company from at least June 27, 2017 through April 26, 2019. During that time, the Raynham man earned approximately \$93,627 from the recycling company. The Raynham man signed an Employee's Earning Report on April 1, 2019, declaring no earnings for the 26-week period from September 5, 2018 through March 5, 2019. Further investigation revealed that from July 9, 2017 through May 13, 2019 the Raynham man was paid approximately \$47,965 in indemnity benefits to which he was not entitled.

Automobile Insurance Fraud

Holbrook Man Pleads Guilty in Connection With Luxury Car Scheme

Holbrook - Dion Augustin pleaded guilty on March 14, 2023 to seven counts of larceny over \$250 by false pretenses and eight counts of motor vehicle insurance fraud. He was sentenced to two years and six months in the House of Corrections followed by two years of supervised probation. Augustin was ordered to pay a \$90 victim-witness fee. Between August 2016 and December 2017, Augustin allegedly purchased numerous luxury vehicles—including a Bentley, a Maserati, and two Fisker Karmas— and rented trucks from U-Haul in his own name and by using a series of intermediaries (known as "straw" purchasers). Augustin allegedly obtained financing for those purchases by misrepresenting both his own creditworthiness and that of his straw purchasers. After securing insurance on the luxury vehicles, Augustin is alleged to have deliberately damaged them and reported the damage as accidental in order to collect the insurance proceeds. In total,



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Augustin obtained \$136,940 in financing through misrepresentations and the false insurance claims made by the Holbrook man allegedly resulted in insurance payouts in excess of \$208,700.

The case was prosecuted by the Assistant Attorneys General Brad Tully, Naiara Souto and Eric Haskell and Division Chief Geoffrey Wood of the Attorney General's Insurance and Unemployment Fraud Division. Prosecutors were assisted by Senior Investigator Lashauna Craig of the Insurance and Unemployment Fraud Division, Analyst Justin Hunt and Lab Director Chris Kelly of the Attorney General's Digital Evidence Laboratory, and Victim Witness Advocate Lia Panetta. The Attorney General's Office began its investigation after a referral from the Insurance Fraud Bureau of Massachusetts. Insurance Fraud Bureau investigators and Massachusetts State Police provided invaluable assistance to the investigation.

Lenox Woman Charged in Auto Collision Scheme

Great Barrington - Complaints were issued against a Lenox woman on January 11, 2023 on charges of motor vehicle insurance fraud and attempt to commit a crime. On June 5, 2021 the Lenox woman was operating her 2005 Chrysler Town and Country when she allegedly rear-ended another vehicle. Damage to the woman's Chrysler was appraised at \$3,578 by Progressive Insurance Company. Progressive received a call from the owner of the vehicle struck by its insured. Investigation revealed that the collision involving the Lenox woman's Chrysler took place on June 5, 2021, at approximately 10:30 a.m. rather than after 11:16 a.m. when she contacted Progressive to reinstate her collision coverage. Prior to 11:16 a.m. on June 5, 2021, the Lenox woman was not covered for the collision incident. The Lenox woman indicated that neither she nor any family members were involved in a collision between May 28, 2021, through the time of her call at 11:16 a.m. on June 5, 2021. Only after the insurer stated the date of the collision as June 5, 2021 did the Lenox woman confirm that she rear-ended a Lexus on June 5, 2021.

Other Types of Insurance Fraud

Beverly Man Charged in Relation to Property Scheme

Peabody- Complaints were issued against a Beverly man on May 10, 2023 on charges of filing a fraudulent insurance claim, attempt to commit a crime, forgery, and false report of a crime. The Beverly man alleged that on November 26, 2021 between 4:00 a.m. and 5:00 a.m., an unidentified person smashed a large window at his liquor store and stole merchandise. The Beverly man provided police with a schedule of property loss form for damaged merchandise listed as glass smoking products. He reported to Plymouth Rock Assurance Corporation that small



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pieces of the glass were everywhere, and many products were unsafe to sell resulting in a claim for \$290,909 in damage to the smoking devices. The Beverly man submitted receipts for glass smoking products purchased from January 2, 2017, through October 30, 2019 totaling \$1,956,100.00. Investigation revealed that the receipts provided by the Beverly man were fraudulent and were not from the tobacco wholesaler. The actual invoices were from 2016 through 2019 and totaled \$49,814.55.

Brockton Man Charged with Filing a False Insurance Claim

Brockton- A Brockton man was indicted on April 14, 2023 on three counts of filing a false insurance claim, two counts of larceny over \$1200, and attempt to commit a crime. The Brockton man alleged that on April 11, 2019 he suffered from a medical illness and was hospitalized during his trip to Lagos, Nigeria. The Brockton man alleged that during the trip, he was treated by a doctor from April 11, 2019, through April 22, 2019 and spent \$2,537 for his medical treatments. Investigation revealed that the medical documentation the Brockton man submitted for his alleged illness was fraudulent. The Brockton man allegedly presented the court with the fraudulent documents he submitted to Broadspire Insurance Company and to two other travel insurance carriers. The Brockton man was paid on both of those travel claims.