

## ***Insurance Times:*** Fraud Diary

July 23, 2002. Vol. XXI No. 11

by Mark Hollmer

A Waltham, Mass. man has admitted to defrauding an insurance company of more than \$20,000 and lying about it to a grand jury.

Peter Nutile, 36, pleaded guilty to four counts of perjury for false testimony and one count each of workers compensation fraud, larceny over \$250 and attempted larceny over \$250.

Authorities said Nutile returned to work at a local irrigation company following a Dec. 1996 injury but continued to report to Granite State Insurance that he was disabled – allowing him to still collect disability benefits.

He's scheduled to be sentenced July 10 in Middlesex Superior Court.

\* \* \*

When it comes to insurance claims, lightning doesn't always strike twice.

A suburban Rochester, N.Y. man was arrested recently and charged with insurance fraud for allegedly claiming his computer system was destroyed twice by a lightning strike.

Clarence Kress, Sr., 50, is charged with insurance fraud, attempted grand larceny and grand larceny, according to the New York State Insurance Department.

He was committed to Monroe County Jail pending bail and a subsequent court hearing.

Kress allegedly submitted an insurance claim for damage to a custom built computer system after an April 11, 2001 lightning strike at his home, after which State Farm paid him \$1,127 for the loss.

He submitted a second, \$5,000 claim a few days later for damage to another computer system resulting from another lightning strike at his home, the Insurance Department said.

\* \* \*

Twenty-two people were charged recently in a massive crackdown on fraud relating to the World Trade Center tragedy.

Thirteen of the defendants are from metropolitan New York and the rest are from Michigan, Arizona, Colorado, Florida, Houston, Pennsylvania, Utah, Puerto Rico and China, the New York State Insurance Department said.

They're charged with lying about the deaths of their husbands, wives, children, nieces, nephews and siblings in the Sept. 11 terrorist attacks so they could receive emergency funds from \$1,000 to nearly \$273,00.

The arrests are the result of a three-month investigation involving the District Attorney's office, Attorney General's office, New York City Police Department, Corporation Counsel of New York City, the Federal Emergency Management Agency, the Social Security Administration and the New York State Insurance Department.

\* \* \*

An Arlington, Mass. attorney and his ex-legal secretary are both charged with claiming bogus injuries to collect more than \$10,000 in disability benefits.

Attorney Alfred Lepore, 66, and Marlene Exume, 33 of Everett are each charged in Cambridge District Court with three counts of larceny over \$250, conspiracy, two counts of insurance fraud and one count of workers compensation fraud, according to the state Attorney General's office.

\* \* \*

Once again David Letterman's top 10 lists are showing their influence.

This time, the New York State Insurance Department has come up with one – the top 10 “Rotten Apples” for 2001.

The list highlights what Superintendent Gregory Serio said were the worst among more than 900 new cases handled by the Insurance Department Fraud Bureau last year.

Here are the top 10 cases, as named by investigators: Operation Whiplash, A Million Here, A Million There, Not Dented Enough, Record Breaker, Five County Sweep, Revoked Broker Busted, Statewide Cleanup, Sweep Nets Unlucky 13, A Family Affair, and finally: This is Customer Service?”

A Family Affair involved a two year investigation leading to the arrest of parents and their three grown children charged with forging the signature of a physician on claim forms to defraud an insurance company of more than \$40,000.

In Not Dented enough, more than 67 people were arrested as part of a crackdown of a no-fault fraud ring in New York.

\* \* \*

A baker and teacher were snared in an anti-fraud investigation in Rhode Island.

Larry Lassiter, 52, of Providence, had been charged with working as a security guard even though he was receiving workers compensation benefits for injuries he received while working at a bakery.

He was sentenced to 10 years probation and ordered to pay nearly \$11,000 to Beacon Mutual, plus \$742 in investigative costs to the Workers Compensation Fraud Prevention Unit, according to the state Attorney General's Office.

Mary Ellen Laverdiere, 56, of Burrillville, R.I. has left her job as a school teacher and agreed to reimburse the Burrillville School Department \$13,000.

She was charged with working at a Connecticut antique shop and various Massachusetts antique fairs in 1996 even though she was collecting sick leave from a work-related back injury she claimed in 1993.

In addition, Laverdiere agreed to pay \$1,000 in investigative costs to the Workers Compensation Fraud Prevention Unit.

\* \* \*

A former Massachusetts “Big Dig” worker admitted he worked as a carpenter even though he was still collecting disability from a 1999 shoulder injury.

The man – Bartholomew O'Connor, 57, of West Roxbury, was sentenced to one year's probation, ordered to pay back \$7,000 to the insurer and also must perform 25 hours of community service, according to the Suffolk County District Attorney's office.

Also "Big Dig" related: A Randolph, Mass. man is charged with workers compensation fraud and larceny. James Mazzeo, 43, allegedly worked at a gas station while he was collecting workers compensation disability benefits relating to a claimed back injury stemming from work on Boston's "Big Dig."

\* \* \*

Charles Vadnais, 30, of Ware, Mass. has admitted to collecting disability benefits even though he was employed, the state Attorney General's office said.

Vadnais admitted to sufficient facts of one count each of insurance claim fraud and larceny over \$250.

The case was continued without a finding.

Vadnais was placed on two years' probation, ordered to perform 200 hours of community service and must pay \$9,885 in restitution.

\* \* \*

A western Massachusetts insurance broker was indicted by a federal grand jury recently on fraud charges.

David Leja was to be arraigned in late February on a 55-count indictment

including mail fraud charges. He's also charged with making false statements in connection with the delivery or payment of health care benefits, The Associated Press said.

The charges involve the town of Williamstown and six other western Massachusetts group insurance plans. The town fired Leja as its health insurance broker in late 1998 because town officials blamed him for a \$1 million deficit in the town's insurance account, The Associated Press said.

He was also charged with providing false information about insurance claims involving coverage for Deerfield Academy, North Adams Regional Hospital, Commonwealth Sprague Capicators, Inc., Specialty Minerals, Inc., Berkshire Family and Individual Counseling and Berkshire Electric Cable Inc, according to The Associated Press.