

Insurance Fraud Schemes That Led To Death, Starvation

By: Karen Demasters

A man in Indiana tried to torch his house in order to file a \$300,000 insurance claim, but instead he blew up his Indianapolis neighborhood and killed two neighbors.

He is among the eight people who have made it into the 2016 Insurance Fraud Hall of Shame created by the Coalition Against Insurance Fraud and announced Wednesday.

Each year, the coalition picks out the most horrific cases of fraud to highlight the fact that insurance fraud can cost in lives as well as money.

In the case above, Bob Leonard helped open a natural gas line inside his home to trigger a blaze. His half-brother, Mark Leonard, and his live-in girlfriend planned to make the fraudulent insurance claim.

In another case, Moussa Sissoko of Washington, D.C., gave up college, supposedly to help care for his son, Shane. But he then bought a \$750,000 life insurance policy on him and murdered him.

Another case ending in death involved a caregiver, Mollie Parsons of Dayton, Ohio, who left a 14-year-old cerebral palsy victim to starve to death, reducing her to a 28-pound skeleton, while she collected the Medicaid checks. She was paid to work six days a week but only showed up a few times a month, the coalition says.

Mental illness made Dr. Fernando Mendez-Villamil rich and taxpayers that much poorer because of false Medicare and Medicaid claims he filed. The Miami psychiatrist handed out 144,000 prescriptions, many for antipsychotic drugs that patients did not need. He billed Medicare and Medicaid for \$60 million in false claims over a two-year period.

Michael Danilovich of New York City joined the Hall of Shame for staging hundreds of car crashes with different people. He helped mastermind the largest no-fault looting of insurers in U.S. history using the faked wrecks, netting \$279 million, the coalition says.

Prison security guard John Alfonzo Smiley of San Francisco told investigators he was shot by a former inmate as he and his wife left a swingers club after having dinner so he could file a workers' compensation claim. The truth was he and his wife were involved in sexual exploits with another couple and the other man shot him in the back, paralyzing him from the waist down.

Another incident of false auto insurance claims was carried out by Ronald Galati in Philadelphia.

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Coalition Against Insurance Fraud

He incorporated bloody deer parts in the scheme and used sledgehammers to damage cars to fake car crashes that totaled \$5 million for the insurance companies. Galati ran a network of corrupt insurance adjusters, tow-truck drivers and a Philadelphia police officer, plus his own repair customers, the coalition says.

Even supposed good Samaritans are getting in on the schemes. Shannon Egeland told his disability insurance company he stopped to help a pregnant woman stranded on a roadside late one summer night near Caldwell, Idaho. He said it was an ambush and someone snuck up and shot him, shattering his legs and forcing surgeons to amputate his left foot. The truth was he told his son to shoot him so he could file an insurance claim.

"One of America's largest financial crimes, insurance fraud, steals at least \$80 billion annually. Too many Americans tolerate fraud and are at risk of committing this crime," says Dennis Jay, executive director of the coalition, which is a nonprofit made up of 150 organizations representing insurance companies, businesses, consumers and others. "Innocent people are traumatized, maimed and lose their savings. Some die. Consumers everywhere pay higher premiums. Insurance cheats need to know they'll be found and prosecuted."