

## Coalition inducts its 2010 Insurance Fraud Hall of Shame

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Each year the **Coalition Against Insurance Fraud**, a nonprofit group, provides a listing of its “Insurance Fraud Hall of Shame” inductees. This year’s honorees, as presented by the coalition, are listed below as the CAIF described them.

Barbara Morris died in a house fire set by an insurance arsonist. Bob Harper bought a fake health policy after urgently needing a pacemaker. A homeless man received a pittance after being rammed by a motorist who bought bogus auto coverage from a self-styled “Christian” insurer.

These trusting consumers are some of the victims of insurance schemers who were dishonored with induction into the Insurance Fraud Hall of Shame by the Coalition Against Insurance Fraud. The No-Class of 2010 represents the year’s most-brazen, vicious, strange or plain klutzy insurance con artists.

These Caliphs of Crime and Barons of Bleak were convicted or had other legal closure in 2010. The Hall of Shame calls public attention to insurance fraud by putting a human face on an \$80-billion crime that many consider a victimless prank.

**Flames of greed.** Dogged by crushing debt, Jeffrey Alnutt burned down his apartment building for a \$277,000 insurance payout. Second-floor tenant Barbara Morris died when she raced back into the flaming Johnstown, N.Y.-area building to rescue her cat. Showing no remorse, Alnutt received 25 years to life in prison.

**Devilish “Christian” insurer.** Puget’s Sound Agricultural Society sold bogus auto coverage while claiming to be a “Christian” organization. The California outfit refused to pay many valid claims. A homeless bicyclist received only \$6,000 despite serious injuries after being rammed by a Puget’s Sound insured. A severely hurt motorist won \$20 million in another case. But the insurer merely sent the motorist a bogus document “authorizing” the U.S. government to pay up. James Kalfsbeek received 10 years in prison.

**Sick health plan.** Preying on people who were desperate for affordable health coverage, American Trade Association sold fake insurance to at least 12,000 trusting consumers. His heart failing, Bob Harper needed a pacemaker but found his coverage useless. Bart Posey’s bogus insurer was one of the largest fake health plans in America before being shut down by the Tennessee insurance department.

**Deadly drug con.** Nearly 70 patients died from ingesting painkillers dolled out by Dr. Stephen

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Schneider. His Wichita, Kans.-area clinic was a haven for addicts seeking easy access to prescription narcotics. Schneider billed insurers for many of the illegal drugs. One addict’s decomposing body was discovered in his apartment after overdosing on Schneider-supplied drugs. Schneider received 30 years in prison.

**Child murdered.** Joel Zellmer drowned his three-year-old stepdaughter in his swimming pool for \$200,000 in life-insurance money. The Seattle-area man lied that little Ashley must’ve slipped into the pool. But Zellmer was strangely unemotional when her body was discovered. He also had a history of harming children of other women he’d married or dated. Zellmer received 50 years in prison.

**Broken promises.** Francis Fredette broke his back when he fell from the roof of a convenience store he was burglarizing. But the Clarendon, Vt. man blamed the injury on his innocent landlords. Fredette lied that he’d fallen on their front steps. He fraudulently shook down an insurer for \$550,000. The landlords lost their life savings to pay him another \$150,000. Fredette received 46 months in prison.

**Non-working comp.** Wanting a paid vacation from his UPS job, Pierre Lamont Taylor had his buddy shoot him in the leg to steal workers’ compensation money. The Washington, D.C.-area man lied that he was shot in an armed