

## The 2014 insurance fraud hall of shame

By: Dennis Jay, Coalition Against Insurance Fraud

America's most notorious insurance schemers have earned leadership of their moral wasteland by induction into the Insurance Fraud Hall of Shame.

The No-Class of 2014 was chosen by the Coalition Against Insurance Fraud. The Shamers come with a warning sign: "Do Not Touch: High Revoltage."

They represent the most brazen, vicious or klutziest insurance cons of the last year. Small wonder, they inflicted costly fakes and pains on consumers and insurers throughout the nation.

America's pharaohs of fraud possess an uncanny drive to connive in pursuit of the immaculate deception. But the newly inducted meaculprits received a loud break-up call: They were convicted last year thanks to the tireless efforts of fraud fighters.

The Hall of Shame draws public attention to an \$80-billion annual fraud spree that many consumers and policymakers think is a harmless and victimless crime. Most Americans are honest, but unacceptably large percentages tolerate fraud — a kind of outrage deficit disorder, research shows. The Hall of Shame presents true-life stories to convince more consumers that insurance fraud is deviant and intolerable behavior.

Storytelling is humankind's oldest and most-effective form of communication. Our brains are biologically wired to think in narratives. Stories also are 20 times more likely to be remembered than hard facts.

Humans thus have fashioned stories to interpret and remember events since the first cave people sat around the campfire to talk about the day's woolly mammoth hunt.

Herewith is the hunt for the Coalition's newest moral invertebrates, the No-Class of 2014.

Dr. Spyros Panos | Poughkeepsie, N.Y.  
Malpractice Fraud

The orthopedist made more than \$35 million in false claims for thousands of botched and faked surgeries. He rushed up to 20 surgeries in a day — as many as other orthos normally perform in a month. One surgery lasted seven minutes.

Panos bounced from operating room to operating room in quick sequence. He performed substandard surgeries, or just sliced open patients and stitched them up without making repairs. Panos also billed routine arthroscopic procedures as expensive open surgeries.

*The Coalition against insurance fraud warns against the following potential costs of insurance fraud.*



**Coalition Against Insurance Fraud**

Christine Steele had two useless knee surgeries and has been unable to work full-time ever since.

Chris Hanson never recovered after three surgeries, including two knee repairs. He can't work at age 55 and has trouble walking. Panos also operated on both Achilles tendons of a senior. She is in constant pain and can't even play with her grandchildren.

Panos received 4½ years in federal prison and faces about 260 malpractice suits.

Angela Garcia | Cleveland, Ohio Insurance Fraud

Garcia let her infant daughters, Nyeemah and Nija, die in a house fire she set for just \$64,000 worth of insurance money. Garcia had overvalued the contents of her home on a renter's insurance claim.

She made claims for possessions she didn't have. Garcia also removed valuables before the fire. The girls had died of smoke inhalation by the time firefighters pulled them from their upstairs bedroom.

Garcia tied Nyeemah with the cord from a window blind to keep her from escaping the fire, prosecutors charged. She showed no grief or other emotions, freely socialized afterwards, and filed her claim within weeks of the girls' deaths.

The fire may have started from an unattended candle in the dining room, Garcia claimed. Yet

started by a flammable liquid.

Garcia also said she crashed through a second-floor window and slid down the porch roof to the ground. Yet she had little or no soot on her, and required no treatment for smoke inhalation. Nor did she have cuts from shattering the windowpanes.

Garcia no longer wanted her children and had tried to give away custody, prosecutors also charged. She was convicted of insurance fraud and killing the kids. Garcia received life in prison.

Andy Lee House | Galveston, Texas Insurance Fraud

House drove his rare Bugatti Veyron into a swampy lagoon to collect \$2.2 million. He told his insurer that a low-flying pelican forced him to swerve off the road into the muck.

But a car enthusiast just happened to be driving by and was awed by the sleek Bugatti. He videotaped House roaring into the lagoon. The video shows no pelican in sight. Nor were there skid marks or other evidence that House tried to brake.

He also left the engine running for 15 minutes in the lagoon. The salt water filled up the engine and ruined the vehicle. House lied that he was too busy fighting mosquitoes to turn off the engine.

The Veyron is one of the world's fastest street-legal production cars. It has an everyday top speed of 213 miles per hour — and was built to reach 253 mph. Only 300 were made. House pleaded guilty and faces up to 20 years in federal prison when sentenced.

Joseph Haddad | Bridgeport, Conn. Medical Insurance Fraud

Retribution crashed into personal-injury attorney Joseph Haddad for running a crime ring that stole millions of insurance dollars by giving useless and inflated treatment to crash victims his paid recruiters delivered.

He erected a large and complex network of doctors, chiropractors, diagnostic clinics and recruiters. Providers diagnosed victims, often without exams, then billed insurers for months of phantom or useless treatment. Runners typically appeared at police stations each day to buy police crash reports that identified the victims. The runners then badgered victims to sign up at Haddad's office.

But Haddad fell hard once federal agents infiltrated his ring by acting as crash victims. One agent was billed for 11 chiro exams even though he only received four treatments. One of Haddad's doctors, meanwhile, was operating with a suspended license.

Haddad was whacked with 51 months in federal prison and must repay \$1.8 million.

Christopher Inserra | New York, N.Y. Workers' Compensation Fraud

The former New York cop moonlighted and gyrated as the lead singer for a punk rock band while collecting more than \$31,000 in workers' compensation money for a supposedly injured arm.

Inserra said he hurt his right arm while taking an injured Port Authority employee to a medical facility. He lied that he had a "tremendous amount of pain" around his right elbow and lower bicep. More medical exams found no serious injuries, but Inserra kept complaining he couldn't even bend his arm.

Yet he kept performing. Photos show him "repeatedly moving his arms in a punching motion" and "violently flailing his arm in an up-and-down motion" on the stage. The band hit the road for a tour called "Miles of Mayhem." Video from concerts in Athens, Ga., Cocoa Beach, Fla., and elsewhere shows him fist pumping and thrashing around. Inserra lucked out with three years of probation. His band's name: Cousin Sleaze.

Sara Ylen Port | Huron, Mich. Healthcare Fraud

Cancer enshrouded Ylen, who lay near death after developing cervical cancer stemming from her being raped in a store parking lot. How tragic. Except that Ylen invented the convincing drama.

Her insurer paid more than \$120,000 in useless hospice care. The community also rallied around Ylen. A church raised \$10,000 to pay other bills, and other well-wishers raised thousands more. A local newspaper wrote an award-winning series about her seemingly valiant fight against her stage-four condition.

Ylen's testimony sent innocent James Grissom to jail for nearly 10 years as her falsely charged rapist. But tests soon showed Ylen didn't have cancer and her life wasn't in danger. The hospice kicked her out. A probe of her computer found search terms, images and URLs proving she'd researched cancer. Ylen also said certain doctors had diagnosed her, but the docs denied involvement.

Ylen pleaded no contest and received a year in jail.

Dr. Farid Fata | Detroit, Mich. Medicare Fraud

Seniors received painful and debilitating chemo therapy for cancer they never had. Cancer specialist Fata made \$225 million in false Medicare claims. About half went for needless chemo and other cancer treatments. He deliberately misdiagnosed patients who were in remission or had no chance of surviving.

Medicare paid out more than \$91 million, and Fata billed private insurers as well.

Fata gave one patient 155 chemo treatments over 2½ years — though the patient was cancer-free. Other patients were pumped with useless blood therapy and iron treatments. And one

patient fell down and badly injured his head at the office. Yet Fata insisted that the patient receive his chemo before going to the ER.

Fata also faked anemia and fatigue diagnoses to justify giving patients dangerous levels of billable drugs. He faces up to 175 years in federal prison when sentenced.

Suzanne Basso | Houston, Texas Life Insurance Fraud

Buddy Musso was a grocery bagger and had the IQ of an eight-year old. He stayed at an assisted-living home near upper Manhattan.

Buddy dreamed of being a cowboy singer. He enjoyed singing slightly off-key versions of country-western songs he heard on the radio.

Suzanne Basso befriended Musso. She lured him to Houston with a false promise of marriage. He was in love with her and wanted to marry. She was in love with the insurance money.

Basso and her cohorts secretly took out \$150,000 worth of life policies on him, upped the policy with a \$60,000 violent-death clause, then tortured and killed him. Buddy's body was found in a ditch — lacerated, beaten and doused with bleach.

Basso tried various dodges to avoid trial: She used a wheelchair and claimed paralysis. She also pretended to be blind, or had regressed to childhood and had the voice of a little girl. The court-appointed psychiatrist said she was faking. Basso was executed by lethal injection in February 2014.

Pamela Phillips | Aspen, Colo. Life Insurance Fraud  
The former Aspen socialite will socialize with prison inmates after car-bombing her ex-husband for \$2 million in life-insurance money to fund a jet-setting lifestyle.

Phillips and Gary Triano lived large in the posh foothills of Tucson, Ariz. Gary was a wheeler-dealer, creating businesses, running Indian bingo casinos and playing a lot of golf. They were rich and rubbed shoulders with well-known figures such as the Trumps.

But Triano's business ventures collapsed and he went broke. Phillips had no more need for Triano. His car exploded as he left his country club after golfing. Phillips had paid ex-boyfriend Ronald Young \$400,000 to carry out the hit.

Phillips moved to Aspen, where she became a well-known socialite. Financial records and phone conversations that Young secretly recorded during talks with Phillips exposed the deadly ruse. She once said how easy it would be to hire someone to kill Triano, a longtime friend also testified. Phillips received life without parole.