

Meet the 2015 Insurance Fraud Hall of Shame inductees

Coalition Against Insurance Fraud introduces the newest dishonorees

By: Dennis Jay

It's time to unveil the newest dishonorees of the Insurance Fraud Hall of Shame; the perpetrators of the year's most brazen, vicious or just plain klutzy insurance misadventures. All of these extreme schemers were convicted or had other legal closure in the last year.

The No-Class of 2015 adds new extreme schemers to the pantheon of purloining created by the Coalition Against Insurance Fraud. The newest moguls of mayhem blew up neighborhoods, conducted painful quack surgery on healthy people and tried to kill puppies as part of their efforts to defraud insurers.

Recounting such real-life cases helps to shape public opinion against fraud and deter would-be fraudsters while building greater societal intolerance of the crime. The shamers thus publicly brand insurance fraud as a deviant crime and dead-end street.

Their plots attract consumer attention in an era of extreme message overload. Consumers are exposed to about 360 ads per day, receive 93 emails and spend 593 minutes a day on various media. Typical social-media users also consume 285 pieces of content daily. That's 54,000 words, and as many as 1,000 clickable links plus about 443 minutes of video.

The shamers are highly clickable, year in and year out. Here are this year's entrants to the Hall of Shame.

Mark Leonard

Stuck with gambling habits and debts, Leonard wanted to burn down his home for a \$300,000 insurance payday. He botched the plot. The gasoline and escaping natural gas he built up exploded like a drone strike. The blast leveled much of the Indianapolis subdivision, causing causing \$5 million in damage. It was one of the most-violent insurance arsons in U.S. history.

Dion and Jennifer Longworth lived next door. Jennifer died when the second floor pancaked, and Dion was burned alive in the basement. Dozens of other neighbors were injured. Leonard received life without parole.

Mikhail Zemlyansky

Fraud fighters took down the largest no-fault auto scheme ever charged. It was an attempted \$279 million thievery from auto insurers.

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Zemlyansky's fraud cartel made dodgy injury claims involving real and phantom car wrecks in the New York City area. Most operatives were of Russian descent.

Among his gang members were 10 doctors and three lawyers helping to run an archipelago of sham clinics. Patients were given rubber-stamped "modality treatments" which included physical therapy or acupuncture, often up to five times a week for each patient.

Zemlyansky's gang also billed insurers for fake crashes. Personal injury lawyers sued insurers after coaching patients on how to mimic symptoms of injuries. Most of his gang pleaded guilty. Zemlyansky awaits sentencing and could receive a century in prison. (See the September 2015 issue of Claims for the full story on Zemlyansky.)

Gloria Lee

Bankrupt and needing cash, the Las Vegas pet-shop owner tried to burn alive 27 terrified puppies locked in their cages. Incredibly, her own security cameras recorded the nighttime action.

She teamed up with her lover, Kirk Bills, who she let into the store via the back door according to the security footage. He spread gasoline from red cans around the store — and coated the locked cages full of cringing puppies. She tried to frame her husband for the deed and file a \$100,000 insurance claim.

Luckily the fire fizzled. Lee received up to 14 years in prison and Bills up to a decade.

Martin Pang

His business in Seattle was struggling, so Pang started a warehouse insurance blaze that killed four fire fighters. Walter Kilgore, James Brown, Gregory Shoemaker and Randy Terlicker died when the floor collapsed and they were thrown into the burning basement. Seven other fire fighters just managed to escape a similar fate.

Pang then took thievery to new heights. From inside the penitentiary he supposedly tried to steal the identities of the investigators in his case, although he was not criminally charged. A court ruled in April that he must repay nearly \$1 million to the families of the fire fighters. Pang had earlier received 35 years in prison.

Jose Urena

An NYPD cop who took an oath to defend the law, instead routinely broke it in serial fashion. Driving a Mercedes-Benzes drained Urena's bank accounts, so he launched a spree of false auto claims. Among them:

Urena lied that someone had vandalized his leased ML350. He used the insurance money to repair pre-existing damage. Urena then reported the car stolen the day before his lease expired. He had a cohort burn it, and cashed another insurance check for phantom repairs.

His next Mercedes proved too expensive so he rear-ended a U-Haul, trying to convince his insurer to declare the car a total loss. A Dodge Charger came after that. Urena was involved in a crash and made an inflated claim for pre-existing damage. He could spend up to three years in prison when sentenced.

Stephen Krawitz

Dozens of mostly elderly and low-income clients urgently needed insurance settlements that Krawitz had negotiated for them, but the Manhattan personal-injury lawyer stole their money — more than \$1.9 million worth. One victim was a 96-year-old great-grandmother who hurt her shoulder in a car crash.

Krawitz also stole \$65,000 from Robert Rough, who was dying of cancer. A car crash left him with severe nerve damage in his hands, costing

him his business. Rough died without receiving any money.

Meanwhile, Krawitz lived in a \$2-million home and sent his kids to private school. Krawitz will be schooled in a jail cell since he received up to 12 years in state prison.

Dr. Aria Sabit

Patients received useless and painful spinal surgeries so a neurosurgeon could steal \$11 million from insurers. The Detroit doctor convinced many patients to get spinal fusion surgeries they didn't need. Sabit did surgeries on nearly everyone who walked into his clinic.

The pain continued long after a bungled surgery for some patients. He also sliced open and closed some patients without doing any repair work at all. Tonocca Scott must wear a back brace with a DVD case taped inside to keep his spine straight. He can sit for only a few minutes and has placed his dream of a computer-technology career on hold.

A repeat offender, Sabit pulled a similar scam in California, where he implanted unneeded devices and performed unnecessary surgery. Sabit could spend up to 11 years in federal prison when sentenced.

Jose Lantigua

Vacationing in his native Venezuela proved fatal, at least according to Jose Lantigua's death certificate. He supposedly died from an illness and was cremated there, except the Jacksonville, Florida, resident bribed bureaucrats to issue forged death documents in a fumbled plot to fake his death for approximately \$9 million in life insurance.

He sought a passport using a North Carolina driver license in the name of a postal worker whose identity he had stolen. Lantigua's height, eyes, hair color and other identifiers were significantly different from Ernest Wills, Lantigua's victim. The fraudster will spend up to 12 years in prison when sentenced.

Theresa Fisher & Lindsay Hardgraves

Fisher and Hardgraves ran a surgery center in Orange County, California. Insurers were billed \$71 million, much of it for uninsured plastic surgery charged as legitimate medical treatment. Over \$50 million was paid to the women before the fraudulent scheme was discovered.

They bribed patients with tummy tucks, breast enlargements and liposuction. The tradeoff: The patients underwent insured surgeries they didn't need — endoscopies, colonoscopies and others.

Tummy tucks were billed as hernia operations. Nose jobs were deviated septums. Patients were also coached on how to fake symptoms and foil insurers. Fisher received three years in federal prison and Hardgraves five months.

William Worthy

More than 17,000 trusting consumers thought they'd bought legitimate health insurance only to find out it was fake. The South Carolina-based Worthy erected a large network of fake health insurers geared solely to steal premiums. It was one of the largest such rings in U.S. history. The ring stole up to \$28 million in premiums, even fleecing church pastors with a bogus insurance plan. Consumers were often left with huge medical bills they had to pay themselves — more than \$7 million total.

Worthy's unlicensed insurers routinely denied legitimate claims. He used the customer premiums to support a princely lifestyle and will possibly spend decades in federal prison when sentenced. Largest such scams in U.S. history.

Pierre Collins

The Minneapolis-area man beat his 10-year-old son, Barway, to death and then duct-taped his body and tossed him into the Mississippi River like cordwood for just \$50,000 in life-insurance money.

Collins had paid the premiums just two days before Barway disappeared and he had also asked the insurer about raising the coverage on Barway from \$30,000 to \$50,000. For Collins, that was the market price of a child's life.

He owed child support for multiple children and was unemployed. Cell-phone pings placed him near the spot where Barway's body was found. After denying that he had nothing to do with his son's disappearance, he confessed earlier this year. Collins received 40 years in prison.

These convicted Hall of Shamers are helping to brand insurance fraud as a crime that society should oppose with greater resolve. And they are publicly positioning fraud fighters as effective crime busters intent on shining a light on a crime that impacts everyone.