

## 9 fraudsters join the Hall of Shame

By: Dennis Jay

Who says the elections are over? The insurance world's commanders in chief also take office after balloting for the Insurance Fraud Hall of Shame.

The action swirls around jail houses instead of White Houses, insurance policies instead of defense policy and prison terms more than terms of office. The electorate that matters most is a judge and jury.

The no-class of 2016 profiles America's most-brazen convicted insurance criminals of the past year. They were dishonored by a poll of one: the Coalition Against Insurance Fraud.

Some shamers are stone-cold criminals and even murderers; others are circus-caliber bunglers. All are elected public servants, in their backhanded way: They put a human face on an \$80-billion insurance crime that many Americans view as a victimless prank.

The shamers transcend blue and red. Their color is dollar-bill green. Yet thanks to unshakeable fraud investigators and prosecutors, the rule of law replaces the shamer rule of law.

### Deer deception

"I live my life to cheat insurance companies — my high every day is to cheat insurance companies." So growled Philadelphia mobster and body-shop owner Ron Galati.

He used deer carcasses to stage vehicle wrecks with the errant animals. It was an attempted \$5 million soaking of auto insurers for trumped-up injury and damage claims.

Galati stored deer carcasses, hair and blood at his body shop. His goons poured the blood over cars, set up crashes and took what they called "Hollywood photos" of the bogus wreck scenes for insurers.

Wayward geese, dogs and chunks of concrete also supposedly banged up cars.

He bribed a police officer to create fake crash reports. A corrupt insurance adjuster rubber-stamped the claims.

Galati also had tow truck drivers vandalize customers' cars so they'd return for more inflated insurer-paid repairs. Galati awaits state sentencing.

### Faulty no-fault con

Michael Danilovich was a kingpin of America's largest no-fault staged-crash ring ever. It was a \$179 million attempted Godzilla-size pilfering of auto insurers using hundreds of setup and phantom

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**Coalition Against  
Insurance Fraud**

vehicle crashes in the New York City area.

A sprawling network of crooked clinics delivered worthless and inflated injury treatment for bogus car passengers.

MRI, acupuncture and chiropractic clinics feasted on insurers. Doctors were on the take, illegally installed as stooge clinic owners who did Danilovich's bidding. Recruiters received kickbacks to deliver pretend crash victims for unneeded tests and treatments.

Insurance plunder bought Danilovich luxury vacations, cars and watches. Insurance crime bought him 25 years in federal prison.

### Explosive scheme

Bob Leonard blew up a house in a botched \$300,000 insurance- arson plot that burned next-door neighbors alive, and leveled much of the Indianapolis neighborhood.

Leonard helped rig a microwave to a timer. He and his half-brother, Mark Leonard, had leaked natural gas throughout the home. The unstable fumes detonated like an asteroid strike when the microwave emitted sparks.

Jennifer Longworth, who lived next door, was killed instantly. Her husband, Dion, died screaming in pain when a fireball engulfed the basement where he was trapped.

hey lured him to a remote desert location and attacked. West was beaten and bitten, run over by a car, shot in his heart and his throat slashed. Maskovian received life without parole.

The fraudster voter bloc is whiner-take-all balloting, and stealth is their path to wealth. Yet investigators continually improve their own tactics. More powerful analytics, multi-agency task forces and proven street instincts apply growing pressure with each passing year.

Turning the corner still may require full buy-in of the most-important voting body of them all, however, the court of public opinion.

About 80 homes were damaged or destroyed. Dozens of people, including children, were traumatized and injured.

Leonard showed the empathy of a stone. "Oh well, they died," he said about the Longworths. The state court's empathetic sentence: life without parole. Mark Leonard was a dishonored Hall of Shamer last year.

Swinging shooter

An irate sex partner sped a bullet into John Smiley after a night of swapping at a San Francisco swingers club. Rendered a paraplegic, Smiley morphed his libidinous frolicking into a sham \$4 million workers' compensation claim.

Smiley was a corrections officer with the California prison system. He and wife Cynthia swapped with the shooter and his wife at the sex club. They argued afterward. The husband shot Smiley in the back outside of the club, crippling him.

Smiley lied to the state-run workers' comp insurer that a parolee with a grudge shot him outside a restaurant. It was a Hail Mary gambit to make his bullet wound seem work-related. His muddled stories of the incident sank the claim. Smiley has eight months in jail to get his stories straight.

A leg up?

Helping a stranded motorist on a country road exposed Shannon Egeland to a shotgun blast that blew up his leg and forced doctors to amputate his foot.

Or so the Idaho man told his disability insurer. He got out of the car to help around 2 a.m., when someone hit him in the head, fired the 20-gauge shotgun into his lower leg, and then left him for dead. However, the assailant didn't steal his wallet, cellphone or high-end BMW. The pellets inflicted multiple fractures, or so Egeland said.

In reality, Egeland ordered his own son to shoot him in the lower leg to scam his disability policy. He had bought a dismemberment policy just a week before the shooting, which also happened just days before he was required to start serving 10 years for mortgage fraud in Oregon. He awaits federal sentencing for the insurance scam.

Mental mistake

Dr. Fernando Mendez-Villamil tried to pilfer \$60 million in false claims for mental illness drugs to Medicare seniors and lower income people on Medicaid.

The Miami doctor became a national icon of lavishly overprescribing unneeded drugs for illicit profit and was singled out in a U.S. Senate hearing.

Mendez-Villamil took large kickbacks to dole out bogus diagnoses of mental illness. He hawked nearly 97,000 prescriptions for powerful antipsychotic drugs to Medicaid patients in just

two years — the most of any mental health doctor in Florida. He also soaked Medicare with 47,000 prescriptions to seniors in just two years.

Insurance thievery bought Mendez-Villamil a \$1 million mansion. The feds impounded 221 paintings, prints, sculptures and other artworks. Mendez-Villamil was rewarded with 12 years in prison.

Starved and alone

Makayla Norman was a beautiful 14-year-old girl battling cerebral palsy. Bed-ridden and unable to speak or move, she weighed just 28 pounds when she died.

Her caretaker nurse, Mollie Parsons, starved, abused and ignored the helpless Dayton, Ohio, teen. Parsons amassed false Medicaid claims for home care while traipsing through department stores on shopping jaunts.

Insurance money paid Parsons to care for Makayla six days a week, eight hours a day. She showed up a few times a month.

Makayla was covered in filth, lice and open sores when investigators found her body. Her diaper wasn't changed. Norman's sentence: 10 years in state prison.

Blood money

David Nicoll ran a blood lab that launched a \$100 million Medicare bribery scandal that took down 26 corrupt doctors. It was the largest takedown of doctors for insurance graft in U.S. history.

The Parsippany, N.J., man ran Biodiagnostics Laboratory Services. He greased doctors' palms to send him patients for worthless blood testing then overbilled to insurers.

Nicoll slipped doctors \$4 million in kickbacks — \$1,500 to \$5,000 a month, plus expensive meals, and tickets to concerts and other events.

Nicoll spent millions on rare collectible cars. His large stable included \$580,000 for a Chevy muscle car and \$300,000 for a Ferrari. He chartered private jets and blew through more than \$700,000 on a Manhattan apartment for his "female companion."

His corporation, Biodiagnostics, pleaded guilty in June 2016.

Murder for hire

Joshua West fought to his final gasping breath. Hitmen hired by Hovanes Maskovian needed a tire iron, knife, teeth, car and gun to kill his ex-boyfriend for \$2.5 million of life-insurance money.

Maskovian was the policy beneficiary. The Los Angeles area couple broke up after seven years together, the policy still intact. Maskovian enlisted brother Hachik and a sidekick to murder West.