

New York AG Named Prosecutor of the Year by Fraud Association

By: Coalition Against Insurance Fraud

Cited for an aggressive campaign to counter auto and healthcare insurance fraud scams, the Office of Attorney General in New York was honored with the “Prosecutor of the Year” award by the New York Alliance Against Insurance Fraud, a state alliance of 104 insurance companies.

The award was presented during NYAAIF’s annual meeting.

NYAAIF Chair Jim Berrigan credited the leadership of Attorney General Eric Schneiderman in compiling an impressive record of prosecuting a variety of insurance-fraud cases, including:

A ring operating in Nassau and Suffolk counties that used rented U-Haul trucks to purposely crash into cars owned by ring members. The ring had submitted more than \$100,000 in claims to insurers. If convicted, the ring leader faces 21 years in prison.

An NYPD officer who had a high-level taste for luxury cars, but not the cash to keep up the payments. He purposely crashed one Mercedes Benz for an insurance payout, and faked the theft of another one.

A Long Island man who falsely claimed he was an insurance broker and stole from customers and insurers by submitting hundreds of fraudulent policies. He received up to four years in state prison.

A roofer in the Albany area who was notorious for ripping off consumers and insurers on damage claims. Prosecutors gained a stiff sentence — up to nine years in state prison.

The award was accepted by deputy AG Stephanie Swenton, chief of the auto insurance fraud unit. Swenton profiled several prominent cases. One emerging trend is enhanced damage by auto body shops. Several investigations are underway and indictments will be announced in the next few months, Swenton said.

Attendees of the NYAAIF meeting also heard from Frank Orlando, head of the fraud unit of the state Department of Financial Services. The 23,000 to 24,000 fraud referrals his agency receives annually are holding steady from year to year, Orlando said. A total of 62 percent involve suspected fraud from the state’s no-fault auto system. In one new trend, undercover officers being treated by clinics for back pain are told they require knee surgery even though there is no evidence of joint injury.

Drug diversion involving prescription painkillers remains a huge problem in the state, Orlando added.

NYAAIF also previewed its upcoming television and radio advertising campaign, which will focus on workers compensation and disability fraud. The campaign begins in May with the tagline: “Workers comp: Not injured. Not eligible.”

NYAAIF also elected five members to three-year terms on the NYAAIF board. They are: Jim Berrigan (Crum & Foster), Tom Kelleher (Nationwide), Carmen Russo (John Hancock), Ed Kurathowski (Mapfre Insurance) and Bruce Oliver (Merchants). Officers elected for 2015-16 included Chair Jim Berrigan, Vice Chair Jim Potts (New York Central Mutual), Treasurer Kevin O’Connor (Interboro) and Secretary John McHale (Erie Insurance).