

WEEKLY FRAUD NEWS & REVIEW

Friday, June 3, 2016

FRAUD CONVICTIONS

A prominent Miami-area lawyer stole client insurance settlements. Among the thefts was a trust account set up for a father and son in a life insurance case. The money was merely a loan to be repaid later, attorney Guy Bailey said at his trial. Bailey nearly got off lightly. The judge handed him six years of probation in 2014 with the condition to repay victims. Bailey made zero effort and kept insisting he never stole the money. The irate judge landed on him this week, doling out 24 months in state prison.

Michael Bridges was driving his wife Jennifer Brumfield's car; she was the passenger when he rear-ended a car parked at a red light in Sacramento. Both vehicles were seriously damaged. Bridges pulled up to the injured victim's car and said "I didn't just do that." He drove off without giving his driver license or insurance info. But witnesses saw everything and his front license plate was left at the scene. Brumfield told her insurer that someone had stolen the car. It was found a half mile from her home, the front end crushed. Brumfield had the only key and the windows were intact, as was the transponder anti-theft system. She said her nephew drove her to work that day yet cell records showed Bridges drove her — and he was excluded under her auto policy. Bridges received three years in state prison and Brumfield 150 days in county jail.

Trapped on a balcony as flames closed in, an apartment tenant was rescued by fire fighters from the arson fire set by landlord Zabeeda Permaul. The Schenectady, New York woman had suffered financial losses, owing \$250,000 to family members and was behind on her taxes. She sought to burn down upstairs apartments and her ground-floor eatery, Charlie's West Indian Bakery and Restaurant, turning off the restaurant's security cams that morning then setting fire to the cellar stairs. Permaul stood to reap \$500,000 for the building and \$70,000 for her apartments. The tenant smelled fuel and smoke filled her apartment and exit staircase. She broke a window to climb onto the balcony and saw Permaul driving from the parking lot. Permaul was convicted of insurance fraud and arson. The potentially fatal insurance scam earned her 25 years to life in prison.

The Arkansas insurance department reports two homeowner convictions: Courtney Lawrence gave State Farm a \$2,611 receipt from a Hot Springs business supposedly documenting furniture she lost in a home fire. The receipt was handwritten but the furniture store used only printed receipts and Lawrence was not in the store's customer database. When the



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insurer confronted Lawrence, she said she bought the furniture off a truck and the driver hand wrote the receipt. Lawrence received three years of probation. In the second case, Kimberly Chambers claimed a burglar crept into her home through an open window stealing four pistols, hand tools, jewelry, coins, clothing, and a small document safe. Farm Bureau Insurance issued her a \$3,334 check. Chambers later admitted the burglary was real but faked the losses to cover her deductible and make a profit. Chambers received a year of probation and must repay Farm Bureau.

Kari Richards' painkiller scheme was as dislocated as her shoulder. The Pittsburgh-area woman routinely, and painfully, kept dislocating her shoulder to score addictive opioids. Richards went to more than 100 hospitals in 11 states — at least 300. She nabbed 190 scripts for oxycodone and other opioids, financed by her health insurer. Richards grew addicted after an unsuccessful shoulder surgery. She pleaded guilty and will be federally sentenced Sept. 7.

Amy Gustina Klimkowski may be ready for Medicare when she leaves Oklahoma state prison. The Oklahoma City-area woman received 20 years in jail for the theft of more than \$100,000 from Medicaid funds at the nursing home where she was office manager. Klimkowski used her insider position to access the money, which was intended for the care of residents. She blew the money on auto insurance, cell phone bills, and other personal expenses. The Oklahoma AG filed the original charges.

FRAUD CHARGES

Claire Risoldi sent bogus subpoenas to intimidate witnesses in a suspected \$20-million insurance scam involving her burned mansion, Pennsylvania prosecutors say. The prominent political fundraiser allegedly made bogus and inflated property claims after her lavish place burned down. Prosecutors say Risoldi issued subpoenas supposedly from a Bucks County court to employees of the AG's office, the insurer AIG, police officers, and a law firm. Two demanded that police produce documents involving the case. One implies a police lieutenant was promoted only to reward him for grand-jury testimony against her. The threat also implies Risoldi could get to Lt. J.R. Landis any time she wanted. The subpoenas were issued under the name of Risoldi's attorney Jack McMahon, though he denies any role. Risoldi asked a courier to deliver the documents before her upcoming trial date. She handed him the subpoenas at her home. Risoldi and family members face a slew of charges.

The claims were too similar for coincidence, prosecutors say. Reports of vandalism to BMWs, Mercedes Benz sedans, and a Chevy Express van came in to law enforcement in the Fargo, North Dakota-area. Five cars were involved in separate incidents. Drivers said they got flat tires on Interstate 29. They left to get spare tires and returned to find every panel on their vehicle



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punctured and dented. Insurance claims ensued. Dent and puncture patterns looked the same on all vehicles, prosecutors allege. Adem Hokic, Nedzad Hokic, Nedzada Hokic, and Mohamed Nuhanovic face insurance-fraud and other charges.

Desperate to cover up her premium theft, an agent issued fake auto policies and posed as a victim in court, Newburyport, Massachusetts prosecutors contend. Police pulled over a client of agent Mary Kumar. The driver had no auto coverage, a database check showed. She called Kumar who assured the driver she would straighten out the mess. Kumar did nothing and the driver was summoned to court on two motor vehicle charges. The victim emailed Kumar, who sent the court a typed letter in the driver's name asking for an extension. The court agreed. Kumar then appeared in court, pretending to be the victim. Identifiers she gave state officials did not match the real victim's state database info. Officials grew suspicious and discovered the victim's DMV photo differed from Kumar. Kumar still insisted she was the victim and had her photo taken to replace the victim's image. Meanwhile, the terrified victim was pulled over and arrested on the previous warrant and spent three days in jail. The state trooper who pulled over the victim the first time finally confirmed the victim's identity. Kumar faces numerous charges.

A transmission shop went up in smoke and flames and the owners had a leaky story. The father-son duo of Surujlal and Navin Soomair ran DMS Transmission in Orlando. Five customer vehicles and the rented shop were damaged. The Soomairs' stories contradicted each other and their alibis did not add up. Cell records also showed both were near the shop just before it caught fire. The blaze was set with gasoline that started in two vehicles inside their shop. The family filed an inflated \$500,000 claim when their own inventory report showed about \$40,000 of inventory. A voice-stress test also showed deception when detectives interviewed Navin. Surujlal and Navin face insurance fraud and other charges.

William Waller and his children lost everything in a fire that destroyed their 113 year old home. Waller torched the Danbury, Connecticut house for insurance money. He created a *FundRazr* site, asking people to donate money to help rebuild his life. "Please help us our was destroyed in a fire and we would greatful for any help thankyou all," Waller posted, typos and all. But Waller set the home on fire, a lengthy investigation reveals. He was arrested, and charged with arson and insurance fraud. Waller is being held on bond. The amount of money raised online: \$0.

A husband-wife duo lied that burglars stole tens of thousands of dollars in personal goods from their Anchorage, Alaska home. Arnold Wesley Flowers II and Miranda May Flowers filed the claim for damages to their home, plus stolen electronics, jewelry, and clothing. Law enforcement found many of the goods in the couple's storage unit. They had taken the supposedly stolen items there five days before the claimed burglary, feds say. Wesley took a harder fall. A search of their home uncovered cocaine



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and firearms. Significant priors: insurance, gun, and drug convictions could earn him considerable federal time.

RELATED NEWS

State Farm's suit against two medical providers was green-lighted to move ahead after earlier being dismissed. The insurer sued Eastern Approach Rehabilitation and Aquatic Therapy, and chiropractors Leonard Stavropolskiy and Joseph Wang. The insurer says they stole \$850,000 by billing for phantom and inflated treatment backed by fake medical records. The federal district court (Philadelphia) dismissed the cases in February, and State Farm filed an amended action. The chiropractors moved to dismiss. The district court allowed State Farm's action to continue. Among the arguments: "Whether State Farm's reliance on the submissions by the defendants was reasonable or justified is a question of fact; this is precisely the kind of inquiry that is best decided by a jury and would be improper for a court to dismiss at this stage," the court says.

Russell Powers received a call. The phone's caller ID displayed "Unity Medical" — a local medical supply store. The Englewood, Florida man thought the call was legit. Medicare recently was billed for a hospital bed he recently bought from Unity. The caller said he was "having trouble with insurance information." Powers grew suspicious and called Unity directly. It was an attempted medical ID theft. Unity does not make that kind of call, and the store had received similar complaints from other customers.

LEGISLATION

Stricter licensing for public adjusters took effect in Louisiana when the governor signed a bill into law. Adjuster firms also are forbidden to employ adjusters convicted of dishonesty or breach of trust. This aligns the Louisiana code with federal law. The insurance department also gains authority to yank the license of adjusters who violate insurance laws and regulations of Louisiana — or any other state.

The New York Senate cleared a bill making it a crime for New York drivers to register and insure their vehicles in other states with lower auto premiums. Some drivers have registered their vehicles in Pennsylvania to illicitly save on auto premiums. Virtually the same proposal passed the Senate last year then stalled in the Assembly. This year's bill likely will meet the same fate as a key Assembly committee is reluctant to add new criminal offenses. The bill is similar to a New Jersey rate-evasion law.



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