

Honorable Philip D. Murphy, Governor
Office of the Governor
State of New Jersey
125 West State Street
Trenton, New Jersey 08625

Dear Governor Murphy:

I am pleased to submit the Annual Report of the Office of the Insurance Fraud Prosecutor (OIFP) for the calendar year 2019, pursuant to N.J.S.A. 17:33A-24.

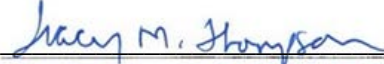
Our efforts in 2019 can be summed up in one phrase, “A Call to Action.” We issued a call to action to our OIFP staff; to our colleagues in other states; to our insurance industry stakeholders; and to our compatriots in other state agencies. OIFP staff answered the call to not just continue their hard work and dedication, but to expand their efforts into new areas. In response to our call, our colleagues in other states agreed to collaborate with us to address insurance fraud schemes that cross our common borders. The insurance industry engaged with us to provide increased investigative and training support. Our contemporaries in other state agencies answered the call by streamlining our access to information needed to assist in our investigations.

The end result is reflected in our case summaries and statistics. The number of defendants charged increased from 42 in 2018, to 104 in 2019, and the total civil fines and penalties imposed in Medicaid cases increased by more than \$1,000,000 - a reflection of the hard work and dedication of our OIFP staff. Although the number of total referrals received in 2019 decreased in comparison to those received in 2018, the number of indictments and accusations increased from 34 to 48, in all likelihood due to the improved quality of the referrals from our insurance company stakeholders. After an October 2019 meeting with our

counterparts in the Pennsylvania Attorney General's Office, we decided to organize a Regional Insurance Fraud Summit for 2020, that would include representatives from New York, Pennsylvania, and Delaware. And, our commitment to regular contact with the staff of other state agencies yielded faster responses to requests for information.

We are committed to maintaining our position as a leader in the fight against insurance fraud. Thank you for your attention to this Report.

Sincerely,



Tracy M. Thompson, AAG
Insurance Fraud Prosecutor

Enclosure

C: Honorable Nicholas Scutari, Senate President
Honorable Craig J. Coughlin, Assembly Speaker
Honorable Matthew Platkin, Attorney General

OFFICE OF THE INSURANCE FRAUD PROSECUTOR 2019 ANNUAL REPORT

A. SIGNIFICANT CASES- PRIVATE INSURANCE

State v. Robert Cirino

In November 2018, Robert Cirino, 37, whose last known address was in Reading, Pennsylvania, was indicted on charges of insurance fraud and theft by deception in connection with claims seeking coverage for the following:

- A collapsible wheelchair, a book bag containing a MacBook Pro laptop computer, \$500 cash, credit cards, a cell phone case, and a toiletry kit containing medication purportedly lost in a Miami Airport terminal bus when the bus driver drove off before he could retrieve his belongings;
- A wheelchair, a book bag containing \$800 cash, credit cards, an iPhone cellular telephone, an oxygen compressor, and medication purportedly stolen when a cab driver drove off with his belongings in Baltimore;
- An iPad tablet computer, medication, \$1,000 cash, and clothing that he purportedly left on a train in Chicago that was gone when he went to retrieve them;
- A motorized wheelchair, an oxygen condenser, an insulin pump and insulin, an iPad Pro tablet computer, and a book bag purportedly stolen when two men from whom he accepted a ride in Charlotte, NC, drove away with his belongings while he was using an ATM machine; and

- Six MacBook Pro laptop computers he purchased as Christmas gifts purportedly stolen from the garage of a family member he was staying with in Chicago.

Cirino provided fraudulent receipts, invoices and other documents in support of these five fraudulent claims he submitted to Travelers Insurance between September 2015 and February 2017. Travelers Insurance paid the first two claims and denied the rest.

In November 2018, Cirino pleaded guilty to third-degree theft by deception in connection with payouts on the two claims and on January 25, 2019, he was sentenced to three years in prison and ordered to pay more than \$27,000 in restitution.

State v. [REDACTED]

On February 4, 2019, [REDACTED], of Passaic County, was indicted for second-degree insurance fraud, second-degree theft by deception, second-degree impersonation, third-degree impersonation and third-degree attempted theft by deception. The charges allege that, on or between July 23 and August 1 of 2017, [REDACTED] obtained personal identifying information pertaining to two individuals and assumed their identities in an attempt to obtain more than \$175,000 from their insurance annuity policies.

In the first case, [REDACTED] allegedly impersonated policy owner “P.C.” in two withdrawal requests submitted to Voya Insurance and Annuity Company, also known as Voya Financial. The first request sought partial distribution of \$78,900 from P.C.’s annuity policy. The second request sought a partial distribution of \$93,400 from the same policy.

[REDACTED] also allegedly impersonated P.C. in an email to Voya Financial, and in a

conversation with a company representative in connection with the distribution requests.

██████████ obtained more than \$75,000 from the account.

In the second case, ██████████ allegedly impersonated policy owner “L.C.” in a withdrawal request submitted to Allianz Life Insurance Company of North America. The request sought a partial withdrawal of \$22,000 from L.C.’s annuity policy. ██████████ also allegedly impersonated L.C. in a phone conversation with an Allianz representative in connection with the withdrawal request.

State v. Wayne M. Bessant, Reyshawn D. Barlow, Rayshawn Kelly and Rashon Smith

On March 2, 2019, Wayne M. Bessant, Reyshawn D. Barlow, Rayshawn Kelly and Rashon Smith, of Mercer County, and six of their associated businesses: Hoffman Restoration, LLC; Best Way Restoration, LLC; Wayne Enterprises Since 1981; Fast Cash Investments, LLC; JLaw & Investors, LLC; and Group of LJM&W, LLC were charged with first-degree conspiracy and money laundering in connection with a bank scheme involving the deposit of nearly \$1.4 million in phony or forged checks related to insurance claims.

The defendants allegedly conspired in a scheme to set up several phony bank accounts in the name of People’s Property Adjusters (“PPA”), a West Deptford company that assists insureds in submitting claims against homeowner insurance policies. Allegedly, the defendants used the phony accounts to deposit forged insurance payout checks stolen from PPA, and to deposit phony PPA checks purportedly made out to defendant-controlled bank accounts. The defendants then used the phony accounts to transmit the illicit funds to other

bank accounts, official checks, and/or other financial instruments under the control of the four men or companies associated with them, according to the indictment.

The defendants were charged as follows:

Wayne M. Bessant, 38, of Trenton: first-degree conspiracy; 2 counts, first-degree money laundering; 3 counts, second-degree misconduct by a corporate official; 6 counts, second-degree theft by deception; third-degree theft by deception; 4 counts, second-degree attempted theft by deception; third-degree attempted theft by deception; and 29 counts, third-degree forgery.

Reyshawn D. Barlow, 31, of Trenton: first-degree conspiracy; 2 counts, first-degree money laundering; second-degree impersonation of an organization representative; 3 counts, second-degree theft by deception; 3 counts, second-degree attempted theft by deception; and 29 counts, third-degree forgery.

Rayshawn Kelly, 43, of Trenton: first-degree conspiracy; 2 counts, first-degree money laundering; third-degree misconduct by a corporate official; 2 counts, second-degree theft by deception; 2 counts, second-degree attempted theft by deception; and 29 counts, third-degree forgery.

Rashon Smith, 34, of Trenton: first-degree conspiracy; 2 counts, first-degree money laundering; second-degree impersonation of an organization representative; and second-degree theft by deception.

Hoffman Restoration, LLC, based in Trenton, owned and operated by Wayne Bessant: first-degree conspiracy; 2 counts, first-degree money laundering; and second-degree theft by deception.

Best Way Restoration, LLC, based in Trenton, owned and operated by Wayne Bessant: first-degree conspiracy; and 2 counts, first-degree money laundering.

Wayne Enterprises Since 1981, based in Trenton, owned and operated by Wayne Bessant: first-degree conspiracy; and 2 counts, first-degree money laundering.

Fast Cash Investments, LLC, based in Trenton, owned and operated by Rayshawn Kelly: first-degree conspiracy; 2 counts, first-degree money laundering; 2 counts, third-degree theft by deception; and 2 counts, second-degree attempted theft by deception.

Group of LJM&W, LLC, based in Hamilton, owned and operated by Reyshawn Barlow: first-degree conspiracy; 2 counts, first-degree money laundering; and second-degree attempted theft by deception.

JLaw & Investors, LLC, based in Levittown, PA: first-degree conspiracy; 2 counts, first-degree money laundering; third-degree theft by deception; and third-degree attempted theft by deception.

State v. Major Smith

On October 29, 2018, Major Smith, 49, an Essex County man and former teacher in the East Orange school district, pleaded guilty to second-degree insurance fraud when he admitted to filing more than two dozen claims for disability with American Family Life Assurance Company of Columbus (Aflac) that contained forms purportedly filled out by his doctors and/or employer. Smith filed the allegedly fraudulent claims between February 2012 and October 2015, in a scheme to obtain \$74,000 in disability payments in connection with injuries he purportedly sustained in several accidents.

On April 9, 2019, Smith was sentenced to three years in state prison and ordered to pay \$70,248 in restitution.

State v. Samuel Ogunremi

On May 6, 2019, Samuel Ogunremi, 59, of Lawrenceville, Georgia, pleaded guilty to receiving \$335,000 stolen from the insurance annuity policies of a New Jersey man. Ogunremi admitted to knowingly receiving funds stolen from a New Jersey man's New York Life Insurance Company's (NYL) fixed annuity policies into a bank account he shared with his company, Spare Investment, LLC.

On July 12, 2019, Ogunremi was sentenced to three years in state prison and ordered to pay restitution to NYL.

State v. Robert Delagente

On November 21, 2019, Dr. Robert Delagente, 45, of Oakland, who practiced at North Jersey Family Medicine, pleaded guilty to a one-count accusation charging him with second-degree health care claims fraud. Delagente admitted that between May and December of 2016 he submitted seven fraudulent claims totaling \$32,006, for allergy testing and immunotherapy services that Delagente did not provide to patients, to Blue Cross/Blue Shield of New Jersey.

Under the terms of the plea agreement, the State will recommend that Delagente be sentenced to five years in prison.

B. SIGNIFICANT CASES – MEDICAID FRAUD CONTROL UNIT

State v. Rohit Gupta

In 2015, Rohit Gupta, the owner of a medical billing company, pleaded guilty to third-degree conspiracy to commit health care claims fraud. His plea was the result of his involvement in the multi-faceted fraud scheme uncovered by Operation Rayscam, a previous OIFP criminal investigation. Gupta would submit fraudulent claims for payment to Medicaid, Medicare and private health insurance companies for services performed at medical imaging facilities owned by Rehan Zuberi, an Operation Rayscam defendant. In submitting these claims, he would knowingly omit or cause omission of information from the claims for payment regarding the manner, location and/or date of the provisions of medical services contained in the claims.

On January 14, 2019, Gupta was sentenced to a three-year term in prison.

State v. Robert Berlin

In 2016, Robert Berlin, a financial advisor, was indicted on multiple second-degree and third-degree counts of theft by unlawful taking, theft by deception, theft by failure to make a required disposition, bad checks, and fraudulent use of credit cards. Berlin used his position as a financial advisor to gain access to one of his victim's financial accounts to liquidate the accounts for his benefit. He also used his position of trust to convince other victims to give him loans, which he had no intention of repaying.

Berlin pleaded guilty to third-degree theft by deception and was sentenced on October 11, 2019 to five years of non-custodial probation conditioned on payment of \$50,000 in restitution to his victims.

State v. Kirk Clarke

On March 8, 2019, Kirk Clarke, a certified home health aide (CHHA), was indicted on one count of theft by unlawful taking. The Indictment stemmed from an incident in December 2017, in which Clarke financially exploited one of the individuals assigned to his care by taking proceeds of the victim's social security disability benefit check.

On August 5, 2019, Clarke was permitted to enter the Pretrial Intervention Program (PTI)¹ conditioned on him forfeiting his CHHA license, paying \$5,316 in restitution to the victim, and completing 100 hours of community service.

¹ Pre-Trial Intervention (PTI) is a diversionary program created by statute and court rule. The Legislature established that it is the public policy of the State to divert certain defendants from the criminal justice system when, among other factors, diversion will serve to remove cases from the criminal court in order to focus resources on more serious matters or more dangerous defendants, or PTI supervision will suffice to deter that particular defendant from future criminality. N.J.S.A. 2C:43-12a. A defendant is admitted into PTI upon the recommendation of the PTI Program director and the consent of the prosecutor. The Program director and the prosecutor are required to consider and base their decisions on the defendant's amenability to correction, responsiveness to rehabilitation, and the nature of the offense. N.J.S.A. 2C:43-12b, e; Rule 3:28, Guideline 3. When a defendant is admitted into PTI, the criminal prosecution is suspended while the defendant undergoes the supervision or rehabilitation required by the PTI

State v. Yolanda Butts

On July 31, 2018, Yolanda Butts, a certified nurse aide (CNA), was indicted on four counts of theft by unlawful taking. The indictment followed Butts' arrest after she was linked to a string of jewelry thefts from four residents in early 2018 at the Brandall Estates assisted living facility. At the time of the thefts, Butts was employed as a CNA at Brandall Estates and interacted with the victims in a patient care role. Butts pleaded guilty to one count of third-degree theft by unlawful taking and was sentenced on September 13, 2019 to two years of non-custodial probation conditioned on payment of \$12,300 in restitution to the victims and permanent revocation of her CNA license.

State v. Deanna Attinello

On February 9, 2018, Deanna Attinello was indicted on one count of second-degree misappropriation of entrusted property and one count of second-degree theft by failing to make a required disposition. The indictment stemmed from an incident in which Attinello was a court-appointed guardian over an incapacitated elder. Attinello stole more than \$50,000 from the elderly victim.

On March 8, 2019, Attinello was sentenced to a three-year term in prison and was ordered to pay restitution of \$48,000 to the victim.

Program staff. The judge may order restitution as part of the PTI Program. If the defendant successfully completes the program, the criminal charge is dismissed. If the defendant fails to complete the Program, the criminal prosecution resumes. N.J.S.A. 2C:43-13; Rule 3:28

On August 17, 2018, the State Grand Jury returned a three-count indictment charging _____, a CNA, with the following: third-degree neglect of elderly or disabled persons; third-degree assault upon an institutionalized elderly person; and third-degree falsifying or tampering with records. The indictment stemmed from a criminal investigation into an April 5, 2017 incident involving _____ and an 87-year-old nursing home resident.

On February 1, 2019, _____ was permitted to enter PTI conditioned on permanent revocation of her CNA license and the completion of 200 hours of community service.

C. MEDICAID FRAUD CONTROL UNIT FALSE CLAIMS ACT (FCA) RECOVERIES

The cases highlighted below represent an overview of the matters managed by the False Claims Act (FCA) Unit in calendar year 2019, which resulted in the payment of funds to the State of New Jersey's Medicaid program.

The FCA Unit participates in State and federal global civil cases through the National Association of Medicaid Fraud Control Units (NAMFCU), pursuant to New Jersey's False Claims Act, N.J.S.A. 2A:32C-1, *et seq.*, and the federal FCA, 31 U.S.C. §§3729-3733. Pursuant to both the federal and the State False Claims Acts, New Jersey can seek monetary recoveries when a person or a corporation knowingly presents or causes the presentation of a false claim to the Medicaid Program. Under the FCA, each state's actual Medicaid damages determines the proportional allocation of monetary recoveries. Typically, the distribution of settlement awards between the federal and state governments takes into consideration their proportionate contribution to that state's Medicaid program.

During calendar year 2019 (through November 25), in partnership with NAMFCU, New Jersey recouped a total of \$18,730,070.26 for the Medicaid Program, which includes payment for both the federal and State portions of Medicaid. For this period, the State recovered a net amount (State portion only after adding interest and deducting the federal portion and Relators' shares) of \$7,180,019.95.

New Jersey participated in 12 NAMFCU FCA settlements. The following cases yielded the most significant recoveries.

United States *et al.*, ex rel. Stefan Kruszewski v. UNDER SEAL, Civil Action No.: XX-CV-XXX (D.N.J.);

United States *et al.*, ex rel. Stuart Finkelstein M.D. v. Reckitt Benckiser Pharmaceuticals, Inc., Civil Action No.: Originally 12-CV-128987 (C.D. Cal.) and transferred to 1:14-CV-0059 (W.D. Va.);

United States *et al.*, ex rel. Ann Marie Williams v. Reckitt Benckiser, Inc., *et al.*, Civil Action No.: 1:13-CV-00036 (W.D. VA);

United States *et al.*, ex rel. Gail Groves Scott v. UNDER SEAL, Civil Action No.: X:XX-CV-XXXX (D.N.J.);

United States, *et al.*, ex rel. Christina Lemons v. Reckitt Benckiser Group plc, *et al.* Civil Action No.: 1:15-CV-00016 (W.D. VA); and

United States, *et al.*, ex rel. Mitchell Greene v. UNDER SEAL, Civil Action No.: X:XX-CV-XXXXX (D.N.J.)

The Reckitt Benckiser-421 Settlement Team (Team), working in conjunction with the United States Attorney's Office for the Western District of Virginia and the United States Department of Justice, reached an agreement with Reckitt Benckiser Group plc and related entities, (the RB Group), in October 2019. The settlement addressed allegations that from 2008 to 2014, the RB Group falsely and aggressively marketed Suboxone in various respects, steering prescribers away from Suboxone tablets (and other companies' equivalents) and toward Suboxone film.²

² The settlement encompassed the six cases noted above; the court unsealed the three Virginia cases and the three New Jersey cases remain sealed. However, the settlement resolved all of the *qui tams* between the United States and the RB Group.

New Jersey contended that it had certain civil and administrative causes of action against RB Group directly or through its subsidiaries for engaging in the following conduct between January 1, 2010 and December 31, 2014:

- (a) Knowingly promoting the sale and use of Suboxone to physicians who wrote prescriptions, (1) without any counseling or psychological support, such that the prescriptions were not for a medically accepted indication; and (2) for uses that were unsafe, ineffective and medically unnecessary and that were often diverted to uses that lacked a legitimate medical purpose. Such prescriptions lacked a legitimate medical purpose and were not for a medically accepted indication.
- (b) Knowingly promoting the sale or use of Suboxone Film using false and misleading claims that it was subject to less diversion and abuse than other buprenorphine products and less susceptible to accidental pediatric exposure than Suboxone Tablets. Physicians relied on these false and misleading claims in prescribing Suboxone Film and the state's Medicaid Program relied on these false and misleading claims to its detriment in making formulary and prior authorization decisions.
- (c) Knowingly submitting a petition to the Food and Drug Administration on September 25, 2012, fraudulently claiming that it had discontinued Suboxone Tablet "due to safety concerns" about the tablet formulation of the drug. It also took further fraudulent steps to delay entry of generic competition for Suboxone and to improperly control pricing of Suboxone, including pricing to the state's Medicaid Program.

The Medicaid settlement totaled \$15,211,081.11, which allotted \$8,236,273.02 for the federal share of the Medicaid recovery and \$6,974,808.09 for New Jersey's share, inclusive of interest. After a reduction for the Relator's fee of \$1,204,629.37, New Jersey's net share totaled \$5,770,178.72.

**Adam (a/k/a/ Azam) Rahimi & S. Christopher Schulte v. Walgreens Boots Alliance
Civil Case No.: 15-CV-5686 (S.D.N.Y.)**

This case commenced following the filing of Rahimi and Schulte's *qui tam* action on July 21, 2015, which alleged that Walgreens engaged in a pattern of submitting false claims to Medicaid seeking payments for more insulin pens of a certain type than patients needed in the period specified in the claims.

New Jersey alleged that Walgreens caused the submission of claims for payment to the Medicaid program, including managed care entities such that,

From on or about January 1, 2006, to December 31, 2017, Walgreens violated state law by obtaining reimbursement from the State Medicaid program for insulin pen prescriptions based on false claims that under-reported the days of supply (i.e., the number of days that insulin pens should last, if the patient used insulin strictly according to the prescriber's directions for use). Due to this under-reporting, the State Medicaid program paid for more insulin than certain patients needed.

The NAMFCU Walgreens 1-556 State Team negotiated a settlement on behalf of the states with Walgreens in March 2019. (Walgreens entered a separate Federal Settlement Agreement with the United States). The total Walgreens settlement amount was \$209,200,000. Medicaid settlement (state and federal) was \$89,185,625.10. The federal share of the Medicaid recovery was

\$48,021,438.66 and the states' share was \$41,164,186.44. New Jersey's share inclusive of interest was \$775,736.72. New Jersey's net state recovery, after payment of the Relator's fee of \$121,624.36, totaled \$655,948.51.

**United States, *ex rel.*, Rahimi, *et al.* v. Zydus International Private Ltd.
Civil Action No.: 3:15-CV-06536-BRM-DEA (D.N.J.)**

The Zydus-208 Settlement Team (Team), working in conjunction with the United States Attorney's Office for the District of New Jersey and the United States Department of Justice, reached a settlement agreement with the Relators, New Jersey, New York and Oklahoma (collectively, the "States") and Zydus in July 2019. (The United States was not a party to the agreement; however, the agreement was contingent upon the written consent of the United States.)

The settlement agreement addressed allegations that from July 1, 2005 until July 15, 2019, Zydus:

- (a) knowingly set, reported and/or maintained, or caused the setting, reporting and/or maintaining of false, fraudulent and/or inflated pricing information reported directly to the United States, the States and/or other states;
- (b) knowingly concealed, failed to report, or improperly reported pricing information to the United States, the States, other states and/or third-party compendia or otherwise failed to comply with requirements as to the reporting of pricing information for the covered drugs;
- (c) submitted or caused the submission of false claims for the covered drugs;
and
- (d) knowingly engaged in conduct that violated federal and state anti-kickback laws.

The parties mutually agreed to settle their disputes and to avoid the delay, expense, inconvenience and uncertainty of protracted investigation of the claims in the Relators' suit. The States concluded that the agreement represented the public's best interest.

Zydus agreed to pay the United States and the States a total settlement amount of \$1,250,000, and the Relators' counsel fees and expenses totaling \$1,250,000. The portion of the settlement attributed to Medicaid reimbursements paid by the New Jersey Medicaid Program for the covered drugs totaled \$843,000 with \$421,500 allocated to New Jersey and \$421,500 to the United States. The Relators' share of the recovery totaled \$118,020, resulting in a net recovery to New Jersey of \$303,480.

COUNTY PROSECUTORS' REIMBURSEMENT PROGRAM

The County Prosecutors' Reimbursement Program (Program) was established on May 19, 1998. Pursuant to the Automobile Insurance Cost Reduction Act of 1998, the Attorney General is authorized to reimburse County Prosecutors for their efforts in combating insurance fraud. Since its inception in 1998, the Program, administered by the Office of Insurance Fraud Prosecutor on behalf of the Attorney General, has funded fraud fighting units in most of the State's 21 County Prosecutors' Offices.

For the 2019 calendar year, the total amount awarded to the counties participating in this Program was \$3,915,968 .

Some of the highlights of the counties' activities are below.

ATLANTIC COUNTY PROSECUTOR'S OFFICE

State v. Keli Ali

Defendant Keli Ali committed insurance fraud by submitting eight (8) false claims to Aflac, resulting in Ali being charged and indicted on second-degree Insurance Fraud. The medical provider was not able to substantiate the information on the submitted claims. The value of the theft was \$7,310. The value of the attempted theft was \$13,100. Defendant fled New Jersey and relocated to Nevada. During the course of the investigation, detectives were able to locate the defendant, who admitted to submitting the false claims.

The defendant pled guilty in Atlantic County Superior Court and was sentenced on October 25, 2019 to a five (5) year non-custodial probationary term and was ordered to pay restitution in the amount of \$6,600.

BURLINGTON COUNTY PROSECUTOR'S OFFICE

State v. Donald Horner

The charges against Donald Horner were the result of an investigation conducted by the Burlington County Prosecutor's Office (BCPO) Insurance Fraud Unit. State Investigators received a tip that Horner was continuing to work on ambulances responding to calls, transporting patients, and billing for services without an active EMT certification. Under the State licensure agreement for EMS agencies, two certified EMTs must be on the ambulance in order to bill for services.

The BCPO's Insurance Fraud Unit's investigation revealed that Horner would log in the patient care reporting system used for each patient contact/bill and alter patient care reports by removing his name as a provider and adding in a certified EMT, who was not originally on the care report. The investigation concluded that 27 patient care reports had been altered by Horner. Out of these 27 patient care reports, 11 were used to bill private insurance providers \$9,845.50, which resulted in the Delran Emergency Squad receiving payment in the amount of \$4,307.22.

On May 6, 2019, Donald Horner, the former chief of the Delran Emergency Squad, was sentenced to a three-year probationary term conditioned on 30 days in the Burlington County Jail after pleading guilty to third-degree Insurance Fraud and third-degree Tampering with Public Records. Horner, who is the former chief of the Riverside Township Police Department, was ordered to pay restitution totaling \$4,307.22 to several insurance companies (Novitas, United Health Group, Horizon, NJ Medicaid, Amerigroup, Aetna and Virtua); required to perform 200 hours of community service; forfeit his Emergency Medical Technician certification for life; and ordered to pay a fine in the amount of \$1300.

CAMDEN COUNTY PROSECUTOR'S OFFICE

State v. Tanya Baisden

On March 7, 2019, Tanya Baisden was indicted for second-degree insurance fraud, third-degree theft by deception, and fourth-degree falsifying or tampering with records in connection with an ongoing scheme to obtain reimbursements for payments allegedly made for health care services. In 2016, 2017, and 2018, Baisden was the policy holder of an Aflac Insurance Company Supplemental Limited Benefit Specified Disease, Cancer Indemnity policy. Between February 5, 2016 and January 25, 2018, Baisden submitted many claims online for wellness procedures and services provided to herself and her dependents. Sometime after Aflac had processed the claims, Aflac received information that caused them to investigate the validity of the claims. Aflac contacted the service providers and learned that in approximately 20 of the claims, the services listed had not been performed. Aflac had paid Baisden \$1,560 in benefits prior to discovering the fraudulent claims.

As a condition of acceptance into PTI, Baisden pled guilty to second-degree insurance fraud and agreed to pay full restitution. She was ordered to pay a fine in the amount of \$1,455.

State v. Nicholas Wilder

On July 31, 2018, Nicholas Wilder was indicted on charges of fourth-degree simulating a motor vehicle insurance identification card, third-degree false reports to police officer, fourth-degree hindering one's own apprehension, and third-degree exhibiting false government documents in connection with a motor vehicle stop in Gloucester Township. Wilder was pulled over after a police officer observed him driving in an unsafe manner. Wilder exhibited a driver's license in another person's name and an insurance identification purportedly issued by Allstate

Financial Responsibility Insurance. Allstate advised that the policy number on the identification card did not exist and that Allstate did not insure the subject vehicle under any policy.

In 2019, Wilder pled guilty to fourth-degree hindering and was sentenced to 270 days in the Camden County Correctional Facility. In addition, he paid fines in the amount of \$1,485.

CAPE MAY COUNTY PROSECUTOR'S OFFICE

State v. Ian Williams

A fire investigation at the residence of the defendant Ian Williams' residence found that the origin of the fire was suspicious. Williams' home is a duplex structure and residents were occupying the other unit at the time of the fire. Williams was originally charged with second-degree arson – causing or risking widespread injury or damage and third-degree endangering the welfare of a child. After additional investigation of the claim by the Cape May County Prosecutor's Office Insurance Fraud Unit and the USAA Special Investigations Unit, Williams was charged by indictment on October 10, 2017, with second-degree insurance fraud for submitting a fraudulent insurance claim seeking reimbursement.

On August 2, 2019, Williams pleaded guilty to third-degree insurance fraud and third-degree arson to collect insurance, and was sentenced, on November 20, 2019, to a five-year non-custodial probationary term with an alternate sentence of three years New Jersey State Prison, pending drug treatment. In addition, Williams was ordered to pay \$205 in fines and restitution in the amount of \$3,742.82.

ESSEX COUNTY PROSECUTOR'S OFFICE

State v. Darilka Polanco-Moya d/b/a L&D Construction

An investigation was conducted to determine the nature of the insured's business, specifically if they are conducting roofing work, the number of employees, and the job duties of the owner, Darilka Polanco. The investigation revealed Polanco-Moya indicated on her application that she does not use subcontractors and her business provides sheetrock and siding service.

On February 13, 2018, Polanco-Moya called New Jersey Manufacturers Insurance Company (NJM) and reported a claim, under M2018- 000075, for a worker who fell off a roof. Per the claim notes, the employee had been working for the insured since November 2017 and was paid in cash. Polanco-Moya failed to disclose that her business performs roofing work and appeared to be concealing the number of employees. Additionally, Polanco-Moya advised NJM that she goes to job sites, but later disputed it when she received a bill charging her for the same. Through their investigation, they concluded that it appears the insured is operating without the proper insurance coverage. The proofs provided by the claim filed and surveillance demonstrated that the insured performed roofing work and failed to disclose this information to NJM on her application and at the audits.

On June 27, 2019, Polanco-Moya was charged with fourth-degree workers' compensation fraud and third-degree insurance fraud. She was subsequently indicted on December 12, 2019 with the aforementioned offenses. On February 24, 2021, Polanco-Moya was admitted into PTI for a period of 18 months.

State v. Edward McNeill

The defendant's wife, Quadira McNeill, was involved in a motor vehicle accident on December 1, 2018, while operating a 2007 Volvo owned and registered to Charles McNeill with an address in North Carolina. Charles McNeill, was defendant Edward's father; he passed away in North Carolina on February 24, 2018. When the defendant arrived at his wife's accident scene, he needed to provide proof of insurance to have the vehicle moved. He called Progressive after the accident, to initiate a policy and identified himself as Charles McNeill and stated that he resided in Newark, NJ.

The evidence demonstrated that the accident was documented prior to the phone call initiating the policy. He provided his father's date of birth and Social Security Number in order to secure a policy under his father's identity. Further investigation obtained certified copies of the death certificate of Charles McNeill as well as the marriage certificate for Edward and Quadira McNeill. As a result of the facts and circumstances, the defendant was charged on December 13, 2019, and indicted with third-degree insurance fraud, as well as third-degree identity theft. Ultimately, the defendant pleaded guilty on September 24, 2021 to an amended charge of theft of services and was sentenced to discretionary fines and fees.

GLOUCESTER COUNTY PROSECUTOR'S OFFICE

State v. Shanel Cropper

The Gloucester County Prosecutor's Office Insurance Fraud Unit opened an investigation into Shanel Cropper on suspicion that she committed insurance fraud and rate evasion. This investigation was conducted with the assistance of the Office of Insurance Fraud Prosecutor, the National Insurance Crime Bureau, and GEICO Secure Insurance Company.

The investigation revealed that Cropper purchased an automobile insurance policy out of Pennsylvania, using a Pennsylvania residence. Two days after purchasing the policy, defendant filed a claim indicating she hit a deer. The investigation revealed that she actually lived in New Jersey, and had been living in New Jersey for months prior to the purchase of the Pennsylvania auto insurance policy. The investigation also revealed that the defendant lied about hitting a deer; instead, her vehicle had actually been in two separate accidents, both of which occurred while her vehicle was uninsured, prior to her purchase of the Pennsylvania auto insurance policy. During the course of the investigation, the defendant gave a statement admitting to the fraud. The defendant was arrested, charged and indicted with third-degree insurance fraud and fourth-degree reverse rate evasion. The defendant applied for and was accepted into the PTI program on October 25, 2019. She successfully completed the PTI program requirements on December 14, 2020.

HUDSON COUNTY PROSECUTOR'S OFFICE

State v. George Tomasik

The Hudson County Prosecutor's Office Insurance Fraud Unit (HCPO-IFU) conducted an investigation into Shamrock Maintenance, and its owner, George Tomasik, for utilizing a fraudulent Certificate of Insurance to obtain a maintenance contract with N.T. Hegaman Real Estate Developers. As the investigation continued, HCPO-IFU discovered that Tomasik was also using Fraudulent Certificates of Liability and Fraudulent Surety Bonds to secure high-value building maintenance contracts with the Bayonne Housing Authority. Without the expense of legitimate insurance, Tomasik was able to underbid other companies for these contracts.

Initially, Tomasik was arrested, on May 22, 2019, and charged with third-degree theft by deception and fourth-degree forgery. Additional charges were filed against Tomasik, on July 3,

2019, for second-degree making a false representation for a government contract and two counts of fourth-degree forgery. On July 24, 2019, Tomasik pleaded guilty to an Accusation charging one count of third-degree making a false representation for a government contract and two counts of fourth-degree Forgery. On September 13, 2019, Tomasik was sentenced to one year of probation, and ordered to pay a \$5,000 fine.

MERCER COUNTY PROSECUTOR'S OFFICE

State v. Stacey Fannin

In 2018, a referral was made by Pennsylvania Manufacturer's Assurance in which Stacy Fannin alleged a property loss to his iPad, cellular phone and suit pants from a slip and fall that occurred in 2017 at the Taco Bell in Ewing, New Jersey. It was determined that Fannin had at least 19 prior general liability claims with various restaurants and businesses throughout Mercer County in 2016-2018. Various insurance companies, such as Pennsylvania Manufacturer's Assurance, The Hartford and Liberty Mutual, completed investigations to attempt to substantiate the defendant's claims with the result being that video footage did not show the defendant actually slipping or tripping and falling. The defendant was also unable to show proof of the damages to his personal property nor could he provide receipts for the damages. All of the claims involved damages to his personal property during slip and fall incidents or tripping incidents and no bodily injury claims were ever filed. Significant time was spent by the various insurance companies investigating the individual claims.

The defendant was charged with second-degree insurance fraud on July 25, 2018. Defendant admitted to making the false claims and ultimately pled guilty to second-degree insurance fraud on December 19, 2018. On February 20, 2019, he was sentenced to four years of

probation, community service and ordered to pay \$3379 in restitution to the various insurance companies.

MIDDLESEX COUNTY PROSECUTOR'S OFFICE

State v. Alexander Goldinsky

These charges stem from Alexander Goldinsky orchestrating a slip and fall accident on work premises, and subsequently misrepresenting to Oscar Health Insurance Company and health care providers that he was injured in the contrived fall. On the video surveillance provided by Mizuho Securities, the defendant can be seen walking over to the ice machine, filling a cup with ice, throwing the ice on the floor, disposing of the cup in the trash, and then delicately placing himself on the floor where he threw the ice. Thereafter, the defendant filed a claim with Oscar Health Insurance Company, misrepresenting that the cause of the services provided to be a slip-and-fall accident at work. The defendant continued to utilize additional doctors and health services in an attempt to drive up medical bills and have them paid through health insurance, as well as to obtain money from a workers' compensation carrier, believing he would be covered under workers' compensation.

The defendant was indicted on charges of third-degree insurance fraud, third-degree health care claims fraud, third-degree theft by deception and fourth-degree attempted theft by deception. On August 16, Goldinsky pled guilty to third-degree insurance fraud. On November 4, 2019, he was sentenced to a two-year non-custodial probationary term conditioned on 14 hours community service and \$563 in restitution to Oscar Health Insurance Company.

MORRIS COUNTY PROSECUTOR'S OFFICE

State v. Kim Fatzner

Kim Fatzner contacted Northwestern Mutual Insurance Company (NMIC) and requested surrender forms for her husband's life insurance policy. The defendant then submitted those forms to NMIC indicating that her husband had purchased a new policy which necessitated the cancellation of the NMIC policy. The surrender value of the NMIC policy was \$54,359.95. At the time of this request, the defendant and her husband were in the middle of a divorce and were residing in separate residences. A representative of NMIC contacted the defendant's husband and advised him of the policy cancellation request. He told the representative that the request had been made without his consent. Although NMIC had processed defendant's request, NMIC retrieved the check prior to it being cashed by the defendant.

On April 22, 2019, the defendant entered into the Pre-Trial Intervention Program for a period of 24 months on the following charges: third-degree insurance fraud, third-degree forgery, third-degree forgery - uttering and third-degree criminal attempt to commit theft by deception,. The defendant was ordered to complete 25 hours of community service.

OCEAN COUNTY PROSECUTOR'S OFFICE

State v. Dean Emmett

On August 29, 2019, the Ocean County Prosecutor's Office received a referral from the Office of the Insurance Fraud Prosecutor regarding Dean Emmett of Toms River. The Ocean County Prosecutor's Office Economic Crime squad initiated an investigation and found Mr. Emmet had submitted fictitious receipts to Allstate Insurance Company to support a bogus claim of water damage. Mr. Emmett reported that a pipe froze in his residence, due to improper winterization of the residence. Allstate Insurance determined the water damage was from a long-

term source. Further investigation by the Ocean County Prosecutor's Office revealed Mr. Emmett submitted three fraudulent contractor invoices to Allstate Insurance Company.

Dean Emmett was charged by Complaint-Summons, on December 5, 2019, with insurance fraud. The defendant entered a guilty plea to an Accusation charging insurance fraud, on June 2, 2020. On July 29, 2020, defendant was sentenced to one year of non-custodial probation.

PASSAIC COUNTY PROSECUTOR'S OFFICE

State v. Dr. Amy Rojas and Oscar Guevara

On October 23, 2018, the defendants were charged by a Passaic County Grand Jury. Dr. Amy Rojas is a dentist licensed to practice dentistry in the State of New Jersey. Rojas' husband Oscar Guevara is a licensed X-ray technician. Guevara has received no dental training and is unlicensed to practice dentistry. Rojas ran a dental office in Passaic, New Jersey. The Insurance Fraud Unit of the Passaic County Prosecutor's Office received information from the Department of Consumer Affairs that Oscar Guevara was allegedly performing dental procedures at the Passaic office. Detectives interviewed a mother and her 16 year old daughter who stated that "Dr." Oscar performed extractions on the daughter. Hours thereafter the daughter required emergency dental treatment to stop a hemorrhage caused by the extractions. Another victim reported that "Dr." Oscar had installed braces. A review of insurance billing revealed that the dental office billed these procedures as if they had been rendered by Dr. Rojas.

Both defendants were indicted for health care claims fraud and related offenses. On October 15, 2019, defendant Guevara entered a plea to practicing dentistry without a license and entered the PTI program. Defendant Rojas entered into PTI without a plea. Defendants were ordered to pay \$66,000 in restitution.

State v. Shakira Smith

On October 23, 2018, Shakira Smith was indicted by a Passaic County Grand Jury for insurance fraud. Smith operated Amazing Kid's Paradise Academy, a preschool in Paterson, New Jersey. Smith was required by Traveler's Insurance, which insured Smith's landlord, to provide a separate certificate of insurance to cover the operation of the preschool. It is alleged that Smith provided Traveler's with a fraudulent insurance certificate. A child was injured at the school and coverage was denied. Traveler's was compelled to cover the loss. On September 27, 2019, the defendant entered the PTI program without a plea.

SOMERSET COUNTY PROSECUTOR'S OFFICE

State v. Cardoso

In May 2019, the Somerset County Insurance Fraud Unit investigated an OIFP referral that resulted in the arrest of Joaquim Cardoso and Marrienne Cardoso for insurance fraud, and attempted theft by deception. On March 7, 2018, Joaquim Cardoso reported to his home owners insurance company that a tree had fallen on his vehicle and attempted to make a claim. The insurance company referred him to United Services Automobile Association (USAA), his vehicle insurance company. Cardoso then added comprehensive insurance to his vehicle policy on March 10, 2018. On March 12, 2018, Cardoso called USAA and reported the damage, indicating that the date of loss was March 12, 2018.

On May 6, 2019, both defendants were charged with third-degree insurance fraud and third-degree attempted theft by deception. On June 14, 2019, Joaquim Cardoso ultimately pled guilty to the charges, and on June 23, 2020 was sentenced to 12 months PTI. The charges against Marrienne Cardoso were dismissed.

State v. Singletary

In July 2019, the Insurance Fraud Unit investigated an OIFP referral that resulted in the arrest of Zenon Singletary for third-degree insurance fraud, and third-degree attempted theft by deception. Singletary had submitted a claim to Crum and Foster Insurance Company for an injury she had sustained when she slipped and fell in a Shop Rite Parking lot in Bound Brook, NJ. Singletary submitted bills in excess of \$5,000 to Crum and Foster related to the claim. The investigation revealed through surveillance footage that Singletary never actually slipped and fell. In addition, a review of the receipts that Singletary had submitted were reviewed and none of the \$5000 of receipts were in any way related to her claim.

On April 30, 2019, Singletary was arrested for third-degree insurance fraud, third-degree uttering a forged instrument, as well as third-degree attempted theft by deception. On August 14, 2019, she was indicted on all charges. On September 6, 2019, Singletary pled guilty to the charges and was sentenced on November 8, 2019 to 1 year probation and 50 hours of community service.

SALEM COUNTY PROSECUTOR'S OFFICE

State v. David Wheeler and Angel StJohn³

On January 22, 2019, Investigator Simmermon and Investigator Fritz McIntosh were conducting an insurance fraud ride along in Penn Grove, New Jersey. During this ride along, they assisted the Penns Grove Police Department with a motor vehicle stop in which Angel StJohn was arrested for a narcotics violation. Post-Miranda, StJohn was asked about the ownership and insurance information for the car. On body camera, StJohn stated that the vehicle was registered and insured to her brother, David Wheeler, because it was cheaper than if she had her own

³ The Salem County Prosecutor's Office confirmed that the spelling of "StJohn" is correct as reflected.

insurance. Investigator McIntosh subpoenaed the insurance policy; it listed a different principal garaging location and Wheeler was only a driver on the policy.

On June 10, 2019, Wheeler was charged with third-degree insurance fraud and third-degree conspiracy to commit insurance fraud. StJohn was charged with third-degree conspiracy to commit insurance fraud. On August 14, 2019, Wheeler pled guilty to third-degree insurance fraud and received one year of probation and the mandatory fines and penalties. As a result of the plea agreement, the charge against StJohn was dismissed on the same date.

SUSSEX COUNTY PROSECUTOR'S OFFICE

State v Tami Richardson and Anthony Ashley

This case started with a telephone call from the New Jersey Motor Vehicle Commission in Newton, NJ. In brief, the MVC reported that the defendants renewed a "No Fee" registration on a fire vehicle and created a document for same from the Stillwater Volunteer Fire Department (SVFD), which has been defunct since 2015. The SVFD was disbanded in February of 2016. Ashley was observed utilizing this fire vehicle for his own purposes. He took off the fire emblems and continued to use the vehicle after the fire department was no longer in existence. Other crimes were discovered as a result of this initial insurance fraud investigation.

On April 30, 2018, Tami Richardson was arrested and charged with second-degree official misconduct, third-degree crime of pattern of official misconduct, third-degree falsifying or tampering with records, second-degree theft of moveable property, third-degree forgery, forgery/uttering, and second-degree theft by deception. Ashley was arrested for third-degree falsifying or tampering with records. Both individuals were Officers with the Swartwood Volunteer Fire Department. On December 5, 2018, Richardson pled guilty to third-degree theft by unlawful taking and was sentenced on March 15, 2019 to 210 days in the Keogh-Dwyer

Correctional Facility, Newton, New Jersey and ordered to pay \$73,093.50 in restitution. On March 18, 2019, Ashley was entered into the PTI Program for 24 months and ordered to complete 200 hours of community service.

State v. Joseph DeGruttalo

On September 25, 2019, Joseph DeGruttalo was arrested for third-degree theft by unlawful taking, third-degree insurance fraud, and third-degree identity crime/impersonation. The defendant committed insurance fraud by using the victim's bank information to open up an insurance policy with Progressive Insurance and make payment. A joint investigation was conducted by the Vernon Township Police Department and the Sussex County Prosecutor's Office Insurance Fraud Unit. On December 16, 2019, the defendant pled guilty to third-degree insurance fraud. On March 26, 2020, DeGruttalo was sentenced to one year of non-custodial probation, with 5 days jail time credit.

UNION COUNTY PROSECUTOR'S OFFICE

State v. Jorge Reyes

Investigation of this matter showed that Jorge Reyes, who resided in Elizabeth, NJ, travelled to a South Carolina auto dealership, (Perelli Auto Sales), and purchased a vehicle on September 28, 2018. As part of the purchase, the defendant utilized the services of an insurance agent who worked with the dealership and was told that he had to provide a South Carolina address in order to obtain auto insurance. Reyes provided the agent with a Greenville, South Carolina address and was issued an auto insurance policy from Gainsco Insurance Company (Gainsco). On October 19, 2018, representatives from Gainsco discovered that the defendant did not reside at the address he provided on his auto insurance application and informed him that his policy was going to be cancelled. In response, the defendant indicated that he had contacted Perelli Auto Sales in

order to arrange the return of the vehicle. According to the defendant, instead of returning the vehicle, the dealership advised him that they would find another insurance company. The defendant admitted that he was provided with an address he was not familiar with in South Carolina (103 Hillsdale Drive, Easley, South Carolina) and was issued a new auto insurance policy from Progressive Insurance. On November 2, 2018, the defendant was involved in a motor vehicle accident while operating his purchased vehicle in Roselle, NJ. Reyes made a claim with Progressive for the damage to his vehicle caused in this accident and was ultimately paid approximately \$3,300 by Progressive. When contacted by both Progressive and Gainsco about the circumstances of the accident in New Jersey, the defendant stated that he resided in South Carolina, but was visiting a relative in New Jersey when the accident occurred.

On September 10, 2019, the defendant was interviewed by members of the Union County Prosecutor's Office. In his statement, the defendant related that he had lived in South Carolina previously, but had never purchased a vehicle while residing there. The defendant stated that he resided in Elizabeth, NJ, and took a bus to South Carolina to purchase a vehicle because in that State, only a passport was necessary to purchase a vehicle. The defendant also stated that if he ever got into an accident while in New Jersey, a representative from the auto dealership where he had purchased the car told him to "tell the police that he was on vacation." A complaint was issued and the defendant was indicted on October 22, 2019 for third-degree insurance fraud. He is currently a fugitive.

State v. Emmanuel Obanye

Emmanuel Obanye, a Hudson County Corrections Officer, was involved in a motor vehicle accident involving two parked cars at approximately 2:21am on November 21, 2018 in Union Township, NJ. The defendant left the scene of the accident, however, a piece of his car that had

broken-off in the accident was imprinted with his car's vehicle identification number. Union Township police officers responded to the defendant's address, where he admitted to striking the two cars in question and leaving the scene because he was "nervous." At 2:00 p.m. on November 21, 2019, (approximately 12 hours after the accident), The defendant applied for and received automobile insurance for his vehicle through Plymouth Rock Assurance Company (Plymouth Rock). On November 22, 2019 at 11:00 p.m., he filed a claim for the damage to his vehicle which had clearly been caused in the above-referenced accident. As part of his claim, the defendant falsely reported that he had just been in an accident with his vehicle. Mr. Obanye reported that he had lost control of his vehicle and "struck a pole." After an investigation, Plymouth Rock ascertained that the damage to the defendant's vehicle had been caused prior to his application for coverage; his claim was denied.

On October 10, 2019, Office Sgt. Michael Manochio of the Union County Prosecutor's Office (UCPO) contacted the defendant and arranged for him to respond to the (UCPO) on October 16, 2019. The defendant did not appear as scheduled. On October 18, 2019, Sgt. Manochio, (accompanied by another Prosecutor's Office investigator), responded to defendant's residence. Upon their arrival, the defendant answered the door and apprised the officers that he had retained counsel and did not wish to speak to them without him. On October 22, 2019, the defendant was charged with third-degree insurance fraud. On April 8, 2020, the defendant was accepted into Union County's Pre-Trial Intervention Program.

State v. Fritz Estinvil

Fritz Estinvil insured his 2012 Nissan Xterra with CURE Auto Insurance (CURE) on March 17, 2018. His policy was effective through September 17, 2018, renewed, and then effective through March 17, 2019. On November 16, 2018, the defendant was involved in a 3-vehicle

accident in Elizabeth, NJ. In their investigation into this accident, representatives from CURE learned that the defendant was a registered driver for “Uber Eats”, an app-based food delivery service. In his application for auto insurance and renewal, the defendant denied that his vehicle was used for any purpose in the course of his employment, other than driving to and from work (i.e., “for deliveries, livery services, plowing snow or other commercial business”).

In subsequent calls by CURE representatives to the defendant, he first denied working for Uber Eats, and later stated while he did use his car to make food deliveries for Uber Eats, he was not doing so at the time of his accident. During the investigation into this case, it was confirmed that not only was the defendant logged into the Uber Eats application at the time of his accident, but was in the process of making a delivery when the accident occurred. On May 31, 2019, the defendant was charged with third-degree insurance fraud. During the course of being arrested and processed on this charge, the defendant agreed to be interviewed by members of the Union County Prosecutor’s Office. In his statement, the defendant admitted that he was driving for Uber Eats at the time of his accident. He was subsequently indicted for third-degree insurance fraud.