

Insurance Times: Fraud Diary

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by Mark Hollmer

This is a story about real live "bumper cars" as part of an insurance fraud scheme.

Allstate Insurance is suing 10 family members for allegedly crashing their cars into one another in 29 separate car accidents and then filing for more than \$2 million in bogus claims.

According to the Associated Press, investigators began to smell trouble after they found out that many involved in the accidents had the same address or story following the accident.

The accidents took place between 1996 and 1999.

Picture a United Nations summit of sorts, but with insurance professionals, companies and law enforcement officials instead of nations.

That's what happened on March 30 in New York, during the state's first No-Fault Insurance Anti-Fraud Coalition Summit Meeting, which was held in Manhattan.

The goal of the summit, according to participants, was to educate everyone from the public to regulators and legislators about how large a problem no-fault insurance fraud has become.

"Scammers have converted the system into their own private slush fund," said Robert Hartwig, vice president and economist for the Insurance Information Institute.

Companies are increasingly joining forces to fight no-fault fraud in New York. Progressive, a participant at the summit, published a press release highlighting their joint civil suit along with Allstate, GEICO and Travelers against one group accused of fraud.

The companies filed the \$15 million complaint more than a year ago in U.S. District Court in Brooklyn.

They allege that a group of people in the region opened illegal medical clinics and used a "sophisticated" computer system to create bogus bills based on clinic services.

A Revere, Mass. man is accused of collecting \$77,000 in auto insurance injury claims from two different insurers regarding the same injury.

Salvatore Ferrandi was indicted by Suffolk Grand Jury recently on two counts each of motor vehicle fraud and larceny over \$250.

Ferrandi, prosecutors said, reported the same injury to both Premier Insurance and the Liberty Mutual Group.

The Massachusetts Attorney General's office, the Insurance Fraud Bureau, the New Hampshire Attorney General's office and the New Hampshire Division of Insurance investigated the accident.

Two West Peabody, Mass. men were recently convicted in U.S. District Court of maintaining false payroll tax returns and mail fraud.

Paul and Robert Buonopane were convicted of 29 charges, including conspiracy to defraud the Internal Revenue Service, conspiracy to commit mail fraud and aiding and assisting in the presentation of false payroll tax returns, according to the

U.S. Department of Justice.

The two men own B & B Acoustical Contractors of Woburn. Prosecutors said that they kept about \$460,000 in payroll from their company's payroll service, the IRS, the company's workers compensation insurance carriers and the Massachusetts Carpenters Union from 1992 to 1997.

They're scheduled to be sentenced on May 14 and face thousands of dollars in fines and possible jail time.

Two Queens auto body shop owners and an employee are accused of adding damage to already damaged vehicles so they could collect higher payments from insurance companies.

Ronald Coppolino, Robert Coppolino and Frederick Ott all face charges including grand larceny, insurance fraud and falsifying business records, according to the New York Insurance Department.

The Coppolinos own Classic Collision and All Boro Collision, respectively, both in Queens. Ott works at Harbor Auto Body in Queens. The auto body shops are also charged in the case. Police allege the trio defrauded insurance companies of more than \$19,000 for six damaged automobiles.

"Today's arrests prove that the Department, with the assistance of local prosecutors ... will not permit dishonest people to continue to take money out of the pockets of every consumer who plays the game fairly," New York Insurance Department Superintendent Neil Levin in a written statement.

The New York State Insurance Fraud Bureau and Insurance Department agents investigated the case.

Three Massachusetts Big Dig workers are accused of trying to collect disability payments while working side jobs.

Charles Appley of Lynnfield and Theresa Gaudreau of Charlestown are charged with workers compensation fraud and attempted larceny. Robert Houston of Eden Prairie, Minnesota is charged with workers compensation fraud and larceny, according to the Suffolk County District Attorney's office.

Each person will be arraigned in Boston Municipal Court on April 26.

The Massachusetts Insurance Fraud Bureau and the fraud investigations division of American International Group Inc. also investigated.

Peter Nutile of Waltham was indicted recently for allegedly return to work as an irrigation installer while still collecting disability payments.

A Middlesex County Grand Jury indicted him on a single count each of workers compensation fraud and larceny over \$250.

Prosecutors say Nutile began collecting disability for a Dec. 1996 injury from Granite State Insurance but then returned to work anyway even though he told his insurer he couldn't work.

Nutile allegedly had his paychecks made payable to his wife to disguise his employment, according to the Massachusetts Attorney General's office.

The Insurance Fraud Bureau also investigated.

A Walpole woman allegedly collected workers compensation insurance for one job while she was working another.

Anne Brown was indicted in Norfolk County recently on two counts each of larceny over \$250 and perjury, and one count each of workers compensation insurance fraud, attempted larceny and conspiracy.

Brown allegedly reported was injured after slipping while working as a home health aid. Prosecutors say she reported complete disability to Liberty Mutual, which insured her employer, and she collected \$29,000 in workers compensation benefits from 1994 through 1996.

Brown also collected a \$12,000 settlement from the owner of the property where she fell.

But investigators say Brown worked for a local contractor at the same time, using her maiden name, and that she received her paychecks in her husband's name.

In addition, investigators allege that Brown, a licensed daycare provider in the late 1990s, submitted and was reimbursed for false claims for daycare food costs from the federally funded Nutrition Education and Child Care Food Program.

The Insurance Fraud Bureau, the state Attorney General's office and the Unemployment Fraud Division investigated.