

OFFICE OF ATTORNEY GENERAL**INSURANCE FRAUD SECTION**
TOM CORBETT • ATTORNEY GENERAL
NEWSLETTER

Landlord Arrested for Defrauding Insurance Company

On July 25, 2007, Bonnie Middaugh was arrested in Tioga County and charged with two counts of Insurance Fraud (F3 & M1) and one count of Theft by Deception (F3).

The defendant, Bonnie Middaugh, owned property at 1498 Lawrence Road, Lawrenceville, Tioga County, which she rented to Melinda and Jeremy Wood. According to the Criminal Complaint, in November 2006, Middaugh instructed Melinda Wood to apply for homeowner's insurance over the internet under Middaugh's name, indicating on the application that Middaugh occupied the property. A fire occurred at the property on November 18, 2006, and Middaugh received \$5,000 in emergency funding for meals, clothing and housing, but failed to turn it over to the Woods'. Middaugh then allegedly instructed Melinda Wood to provide her with a list of the Woods' personal items that were damaged or destroyed in the fire. Middaugh presented the list to Foremost Insurance Company purporting to be items owned by her. Foremost Insurance Company paid Middaugh \$36,725.08 for the listed items. In total, Foremost Insurance Company paid Middaugh \$41,725.08 in insurance benefits. Middaugh allegedly kept all of the funds for herself, remitting none of the funds to the Woods' to compensate for their loss.

Two Sentenced in Allegheny County Prescription Fraud Case

Jeffrey Petruzzi pled guilty to one count of Insurance Fraud (F3), one count of Act 64 violations (F), one count of Theft by Deception (F3), two counts of Conspiracy (F-3) and one count of Forgery (M1) and on July 10, 2007, was sentenced to serve 10 months intermediate punishment, followed by 24 months consecutive probation, ordered to attend drug and alcohol evaluation and treatment and to pay restitution of \$4,163.40 and all court costs.

Jennifer Trombetta pled guilty to one count of Insurance Fraud (F3), one count of Act 64 violations (F), one count of Theft by Deception (M1), one count of Conspiracy (F-3) and one count of Forgery (M1) and on July 10, 2007, was sentenced to serve 10 months intermediate punishment, followed by 30 months consecutive probation, ordered to attend drug and alcohol evaluation and treatment and to pay restitution of \$762.10 and all court costs.

Co-defendants, Petruzzi and Trombetta, were part of thirteen defendants involved in a prescription fraud scam. Information was obtained indicating that Pharmicare Insurance was being billed for prescriptions for the Schedule II Controlled Substance, Oxycontin, or its generic equivalent, Oxycodone. The two doctors listed advised that they had not prescribed the drugs for the individuals listed. The scam involved numerous levels. The last level involved several individuals who provided their private insurance cards to be used to obtain more pills and for debt forgiveness. Defendants Petruzzi and Trombetta were part of the last level and allowed their insurance cards to be used in exchange for debt forgiveness and to obtain more drugs.

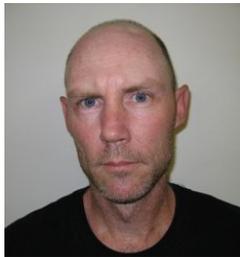


ARRESTS

- On July 31, 2007, Richard W. Brown, Sr. and Lonnie Miles Cross were arrested in Lancaster County. According to the Criminal Complaint, Brown completed and signed an application for automobile insurance with the Donegal Insurance Company for a 1988 Mazda effective December 6, 2006. On December 7, 2006, Cross was involved in a DUI related accident while operating the 1988 Mazda. An investigation revealed that Brown failed to inform the Donegal Insurance Company that Cross was a member of his household, a regular operator and co-owner of the 1988 Mazda and had his license suspended for a prior DUI conviction. As a result of these findings, Brown and Cross were charged with one count of Criminal Conspiracy to Commit Insurance Fraud (M1) and one count of Insurance Fraud (M1).
- On July 13, 2007, Jose Ramirez and Jorge Vargas-Montalvo were arrested in Cumberland County. According to the Criminal Complaint, Vargas-Montalvo was in an accident when it struck another vehicle. In a claim filed with the Progressive Insurance Company, Ramirez and Vargas-Montalvo stated that Ramirez was driving the vehicle at the time of the accident. An investigation revealed that Vargas-Montalvo was driving the vehicle at the time of the accident and was an excluded driver under Ramirez' Progressive Insurance policy. Ramirez and Vargas-Montalvo were charged with two counts of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- On July 27, 2007, Carrie Dean was arrested in Fayette County. According to the Criminal Complaint, Dean was involved in a two-vehicle accident in September, 2003. Following the accident, Dean filed claims with the State Farm Insurance Company and the Allstate Insurance Company, seeking benefits for lost wages resulting from the accident. An investigation revealed that Dean was not employed at the time of the accident. State Farm Insurance Company paid Dean \$937.28 and Allstate Insurance Company paid \$3,000. Dean was charged with two counts of Insurance Fraud (F3) and two counts of Theft by Deception (F3 & M1).
- On July 25, 2007, Regina Scott-Simmons was arrested in Lancaster County. According to the Criminal Complaint, Scott-Simmons filed claims with State Farm Insurance Company and Donegal Insurance Company for the same damage to her vehicle as a result of an accident. State Farm Insurance Company, the at-fault insurer, paid Scott-Simmons \$3,702.09 and Scott-Simmons' insurer, Donegal Insurance Company, paid \$3,262.88, not aware that State Farm had issued a check for the same damages. Scott-Simmons was charged with one count of Insurance Fraud (F3) and one count of Theft by Deception (F3).
- On July 25, 2007, Stephen Suder was arrested in Montgomery County. According to the Criminal Complaint, Suder filed a claim with Nationwide Insurance Company that his 1995 Jeep Cherokee and a computer and drill that were allegedly inside the vehicle, were stolen. An investigation revealed that the vehicle had not been stolen and the computer and drill were purchased and returned prior to the purported theft. Suder was charged with two counts of Insurance Fraud (F3) and two counts of Criminal Attempt/ Theft by Deception (F3).
- On July 30, 2007, Ada Boltyansky was arrested in Chester County. According to the Criminal Complaint, Boltyansky claimed her residence was burglarized in December 2006. Boltyansky filed a claim with Cumberland National Insurance Company, submitting a receipt for a Dell computer valued at \$3,850. An investigation revealed the receipt was allegedly fraudulent. The store listed on the receipt did not sell Dell computers and the signature was not the salespersons. Boltyansky was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/ Theft by Deception (F3).

- On July 31, 2007, Bruce Lowery was arrested in Montgomery County. According to the Criminal Complaint, Lowery's car was struck by another car while it was parked at the gas pump causing minor damage. Lowery was not in the car at the time. Two months later, Progressive Insurance Company received chiropractic treatment bills totaling \$2,615 for injuries Lowery allegedly received in the accident. Lowery gave a number of inconsistent statements indicating that he was hurt in the accident. Lowery was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/ Theft by Deception (F3).

- On July 31, 2007, Robert Boysha was arrested in Columbia County. According to the Criminal Complaint, Boysha was injured while working for Tech Parking, Inc., and was receiving Workers' Compensation benefits from AIG Insurance. An investigation revealed that Boysha was employed by Final Touch Cleaning, earning \$1,520, while receiving Workers' Compensation benefits. Boysha was charged with one count of Workers' Compensation Insurance Fraud (F3) and one count of Theft by Deception (M1).



- On July 27, 2007, Harry Slezak was arrested in Montgomery County. According to the Criminal Complaint, on December 25, 2006, Slezak struck a parked car. On January 4, 2007, Slezak obtained coverage from the Progressive Insurance Company. On January 6th Slezak filed a claim for both vehicles involved in the December accident, reporting to Progressive Insurance that the accident occurred on January 5th. Slezak was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/ Theft by Deception (M1).
- On July 10, 2007, Frank Altomare was arrested in Montgomery County. According to the Criminal Complaint, Altomare was involved in a motor vehicle accident on October 13, 2006, striking another vehicle from behind causing damage to the other vehicle. On October 16th, Altomare reinstated

his policy retroactively to October 12th with the Progressive Insurance Company and signed a Statement of No Loss. Altomare then allegedly submitted a claim based on the October 13th accident. Altomare was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).

- On July 30, 2007, George and Kimberly Disbrow were arrested in Franklin County. According to the Criminal Complaint, the Disbrows' vehicle collided with an unoccupied, parked car. The Disbrows stated to the Progressive Insurance Company that George was operating the car at the time of the collision. According to the Disbrows' policy, Kimberly was an excluded driver due to a suspended license as a result of numerous traffic violations. An investigation revealed that Kimberly Disbrow was operating the car at the time of the collision. George and Kimberly Disbrow were charged with two counts of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1) and George Disbrow was also charged with one count of False Swearing (M2).
- On July 24, 2007, Janis Molinaro was arrested in Washington County. According to the Criminal Complaint, Molinaro submitted more than half a dozen prescriptions under her ex-husband's health insurance policy with Cigna Insurance Company. Molinaro allegedly continued to send in her prescriptions after being notified that she was no longer covered under the policy. Molinaro was charged with one count of Insurance Fraud (F3) and one count of Theft by Deception (M1).
- On July 26, 2007, Courtney Young was arrested in Dauphin County. According to the Criminal Complaint, Young purchased an automobile policy with the Progressive Insurance Company on September 24, 2006 at 8:17 p.m. Young filed a claim with the Progressive Insurance Company on September 27th, stating that she was involved in an accident on September 25th. An investigation revealed that the accident occurred on September 24th at 12:20 p.m. Young was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).



Three Sentenced in Beaver County Prescription Fraud Case



On July 27, 2007, Keith Baurle, James Goodman and Gennaro Greco pled guilty to one count of Insurance Fraud (F3) and one count of Act 64 Violation (F) in Beaver County.

Keith Baurle was sentenced to serve 11 ½ to 23 months incarceration and attend drug and alcohol evaluation and treatment. James Goodman was sentenced to serve 2 years probation, ordered to perform 50 hours of community service and attend drug and alcohol evaluation and treatment. Gennaro Greco was sentenced to serve 6 to 23 months intermediate punishment and attend drug and alcohol evaluation and treatment.

In October, 2004, an emergency room physician at Aliquippa Community Hospital was writing fraudulent prescriptions for Oxycontin and selling them to two individuals. These two individuals used the personal information of the above-named defendants to obtain the fraudulent prescriptions from the physician. After the fraudulent prescriptions were obtained, the two individuals would meet the above-named defendants at various pharmacies in the Greater Pittsburgh area to fill the prescriptions. Keith Baurle, James Goodman and Gennaro Greco would take the fraudulent prescription into the pharmacy and acquire the Oxycontin by utilizing their own personal prescription insurance (Highmark). Highmark Insurance paid a total of \$13,178.13 towards the fraudulent Oxycontin prescriptions that were filled out by the various pharmacies.

Other Convictions

- On July 18, 2007, Jose Diaz pled guilty to ten counts of Failure to Obtain Workers' Compensation Insurance Fraud (M3) in Philadelphia County. Diaz was a corporate officer and shareholder of The Broad Street Sports Bar which failed to obtain Workers' Compensation insurance for December 2002, and parts of 2003 and 2004. In December 2002, Armando Matos was hired and on February 23, 2003, was shot in the course of his employment. Matos filed a claim for workers' compensation benefits and obtained a judgment for \$367/week retroactive to February 23, 2003. No money was paid by the Broad Street Sports Bar to Matos or to any of his medical providers. Diaz was sentenced to serve 5 years probation and ordered to perform 200 hours of community service and to pay restitution of \$7,500 and all court costs.
- On July 24, 2007, Alexander Sadowy pled guilty to one count of Theft by Deception (M1). Sadowy received \$417.89/week total disability Workers' Compensation benefits from March 1, 2005 through August, 2006 from the St. Paul Traveler's Insurance Company for an injury he suffered while working for the Philadelphia Inquirer. Sadowy reported to St. Paul Traveler's Insurance Company that he had no other employment but an investigation revealed that Sadowy worked at a bar during the entire period he was receiving the disability benefits. Sadowy was sentenced to serve 2 years probation and ordered to perform 150 hours of community service and ordered to pay \$5,000 restitution and all court costs.

(ARD) DISPOSITIONS

During the month of July, two additional defendants received Accelerated Rehabilitative Disposition (ARD).