

OFFICE OF ATTORNEY GENERAL

INSURANCE FRAUD SECTION
TOM CORBETT • ATTORNEY GENERAL
NEWSLETTER

Dauphin County Women Receive Jail Sentences

Kathryn Forney Pleads Guilty to Insurance Fraud



Kathryn Forney was sentenced on May 13, 2008, in Dauphin County to 11 ½ to 23 months in prison and ordered to pay a fine of \$250 after pleading guilty to Insurance Fraud.

Forney's 2004 Jeep Liberty was involved in an accident and sustained damages. Forney informed the Progressive Insurance Company that she had a friend repair her vehicle and she wanted Progressive to reimburse her directly for the expense. Progressive advised Forney that they would require proof that her lien was satisfied in order to issue the check directly to her. Forney provided Progressive with the name of Rebecca at Chrysler Financial. Progressive contacted Rebecca and she verified that the loan had been satisfied. It was discovered, however, that Rebecca was actually a friend and co-defendant of Forney who did not work for Chrysler Financial. The investigation further revealed that Forney's vehicle had never been repaired and had actually been repossessed.

Renee Gilkin Pleads Guilty to Workers' Compensation Fraud



Renee Gilkin was sentenced on May 12, 2008, in Dauphin County to time served of 38 days to 23 months in prison, ordered to perform 50 hours of community service and ordered to pay restitution of \$9,600 after pleading guilty to Workers' Compensation Insurance Fraud.

Gilkin's boyfriend, Joseph Cavanaugh, was receiving workers' compensation benefits. On February 6, 2005, Cavanaugh died. Unaware of his passing, the State Workers' Insurance Fund continued to mail Cavanaugh's monthly benefit checks to the Philadelphia post office box to which Gilkin and her boyfriend had joint access. Gilkin forged her deceased boyfriend's signature on the checks and cashed them at a Philadelphia check cashing business. Gilkin also forged her deceased boyfriend's signature on a Labor and Industry form, upon which Gilkin falsely asserted Cavanaugh's continuing eligibility to receive benefits. Gilkin endorsed the signature of her boyfriend on fifteen monthly workers' compensation checks and in so doing, obtained \$9,600 in workers' compensation payments to which she was not entitled.



ARRESTS

- On May 27, 2008, Roberto Carrabbia and Mama's Family, Inc., were arrested in Allegheny County on charges of Failure to Carry Workers' Compensation Insurance. According to the Criminal Complaint, Carrabbia was listed as the only corporate officer at the time Mama's Family, Inc. was incorporated. Heather Ernst was an employee of Mama's Family, Inc. and was injured at work when she was struck by a knife Carrabbia was swinging at his brother. Ernst incurred a large amount of medical bills and sought workers' compensation benefits for her injury. It is alleged that Carrabbia failed to carry workers' compensation coverage on Mama's Family, Inc. and that he obtained coverage shortly after Ernst's injury. Carrabbia and Mama's Family, Inc. have both been charged with 62 counts of Failure to Carry Workers' Compensation Insurance (F3 & M3).



- Thomas Cusack, Mary Schofield, William Sotack and Edward Addison were arrested in Montgomery County on May 21, 2008. According to the Criminal Complaint, Cusack filed a claim with the Allstate Insurance Company for water damages to Schofield's property and contents. Cusack submitted numerous receipts for repairs to Allstate. The Complaint further states that Cusack and Schofield stated under oath to Allstate that Schofield was residing at the dwelling at the time of the damage, as required by the policy. It is alleged that Schofield was not residing at the residence at the time of the damage. It is further alleged that the receipts were for items that were never damaged and that Addison and Sotack provided Cusack, at his request, with fraudulent receipts from their respective companies for work that was never done. Cusack, Schofield, Sotack and Addison have each been charged with two counts of Insurance Fraud (F3) one count of Theft by Deception (F3) and one count of Criminal

Conspiracy. Cusack was also charged with one count of Forgery (M1).

- On May 21, 2008, Shane Muro was arrested in Westmoreland County on charges of Insurance Fraud (F3), Theft by Deception (F3), Conspiracy (F3) and False Reports to Law Enforcement (M3). According to the Criminal Complaint, Muro reported his 2000 Volvo stolen from the parking lot of his employment. Muro filed a claim with the Progressive Insurance Company and received over \$21,000 for his vehicle. It is alleged that Muro arranged with two other individuals to take and maintain possession of the vehicle so he could receive the insurance proceeds.
- On May 21, 2008, Holly Thompson was arrested in Beaver County on charges of Insurance Fraud and Theft. According to the Criminal Complaint, Thompson stated to the State Farm Insurance Company that she had been unable to work since being injured in a fall in December 2002. Thompson received over \$11,000 in lost wages benefits. It is alleged that Thompson worked at a used car lot while collecting benefits.
- On May 30, 2008, Eric Beulah was arrested in Lancaster County. According to the Criminal Complaint, Beulah filed a third party claim against the Donegal Insurance Company after his 1993 Mercedes was totaled in an accident with another vehicle. Beulah submitted documents to Donegal for lost wage benefits, reimbursement for a rental car and a document verifying that the loan on his Mercedes had been satisfied. It is alleged that the rental car company does not exist and that Beulah forged his estranged wife's signature on the wage and employment documentation. It is further alleged that Beulah submitted a document to Donegal verifying that the loan on his Mercedes had been satisfied when he still owed approximately \$3,400. Beulah has been charged with one count of Insurance Fraud (F3), one count of Theft by Deception (F3) and one count of Criminal Attempt/Theft by



Deception (F3).

- On May 29, 2008, Aaron and Ian Smith were arrested in Chester County. According to the Criminal Complaint, Aaron filed a claim under a business policy with the Donegal Insurance Company stating that a number of tools were taken from his work trailer located at his brother, Ian's residence. Donegal paid Aaron the policy limits of \$1,000. Ian then filed a claim under his homeowner's policy with the Cumberland Insurance Company stating that a number of tools were taken from his garage and Aaron's work trailer located on his property. It is alleged that Ian claimed ownership of the same tools that his brother, Aaron had claimed. It is further alleged that Ian and Aaron submitted a fraudulent receipt to the Cumberland Insurance Company for the purchase of the tools. Aaron and Ian have been charged with two counts of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- On May 28, 2008, Kimberly Clark was arrested in Allegheny County on numerous charges. According to the Criminal Complaint, Clark called in and/or presented prescriptions for Oxycontin, Endocet and Vicodin in her or her daughter's name to various pharmacies in the Pittsburgh area while working as a medical assistant. It is alleged that Clark forged the doctors' names to the prescriptions which were then billed through her insurance with UPMC. Clark has been charged with four counts of Insurance Fraud (F3), four counts of Act 64 Drug Violations (F), one count of Theft by Deception (F3) and one count of Forgery (M1).
- Cheranda Smithzer was arrested in Bucks County on May 15, 2008. According to the Criminal Complaint, Smithzer upgraded her



automobile policy with the Infinity Insurance Company to include comprehensive and collision coverage for her 1998 Honda Civic. On the same day, Smithzer submitted a claim for damages to her vehicle. It is alleged that the damages actually occurred prior to the addition of the upgraded coverage. Smithzer has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).



- On May 22, 2008, Kyle Williams was arrested in Montgomery County. According to the Criminal Complaint, Williams was involved in a two-vehicle accident. Williams' insurer, the Progressive Insurance Company, was notified by the driver of the other vehicle and went to Williams' residence and photographed the damage to Williams' vehicle. Two weeks after the accident, Williams submitted a claim stating that his vehicle had been stolen. Williams vehicle was subsequently recovered and Williams claimed that all of the damages to his vehicle had occurred from the theft. The Complaint further states that Williams' policy only provided for comprehensive coverage and not collision. It is alleged that the damages to Williams' vehicle occurred from the accident two weeks prior and would not have been covered under his existing policy. Williams has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).
- Terri Jones was arrested in Armstrong County on May 30, 2008 on charges of Insurance Fraud and Act 64 Drug Violations. According to the Criminal Complaint, Jones, while employed as a receptionist for Dr. Oliver, called in seven prescriptions for Vicodin for herself and three family members. It is alleged that Jones forged these prescriptions which were then submitted to the Highmark Insurance Company. Jones has been charged with one count of Insurance Fraud (F3) and one count of Act 64 Violations (F).



CONVICTIONS

- Thomas and Todd Chisler entered open guilty pleas to one count of Insurance Fraud (F3) in Washington County. Thomas reported to the State Farm Insurance Company that his 2000 Ford Focus was stolen. Thomas' father, Todd, corroborated his claim. Our investigation revealed that Thomas paid an acquaintance to take and burn the car to avoid making additional car payments. On



May 13, 2008, Thomas was sentenced to serve 5 years probation, ordered to perform 200 hours of community service and ordered to pay a fine of \$1,000, restitution jointly and severally and all court costs. Todd was sentenced to serve 5 years probation, ordered to perform 100 hours of community service and ordered to pay a fine of \$500, restitution jointly and severally and all court costs.



- Willie Haggins entered an open guilty plea to one count of Insurance Fraud (F3) in Montgomery County. Haggins reported to the American Independent Insurance Company that he was operating his vehicle when he was involved in an accident. Our investigation revealed that a female, Minerva Mojica, was operating the vehicle at the time of the accident and that Mojica was an excluded driver on Haggins' policy. On May 29, 2008, Haggins was sentenced to serve 3 years probation and was ordered to pay all court costs.
- Keith Prather entered a guilty plea to one count of Insurance Fraud (F3) in Philadelphia County. Prather was one of the twelve defendants who filed claims with the Lancer Insurance Company reporting that they were passengers on a Wertz tour bus when it was struck by a car. Our investigation revealed that the collision was staged and that some of the defendants were not on the

bus, some were on the bus but faked injuries and one knew in advance that the collision was going to take place in order to generate claims. On May 6, 2008, Prather was sentenced to serve 2 years probation, ordered to perform 100 hours of community service and ordered to pay a fine of \$500 and all court costs.

- Barbara Dougherty entered a guilty plea to one count of Insurance Fraud (F3) in Union County. Dougherty falsely stated to the Erie Insurance Company that she was operating the vehicle at the time of a collision. Our investigation revealed that another individual was operating the vehicle at the time of the collision and was an excluded driver on the policy due to her license being suspended for numerous vehicle code violations and a delivery of a controlled substance conviction. On May 21, 2008, Dougherty was sentenced to serve 2 years probation, perform 50 hours of community service and ordered to pay a fine of \$250 and all court costs.
- Lisa St. Peter entered a guilty plea to one count of Insurance Fraud (F3) in Allegheny County. St. Peter filed a fraudulent claim with the Donegal Insurance Company misrepresenting the date of a burglary and claiming stolen property and damages to her home totaling \$57,000. Our investigation revealed that the burglary occurred three months earlier and that many of the items claimed were not covered by her policy at that time and were subsequently added prior to her claim. The investigation further revealed that one reportedly stolen item was actually in her boyfriend's possession and that the damages were caused by St. Peter, herself. St. Peter was sentenced to serve 6 month probation and was ordered to pay all court costs.

(ARD) DISPOSITIONS

During the month of May, seven additional defendants received Accelerated Rehabilitative Disposition (ARD). Defendants who receive ARD are typically sentenced to 2 years probation, 50 hours community service, and ordered to pay full restitution, all ARD costs and all court costs.