



pennsylvania

OFFICE OF ATTORNEY GENERAL

Josh Shapiro, Attorney General

CRIMINAL LAW DIVISION

INSURANCE FRAUD SECTION

NEWSLETTER

May 2018

Insurance Fraud

Plastic Surgeon Pleads to Charges Stemming from Billing Scheme



On May 25, 2018, Dr. Daniel Nevarre was charged in **Cambria County** with one count of Insurance Fraud (F3) and one count of Provider Prohibited Acts - False Information/Claims (F3). Nevarre pled open to the charges on May 25. According to the criminal complaint, employees of Nevarre's business, Plastic Surgical Associates of Johnstown, began to notice in 2010 that Nevarre was routinely billing insurers for services which were not provided. For example, Nevarre billed for removing "cancerous" tissue, when in fact the tissue samples showed no signs of cancer. Nevarre also billed insurers for eyelid reconstruction surgeries which were not completed. Nevarre received a total of \$288,974.00 from Highmark, UPMC, Medicaid and Medicare due to the fraudulent billings. Nevarre was sentenced to serve 6 to 24 months of house arrest and 3 years of probation. He was ordered to pay \$288,974 in restitution to Highmark, UPMC, Medicaid and Medicare. He was also ordered to pay a \$5,000 civil penalty to the PA Insurance Fraud Prevention Fund and court costs.

Montgomery Man Sentenced to State Prison Following Plea to Fraud Charge



On May 8, 2018, Rashad Wyatte was sentenced in **Montgomery County** after entering an open plea to two counts of Insurance Fraud (F3). On February 14, 2013, Wyatte's vehicle was involved in an accident with a second vehicle which was insured by Liberty Mutual. During the claim process, Wyatte told Liberty Mutual and his own insurer, Esurance Insurance Company, that he had been operating his vehicle when the accident occurred. Wyatte submitted medical bills to Esurance for reimbursement and received \$1,590 from the insurer as a result. An investigation revealed that another person was the driver and sole occupant of Wyatte's vehicle at the time of the crash. Wyatte was sentenced to serve 18 to 36 months of state incarceration and 3 years of probation. He was ordered to pay restitution in the amount of \$1,590 to Esurance Insurance Company and to pay court costs.

ARRESTS



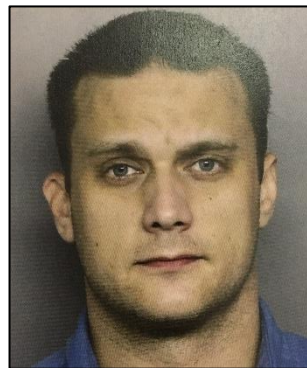
- On May 2, 2018, Stephen Kezmarsky III was arrested in **Fayette County**. According to the criminal complaint, Kezmarsky was a licensed funeral director who owned and operated Kezmarsky Funeral Home in Uniontown, Pennsylvania. Kezmarsky allegedly accepted payments for pre-need funeral policies from individuals between September 2005 and December 2017, deposited the funds into his business or personal account and used the money as his own. Kezmarsky also allegedly received and utilized money he received which was intended to be used to purchase a grave marker. According to the complaint, Kezmarsky changed the names of life insurance policy beneficiaries without their knowledge or permission, in order to divert the proceeds for his own use. In all, Kezmarsky allegedly stole \$244,377.54. The complaint stated that Kezmarsky filed for personal bankruptcy and on behalf of the funeral home, which was sold on April 28, 2017. Kezmarsky was charged with one count of Insurance Fraud (F3), 35 counts of Theft by Deception (F3), 35 counts of Theft by Failure to Make Required Disposition of Funds (F3), 9 counts of Theft by Deception (M1) and 9 counts of Theft by Failure to Make Required Disposition of Funds (M1). The aforementioned charges were filed jointly by the Office of Attorney General's Insurance Fraud Section and the Fayette County District Attorney's Office.
- On May 14, 2018, Stephen Moyer was arrested in **Beaver County**. According to the criminal complaint, Moyer was involved in a two vehicle accident on October 19, 2017, at approximately 12:30 PM. At approximately 12:50 PM, Moyer allegedly reinstated his Progressive Insurance auto



policy which had lapsed for nonpayment on October 2. During the reinstatement process, Moyer allegedly advised Progressive that he had not been in any accidents and/or that his vehicle had not been damaged during the lapse period. The complaint stated that the other involved driver filed a claim with State Farm Insurance. State Farm allegedly contacted Progressive and advised that the accident occurred before Moyer obtained coverage. When Moyer was contacted during the claims process, he allegedly maintained that the accident occurred after he reinstated the policy. During a subsequent interview, however, Moyer allegedly admitted to investigators that he reinstated his coverage following the accident. Moyer was charged with one count of Insurance Fraud (F3), one count of Criminal Attempt/Theft by Deception (F3) and one count of Insurance Fraud (M1).



- On May 24, 2018, Joel Riddell was arrested in **Bucks County**. According to the criminal complaint, Riddell worked as a public insurance adjuster for the Ironshire Group, located in Philadelphia. The complaint stated that homeowners retained Riddell to represent them in connection with a loss which occurred on March 4, 2014. The contract between the homeowners and Riddell allegedly entitled Riddell to receive 10% of every claim payment issued by the homeowners' insurance company. According to the complaint, in March of 2014, the insurer, Liberty Mutual, issued a \$10,000 check payable to Riddell and the homeowners. Instead of cashing the check and providing the funds, less his fee, to the



homeowners, Riddell allegedly endorsed the check with the names/initials of the homeowners and deposited the funds into his own bank account. Days later, Riddell allegedly sent the homeowners a check in the amount of \$5,000, instead of the \$9,000 which they were entitled to receive. Riddell was charged with one count of Theft by Failure to Make Required Disposition of Funds Received (F3) and one count of Forgery (F3).

- On May 31, 2018, David Boyle was arrested in **Montgomery County**.



According to the criminal complaint, Boyle obtained a Progressive automobile policy to insure two vehicles on March 20, 2015. On June 16, Boyle purchased a 2011 Toyota Camry, but allegedly failed to add it to his policy. The Camry was involved in an accident on July 24. According to the complaint, Boyle told Progressive that he purchased the car less than a month before. He allegedly submitted an altered temporary registration form to Progressive when the insurer asked Boyle to provide proof of the purchase. The complaint stated that Boyle changed the purchase date on the form from June 16 to June 26, to make it appear that the accident occurred within 30 days of the purchase. Boyle allegedly admitted that he changed the purchase date in an attempt to get coverage for his vehicle damage. Boyle was charged with one count of Insurance Fraud (F3), one count of Criminal Attempt/Theft by Deception (F3), one count of Criminal Use of a Communication Facility (F3) and one count of Forgery (F3).

- On May 16, 2018 Steven Notter was arrested in **Montgomery County**. According to the criminal complaint, on April 11, 2016, at approximately 3:56 PM, Notter's uninsured vehicle was involved in an accident with another vehicle. At 4:20 PM, Notter allegedly

called Nationwide Insurance and purchased an auto liability insurance policy. During the call, Notter allegedly told the insurer that he had not been involved in an accident during the prior three years. The complaint further



stated that on April 20, the insurer of the other involved vehicle filed a claim with Nationwide. When Nationwide interviewed Notter about the loss, Notter allegedly claimed that he had purchased liability coverage from Nationwide before 3 PM on October 11. According to the complaint, Notter actually secured the coverage at 4:20 PM, after the loss occurred. Nationwide denied the claim. Notter was charged with one count of Insurance Fraud (F3), one count of Criminal Attempt/Theft by Deception (F3), one count of Criminal Use of a Communication Facility (F3) and one count of Insurance Fraud (M1).

- On May 24, 2018, Sophia Ramos was arrested in **Philadelphia County**.



According to the criminal complaint, on July 15, 2016, at 4:58 PM, Sophia Ramos contacted Safe Auto by telephone and was advised that the policy for her 2010 Toyota Corolla was cancelled for non-payment on July 6. Ramos then purchased a new Safe Auto policy for the vehicle and during the call, Ramos allegedly told the insurer that the Toyota had no pre-existing damage and had not been involved in any accidents during the previous five years. The complaint further stated that at 5:54 PM, Ramos called Safe Auto and claimed that her Toyota was involved in an accident with another vehicle shortly after Ramos obtained coverage.

Ramos allegedly claimed that the accident happened at approximately 5:20 PM. However, according to the complaint, the driver of the other vehicle subsequently advised Safe Auto that the crash had occurred at approximately 4:40 PM, which was before Ramos purchased her policy. On July 19, a Safe Auto claim adjuster conducted a recorded interview with Ramos, during which she allegedly claimed that the crash occurred around 5:30 PM. However, according to the complaint, the police accident report confirmed that the loss occurred before Ramos obtained coverage from Safe Auto. Safe Auto denied the claim. Ramos was charged with one count of Insurance Fraud (F3), one count of Criminal Attempt/Theft by Deception (F3), one count of Criminal Use of a Communication Facility (F3) and one count of Insurance Fraud (M1).

- On May 22, 2018, Carla Pascoe was arrested in **Butler County**. According to the criminal complaint, on December 15, 2017, Pascoe's GEICO Insurance coverage for her 2010 Toyota Camry lapsed due to non-payment. On



December 25, Pascoe reinstated the policy. Four days later, Pascoe allegedly contacted GEICO and claimed that her vehicle was involved in an accident at approximately 7:00 PM on December 28. However, according to the complaint, Pascoe and the tow truck operator who had removed the vehicle from the scene confirmed that the crash occurred on December 24, which was before Pascoe reinstated her coverage. Pascoe was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).

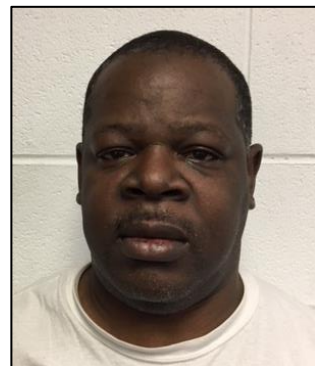
- On May 14, 2018, Quincy Morgan was arrested in **Washington County**. According to the criminal complaint, Morgan was involved in a motorcycle accident on October 8, 2017. The complaint stated that when the

crash occurred, Morgan's Honda motorcycle had liability only coverage through Progressive Insurance. On October 9 at approximately 9:10 AM, Morgan allegedly added



comprehensive and collision coverage to the policy. According to the criminal complaint, at 3:24 PM Morgan contacted Progressive Insurance and claimed that his motorcycle struck a deer at approximately 11:30 AM. However, a Progressive representative spoke with Morgan's mechanic who allegedly reported that Morgan said that the motorcycle had struck his girlfriend's vehicle. According to the complaint, investigators determined that the accident occurred before Morgan added comprehensive and collision to his Progressive Insurance policy. Morgan was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).

- On May 30, 2018, Richard Crump Sr. was arrested in **Montgomery County**. According to the criminal complaint, on April 1, 2017, Crump filed a workers' compensation claim for injuries that he



purportedly sustained from a fall at his workplace. However, video surveillance allegedly revealed that Crump did not fall. When confronted, Crump allegedly admitted that his injuries occurred at a bus stop, rather than at work. According to the complaint, Crump was terminated by his employer. PMA Insurance Company, the workers compensation insurer for the employer, paid \$577.28 in medical benefits as a result of Crump's claim. Crump was charged with one count of Workers'

Compensation Fraud (F3) and one count of Theft by Deception (M1).

CONVICTIONS

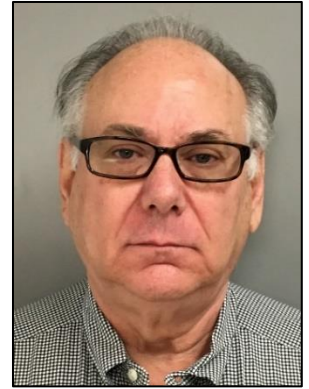


- On May 3, 2018, Virginia Baustert was sentenced in **Westmoreland County** after entering pleas on two separate sets of charges. In the first case, Baustert pled open to one count of Insurance Fraud (F3) and one count of Violation of the Drug Act (F). In that case, Baustert presented forged prescriptions for Schedule II and Schedule III controlled substances to pharmacies in Westmoreland and Allegheny counties on various dates between July, 2011 and May, 2012. In May, 2012, CVS Caremark Insurance contacted the office of Dr. Amer Akrass concerning prescriptions that Baustert had presented for large amounts of controlled substances. Dr. Akrass reviewed the prescription profile provided by CVS Caremark and determined that many of the prescriptions were never written or authorized by his medical staff. CVS Caremark paid approximately \$1,162.00 for fraudulent prescriptions presented by Baustert. In the second case, Baustert pled open to one count of Insurance Fraud (F3), one count of Theft by Deception (F3) and one count of Violation of the Drug Act (F). Baustert gave false, incomplete and misleading information to medical providers in several western Pennsylvania counties, which caused claims to be submitted to Highmark Insurance for services which were not medically necessary. Between June 2013 and April 2016, Highmark paid a total of \$156,055.61 to more than 100 different health care providers for the aforementioned services. Baustert received concurrent sentences of 5 years of intermediate punishment, the first 12 months of which is to be served under house arrest. Further,



Baustert was ordered to perform 100 hours of community service, pay restitution to Highmark in the amount of \$156,055.61, and pay court costs.

- On May 29, 2018, Harris Brooks was sentenced in **Bucks County** after entering a negotiated plea to one count of Insurance Fraud (F3). On November 3, 2016, Brooks' 2015 Kia was involved in a two vehicle accident. Brooks subsequently added the Kia to his Esurance vehicle policy. On November 4, Brooks submitted a claim to Esurance in which he misrepresented certain facts about the accident, including when it occurred. Esurance obtained a copy of the police crash report and determined that the Kia was not insured at the time of the loss. Brooks admitted to investigators that he provided false information to the insurer in an attempt to secure coverage for the damage. Brooks was sentenced to serve 5 years of probation, undergo drug and alcohol and mental health evaluation, pay restitution in the amount of \$500 to the driver of the other vehicle, pay a civil penalty of \$1,000 and pay court costs.
- On May 22, 2018, Emmajean Mowery was sentenced in **Armstrong County** after entering an open plea to one count of Insurance Fraud (F3) and one count of Arson (F2). On April 28, 2016, Mowery obtained a renter's policy from Truck Insurance Exchange (TIE). After a fire occurred at her home on April 29, 2017, Mowery told the insurer that the blaze destroyed or damaged personal property valued at \$18,375. On April 29th, Mowery reported two separate



fires at her residence. The initial fire did only minor damage to a bedroom and may have been caused by an electrical problem. But shortly after the fire department left the scene, the bedroom became fully engulfed in flames. Authorities determined that the second fire was intentionally set. Mowery told authorities that her three year old grandson had been playing with a lighter and accidentally started the fire. When authorities observed that the little boy could not operate a lighter, Mowery suggested that the fire could have been set by her landlord or someone else. TIE denied Mowery's claim. Mowery was sentenced to serve 9 to 24 months of house arrest, ordered to perform 50 hours of community service, and to pay \$57,302.02 in restitution to State Farm Insurance and \$1,000 to the homeowner/landlord. She was further ordered to pay a \$150 fine and court costs.

- On May 23, 2018, Amanda Latta was sentenced in **Jefferson County** after entering a negotiated plea to one count of Insurance Fraud (F3). Latta was involved in a two vehicle accident when she backed her car into another vehicle at approximately 12:10 PM on August 30, 2017. At approximately 12:43 PM that day, Latta reinstated her Progressive Insurance auto policy which had lapsed for nonpayment. The driver of the other vehicle contacted his insurance company, State Farm, which initiated a claim with Progressive. Latta told the insurer that the accident occurred on August 30, after her coverage was reinstated. However, the driver of the other vehicle stated that the loss occurred earlier, before Latta's coverage took effect. Progressive did not pay the claim. Latta was sentenced to serve 2 years of probation, pay restitution in the amount of \$250 to the other driver, pay a fine of \$500 and pay court costs.



- On May 22, 2018, Bruce Carey was sentenced in **Luzerne County** after entering a negotiated plea to one count of Insurance Fraud (F3). Carey's vehicle coverage with Progressive Insurance lapsed from December 24, 2015 through January 14, 2016. The coverage was reinstated on January 14. Carey contacted Progressive on January 16 and reported that his car struck a deer the day before. Carey provided the insurer with cellphone photos of the vehicle damage and provided the name of a purported witness. Progressive investigated the loss and determined that the accident actually occurred on January 1, before Carey reinstated his coverage. Investigators interviewed Carey, who admitted that the loss occurred during the lapse period. Carey was sentenced to serve 2 years of probation and ordered to pay court costs.



- On May 3, 2018, Jocelyn Bayus was sentenced in **Washington County** after entering an open plea to one count of Criminal Attempt/Theft by Deception (M1). Bayus was operating her fiancée's uninsured vehicle on September 30, when it was involved in a two-vehicle accident. At 4:04 PM on September 30, Bayus' fiancée submitted an online payment to Progressive Insurance and reinstated his lapsed coverage for the vehicle. Bayus contacted the insurer on October 12 and submitted a claim for the accident. Bayus told the insurer that the accident had occurred on October 1, after her fiancée reinstated his vehicle coverage. However,



the driver of other vehicle reported that the loss occurred on September 30. Bayus admitted to Progressive that the accident happened while the vehicle was uninsured. Bayus was sentenced to serve 2 years of probation, ordered to perform 50 hours of community service, and pay court costs.

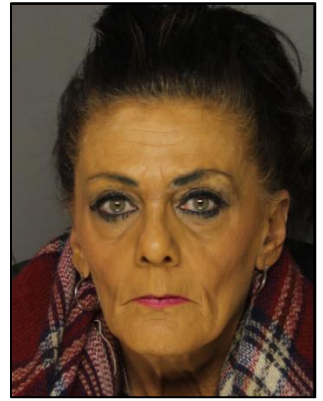
- On May 29, 2018, Jason Rubin was sentenced in **Washington County** after entering an open plea to one count of Insurance Fraud (F3). On August 21, 2016, Rubin reported to Nationwide Insurance that



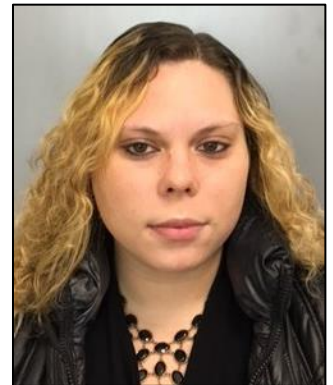
earlier in the day, an electrical surge at his apartment caused more than \$9000 in damage to Rubin's electronic equipment. Rubin claimed that he had disposed of the equipment before Nationwide inspected the property. Rubin told the insurer that he had purchased all of the items from Newegg, an on-line retailer, during March of 2016. Rubin provided Nationwide with a receipt dated March 30, 2016. The insurer contacted Newegg and obtained a copy of the retailer's original receipt for a purchase made by Rubin on November 17, 2013, which totaled \$495.91. Newegg confirmed that the 2013 purchase was the only transaction that Rubin had engaged in with the retailer. Rubin was sentenced to serve 2 years of probation, ordered to perform 50 hours of community service, and pay court costs.

- On May 17, 2018, Cynthia Demharter was sentenced in **Allegheny County** after entering a negotiated plea to one count of Criminal Attempt/Theft by Deception (M1). Demharter's Safe Auto insurance policy was cancelled on February 28, 2017. The coverage was reinstated at 9:04 AM on March 15, 2017. Demharter subsequently reported to Safe Auto that the vehicle was struck from behind by another vehicle at 2:12 PM on March 15. However, the Safe

Auto claims adjuster discovered that another involved party had filed a claim with Farmers Insurance and that the driver maintained that the accident had occurred at approximately 2:37 PM on March 14. The insurer determined that the loss occurred while Demharter's vehicle was uninsured. Demharter was sentenced to serve 2 years of probation, ordered to perform 50 hours of community service and pay court costs.



- On May 16, 2018, Sara Barr was sentenced in **Montgomery County** after entering a negotiated plea to one count of Insurance Fraud (F3) and one count of Criminal Conspiracy (F3).



Sara Barr's 2007 Honda Fit struck a guardrail on I-476 in Marple Township, at approximately 2:15 AM on January 11, 2017. The accident occurred while Barr was being driven home after a night of drinking. Barr and the driver abandoned the car at the accident scene. Barr subsequently told her mother, Valerie Dee Barr, about the accident. The Barrs then filed a stolen vehicle report with Norristown Police and filed a vehicle theft claim with Allstate Insurance. Both Sara Barr and her mother provided recorded statements to Allstate in support of the theft claim. The scheme began to unravel when the State Trooper who had investigated the accident discovered that the Honda Fit had been reported stolen. Allstate investigated and determined that the theft claim was fraudulent. Sara Barr was sentenced to serve 2 years of probation, ordered to pay a civil penalty of \$500, and pay court costs.

- On May 7, 2018, Tarik Neal was sentenced in **Allegheny County** after entering an open plea to one count of Insurance Fraud (F3). Neal rented a 2017 Chevrolet Impala from Enterprise Rent-A-Car on November 28, 2016. On February 4, 2017, Neal bought a 2012 Chevrolet Impala from a Maryland dealership, then purchased full coverage for the 2012 Chevy from Progressive Insurance. On February 6, 2017, Neal returned the rented Impala, with front end damage, to Enterprise. Neal was present when an Enterprise employee contacted Progressive and filed a claim for the damage, indicating that it had occurred on February 5, 2017. Neal reaffirmed the February 5 date of loss during a recorded interview with Progressive. However, investigators contacted the Maryland dealership and learned that staff members remembered that the rental vehicle had a damaged front end when Neal visited the dealership on February 4. Neal was sentenced to serve 2 years of probation and ordered to pay court costs.



(ARD) DISPOSITIONS

During the month of May, five additional defendants received Accelerated Rehabilitative Disposition (ARD).

Anti-Fraud Compliance – Reporting of Insurance Fraud to Law Enforcement Agency

Pennsylvania Bulletin Notice 2016-04 (issued April 30, 2016) reminded insurers of their obligations to report suspected arson or insurance fraud to law enforcement agencies within the Commonwealth. The bulletin also announced a decision by the Pennsylvania Department of Insurance to allow licensees to

satisfy their reporting obligation when they electronically submit reports of suspected fraud to the National Insurance Crime Bureau (NICB).

On July 6, 2017, Pennsylvania began participating in this online service which enables member companies to electronically forward reports of suspected fraud to the Pennsylvania Office of Attorney General's Insurance Fraud Section or other appropriate law enforcement agencies at the same time the companies report suspicious claims to the NICB. *NOTE: The NICB is not a law enforcement agency. Therefore, a licensee cannot satisfy the fraud reporting requirement by submitting a non-electronic (paper) referral only to the NICB.*

Resources available on our website:

- Detailed instructions and tips for referring to law enforcement;
- Explanation of the basic elements of the offense of insurance fraud;
- Pennsylvania Insurance Fraud Statutes and information on how to obtain fraud training materials; and
- Monthly newsletter that reports on our recent arrests and convictions.

FRAUD REFERRALS

The Office of Attorney General's Insurance Fraud Section is the largest law enforcement entity in PA vested with specific authority to investigate and prosecute insurance fraud.

Most of the investigations conducted by the Insurance Fraud Section are initiated by referrals from insurance companies.

Report suspected fraud to the Pennsylvania Office of Attorney General online at: www.attorneygeneral.gov

This newsletter was produced by the PA Office of Attorney General's Insurance Fraud Section and edited by Senior Deputy Attorney General John T. Dickinson.