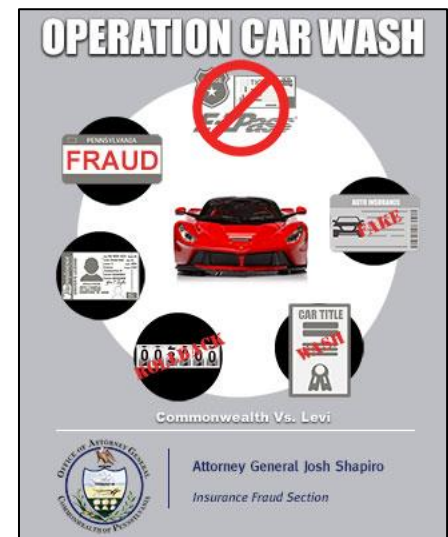


“Operation Car Wash” Ring Leader Sentenced to Five to Ten Years in Prison

- On June 21, 2018, Rafael Levi, Edward Leyberman, Victor Lalo and 13 businesses charged in “Operation Car Wash” were sentenced in **Dauphin County**. These defendants previously pled guilty to a variety of criminal charges which included Insurance Fraud, Theft by Deception, Conspiracy, Corrupt Organizations and Washing Vehicle Titles. “Operation Car Wash” was a massive, organized fraud and theft scheme which involved thousands of illegally obtained Pennsylvania license plates. From 2008 to the present, organization members submitted forged and fraudulent documents to the Pennsylvania Department of Transportation and to the Pennsylvania Department of State for the purpose of obtaining thousands of dealer and transporter license plates. The scheme, headed by Rafael Levi, enabled individuals and businesses to purchase or rent the license plates and avoid paying parking fees and fines for EZ Pass violations which totaled more than one million dollars. The scheme made it possible for members of the organization to obtain Pennsylvania vehicle titles which contained false odometer information or omitted information about the vehicles’ lienholders. In some instances, the forged and fraudulent documents enabled organization members to avoid paying Pennsylvania sales tax on the vehicles. Levi was sentenced to a period of 5-10 years in state prison, plus 5 years of probation. He was ordered to pay a fine of \$7,500, and was ordered to pay a civil penalty of \$100,000 and court costs. Lalo was sentenced to serve 2-4 years in prison and was ordered to pay fines and penalties totaling \$56,000. Leyberman was sentenced to a term of 10-20 months in jail and ordered to pay a total of \$53,500 in fines and penalties. Levi, Lalo and Leyberman were made jointly and severally liable for payment of restitution totaling \$1,300,309.79. Levi previously forfeited numerous luxury vehicles, including a Rolls Royce and two Ferraris, which the Commonwealth sold at auction. The sale proceeds will be applied toward the restitution obligation. Thirteen businesses associated with “Operation Car Wash” were each sentenced to five years of probation and were each ordered to pay a civil penalty of \$15,000 and a fine of \$10,000.



ARRESTS

Insurance Fraud

- On June 21, 2018, Oneatha Swinton and Tanya John were arrested in **Monroe County**. According to the criminal complaint, Swinton lived and worked in New York when, during May of 2014, she fraudulently obtained a Pennsylvania driver's license by using a letter from an energy provider as proof that she lived in Pennsylvania. After she got the license, Swinton allegedly registered her Lexus RX350 and her Lexus NX as Pennsylvania vehicles. According to the complaint, Swinton actually lived on Staten Island, New York, where she served as the interim principal at Port Richmond High School. The complaint further stated that Tanya John, a former NY Department of Education employee, transferred the energy account of her East Stroudsburg property to Swinton, which resulted in Swinton's name appearing on the account between April and June of 2014. Johns allegedly changed the account name to enable Swinton to use the account paperwork as "proof" of Pennsylvania residence during her PennDOT transactions. The complaint also stated that Swinton insured her cars in Pennsylvania through Esurance in order to take advantage of the less expensive PA premium rates. While the cars were insured in Pennsylvania, Swinton allegedly filed two claims for accidents which occurred in New York City. Swinton was charged with three counts of Insurance Fraud (F3), one count of Theft by Deception (F3), one count of Unsworn Falsification to Authorities (M3), one count of Insurance Fraud (M1) and one count of Criminal Conspiracy. John was charged with



two counts of Insurance Fraud (F3), one count of Insurance Fraud (M1) and one count of Criminal Conspiracy.

- On June 29, 2018, Akile Hodge and Rebecca Schaeffer were arrested in **Allegheny County**. According to the criminal complaint, on February 7, 2017, Hodge reinstated his cancelled Progressive Insurance coverage for his 2015 Dodge Durango. Hours after the policy reinstatement, Hodge allegedly reported to the insurer that his Durango had been in a single vehicle accident. Progressive took a recorded statement from Hodge, who allegedly asserted that the crash occurred after his new coverage was in place. The complaint stated that Hodge's girlfriend Rebecca Schaeffer backed up Hodge's claim in her own recorded statement to Progressive. However, the complaint stated that Hodge's vehicle was not drivable and had to be towed from the scene of the accident. Investigators contacted the tow truck driver and obtained copies of the tow records, as well as video footage from the tow company's parking lot. According to the complaint, the evidence revealed that Hodge's accident occurred prior to the reinstatement of his coverage. The insurer denied the claim, which was valued at approximately \$4,935.15. Hodge and Schaeffer were charged with two counts of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- On June 25, 2018, Nicholas Howard was arrested in **Allegheny County**. According to the criminal complaint, on January 8, 2018, less than two hours after Howard obtained an automobile policy from Safe Auto Insurance, Howard reported that his vehicle had been involved in an accident. Howard allegedly told



the insurer that after he obtained coverage, his fiancé had been driving his vehicle when it struck another vehicle. The insurer took the other driver's statement and obtained a copy of the police crash report. Based on the information, Safe Auto allegedly determined that the accident occurred prior to the inception of Howard's policy. According to the complaint, Howard admitted that his vehicle was not insured at the time of the accident and that he had misrepresented the time of the loss in hopes that Safe Auto would cover the cost of repairing the other vehicle. Howard was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).



- On June 29, 2018, Katie Thomas was charged in **Potter County**. According to the criminal complaint, Thomas changed her liability only GEICO policy to full coverage on February 9, 2018. On February 11, Thomas filed an accident claim with GEICO in which she allegedly stated that her vehicle had been involved in an accident on February 10. But according to the complaint an investigation revealed that the crash actually occurred on February 9, before Thomas added full coverage to her policy. GEICO denied the claim. Thomas was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).



- On June 14, 2018, Dion Young was arrested in **Montgomery County**. According to the criminal complaint, on September 9, 2015, Young's cousin was operating a vehicle which was insured by Nationwide when it was involved in a crash with a Progressive-insured vehicle. The complaint further stated that

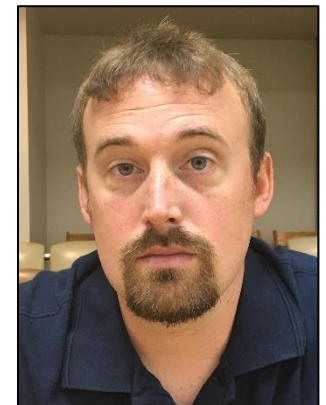
Young was not in his cousin's vehicle at the time of the accident.

Nevertheless Young allegedly filed a claim with Progressive Insurance for injuries that he purportedly sustained as a result of the crash. Young also allegedly filed a claim with



Nationwide Insurance for medical expenses. According to the complaint, Young's cousin, the driver of the other vehicle and the responding police officer stated that there were no passengers in the cousin's vehicle at the time of the accident. According to the complaint, Nationwide paid a portion of Young's medical expense claim, while Progressive denied his personal injury claim. Young was charged with two counts of Insurance Fraud (F3), one count of Theft by Deception (F3) and one count of Criminal Attempt/Theft by Deception (F3).

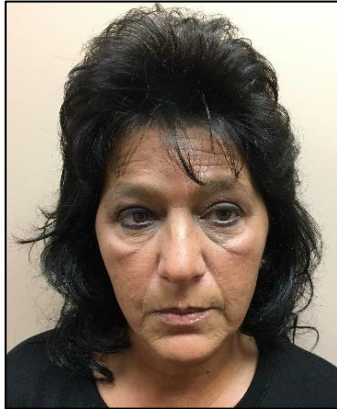
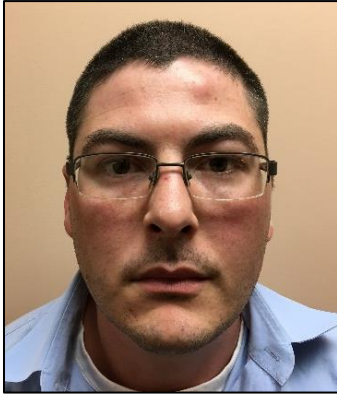
- On June 21, 2018, Andrew Keller was arrested in **Jefferson County**. According to the criminal complaint, on July 19, 2017, a driver contacted Progressive Insurance and reported that earlier in the day his insured vehicle rear-ended a pick-up truck driven



by Keller. Keller then allegedly went to a local body shop and obtained an estimate for damage to the truck's rear bumper, left rear tail lamp and left bed side. On July 24, Keller met with a Progressive adjuster and allegedly claimed that the truck's rear cab area and window also had been damaged in the accident. However, according to the complaint, investigators determined that the additional damage was the result of a subsequent accident. Keller allegedly admitted that his truck was in another accident which occurred after the July 19 loss. The complaint stated that Progressive agreed to pay Keller

\$2,468.16 for the damage actually caused by its at-fault insured. Keller was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).

- On June 27, 2018, Jonathan McDaniel and Theresa Payne-Price were arrested in **Washington County**. According to the criminal complaint, on October 15, 2017, McDaniel obtained an automobile policy from Safe Auto Insurance. On October 18, McDaniel allegedly reported to Safe Auto that after his coverage was in place, he had backed his vehicle into an unoccupied vehicle owned by Payne-Price. Payne-Price



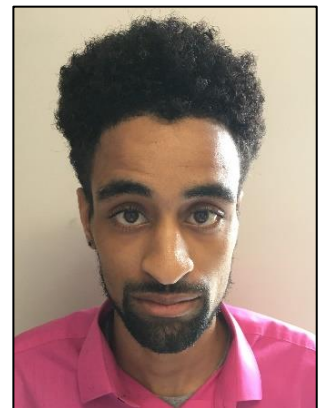
allegedly provided a recorded statement to Safe Auto in support of McDaniel's claim. However, according to the complaint, investigators learned that local police had responded to an unrelated matter involving Payne-Price shortly after the accident occurred. Based upon the time of the police response, investigators determined that the vehicle accident occurred prior to the inception of McDaniel's coverage. Further, the complaint stated that Payne-Price's daughter told investigators that her mother and McDaniel discussed the accident and agreed to misrepresent the time of the loss in an effort to get Safe Auto to pay for the damages. McDaniel allegedly admitted that he contacted Payne-Price immediately after the accident and informed her that he did not have insurance. According to the complaint, McDaniel admitted that he told Payne-Price that he would obtain coverage and that they both agreed to misrepresent the time of the accident to Safe Auto. The claim was denied. McDaniel and

Payne-Price were charged with two counts of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).

- On June 7, 2018, Cecelia Curry was arrested in **Clearfield County**. According to the criminal complaint, Curry submitted an accident claim to Donegal Mutual Insurance on November 11, 2017. Curry allegedly told the insurer that her Mitsubishi Outlander was damaged when she struck a deer. During an appraisal, the appraiser found animal hair in the damaged front passenger area of the vehicle. According to the complaint, after Donegal paid Curry for the damage, Curry contacted the insurer and claimed that the same accident had caused additional damage to the driver's side rear quarter panel of her vehicle. Donegal investigated the new claim and discovered that in December 2016, Curry's vehicle allegedly was involved in an accident which damaged the Mitsubishi's left side rear quarter panel. According to the complaint, Curry filed a claim with Allstate Insurance for that damage and was paid by the insurer. The complaint stated that Donegal investigators obtained the Allstate file for Curry's 2016 accident and determined that the earlier damage was identical to that of Curry's recent Donegal claim. Curry was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).



- On June 13, 2018, Fred Thompson III, was arrested in **Allegheny County**. According to the criminal complaint, Thompson was terminated as an Aflac Insurance agent on August 25, 2016, after Aflac investigators determined that Thompson had forged the signatures of



purported applicants on eight applications for Short Term Disability Insurance. In each instance the purported applicant was identified as an employee of the UPMC Health System. According to the complaint, none of the purported applicants signed or authorized the submission of the applications. Thompson allegedly submitted the applications between July 6, 2015 and September 16, 2015, in order to receive advanced commissions from Aflac. Thompson was charged with two counts of Forgery (F3), one count of Insurance Fraud (M1), one count of Theft by Deception (M1) and one count of Identity Theft (M1).

- On June 20, 2018, Stacey Campbell was arrested in **Tioga County**. According to the criminal complaint, on June 23, 2014, Campbell contacted Erie Insurance and reported that the front and front right area of her 2012 white Subaru was damaged in an accident which occurred at approximately 3 PM that day. Campbell allegedly claimed that she swerved to avoid striking two deer and as a result, her Subaru crashed into a group of trees. Campbell also allegedly told the insurer that she did not contact police, but instead drove the damaged car to a friend's home where she called a tow company. According to the complaint, an investigation revealed that Williamsport Police responded to a hit and run accident which occurred between 12:30 AM and 1:00 AM on June 23. Police indicated that the driver of the struck vehicle claimed that a white Subaru caused the accident, then fled the scene. According to the complaint, a piece of the Subaru's bumper was recovered at the scene of the accident. A few days later, the driver of the struck vehicle allegedly spotted a white Subaru at a local body shop. Williamsport Police were contacted and successfully matched the Subaru with the piece of bumper recovered from the accident scene. Campbell was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).



- On June 20, 2018, Rachel Nagy was arrested in **Tioga County**. According to the criminal complaint, on November 12, 2015, Nagy contacted the Mark Germino Agency and obtained a Progressive Insurance policy for her 2005 Dodge Ram truck. The policy listed Eric Bergen, Nagy's boyfriend, as an excluded driver. On December 3, Progressive sent a notice to Nagy indicating that the policy would cancel for non-payment on December 21. At 12:38 PM on December 8, Nagy allegedly went to the Mark Germino Agency and added Bergen as a covered driver on her policy. According to the complaint, an employee of the Mark Germino Agency called Progressive on December 9 and advised that she was filing an accident claim on behalf of Nagy and Bergen. A Progressive representative took Bergen's recorded statement on December 11. Bergen allegedly stated that he had been driving to work in the Dodge Ram at approximately 5:30 AM on December 9, when the truck hit a deer. Bergen also allegedly advised that he called Nagy immediately after the accident and then called the Mark Germino Agency. A Progressive representative subsequently contacted Nagy and took her recorded statement. Nagy allegedly claimed that the accident occurred on December 9, 2015, and that she had learned about it from Bergen when he called at approximately 8:00 AM. An employee of the Mark Germino Agency allegedly told Progressive that when Nagy added Bergen to the truck's policy on December 8, Nagy signed a No Damage Inspection Form, indicating that the truck had not been involved in any accidents. According to the complaint, Progressive requested and obtained Nagy's and Bergen's cell phone records and allegedly determined that they did not support certain details provided by Nagy and Bergen. When Progressive contacted Bergen again, Bergen allegedly maintained that the truck had not been in any accidents prior to December 9, 2015. On January 25, 2018, investigators met with Nagy and obtained a recorded statement. Nagy



allegedly admitted that she provided false information about the deer strike, and that Bergen was not covered by the Progressive policy when the accident occurred. Nagy allegedly claimed that Bergen had advised her to change the policy after the accident occurred on December 8. Nagy was charged with two counts of Insurance Fraud (F3) and one count of Insurance Fraud (M1).

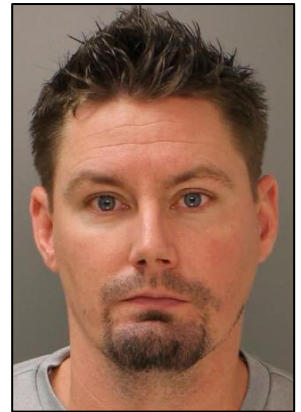
CONVICTIONS



- On June 28, 2018, Martin Betchy was sentenced in **Allegheny County** after entering an open plea to one count of Endangering the Welfare of Children (F3), one count of Theft by Deception (F1) and six counts of Insurance Fraud (M1). Betchy, the owner and operator of Three Rivers Transit contracted with Propel Schools to transport students. The company transported the students in vehicles which lacked proper insurance and which were operated by unlicensed drivers. Additionally Betchy failed to conduct required child abuse/criminal history record checks or obtain clearances for the drivers. An investigation revealed that a number of the drivers had criminal records. Betchy obtained insurance policies for the vehicles in question by indicating that they were only for personal use. When one of the vehicles transporting students was involved in an accident, Betchy provided false information to Nationwide Insurance about the use of the vehicles in an attempt to obtain coverage for the damage. Betchy was sentenced to serve 11 ½ to 23 months of incarceration and 2 years of probation. He was ordered to pay a fine of \$15,000 and pay court costs.
- On June 12, 2018, James Adams was sentenced in **Lehigh County** after entering a negotiated plea to one count of Insurance Fraud (F3). Adams and his wife co-own a tow



truck company named JGA Auto. In September of 2016, James Adams submitted a fraudulent Certificate of Liability to COPART. COPART required JGA to provide proof of liability insurance before the companies could enter into a towing contract. On October 18, 2016, a JGA tow truck caught fire while towing two vehicles to COPART's lot in Pennsburg. The tow truck sustained extensive damage. Later that afternoon, Adams and his wife obtained insurance coverage through a Progressive Insurance Company broker and subsequently filed a claim for the fire loss. The couple told the insurer that the fire occurred after the new policy was in place. However, a subsequent investigation revealed the sequence of events and Progressive denied payment of the claim. James Adams was sentenced to serve 5 years of probation, pay a \$500 civil penalty and pay court costs.



- On June 7, 2018, Jennifer Carter was sentenced in **Montgomery County** after entering an open plea to one count of Insurance Fraud (F3). On December 1, 2015, Carter contacted Progressive Insurance Company and added collision and comprehensive coverage to the policy for her 2003 Ford Explorer. On December 2, Carter filed an accident claim in which she advised the insurer that the loss had occurred at 2:30 AM the same day. An investigation revealed that Carter's vehicle was damaged before she added coverage to her policy. Carter was sentenced to serve 3 years of probation and to pay court costs.
- On June 8, 2018, Kenneth Sterling was sentenced in **Venango County** after entering



a negotiated plea to one count of Insurance Fraud (F3). On June 8, 2018, Kari Bertolina was sentenced in **Venango County** after entering a negotiated plea to one count of Criminal Attempt/Theft by Deception (M1). On March 15, 2017, Bertolina was involved in a two-vehicle accident with her ex-boyfriend Sterling. While Bertolina was chasing Sterling through the streets of Franklin, she drove her Chevrolet Impala into the rear of Sterling's Dodge Ram truck. Sterling



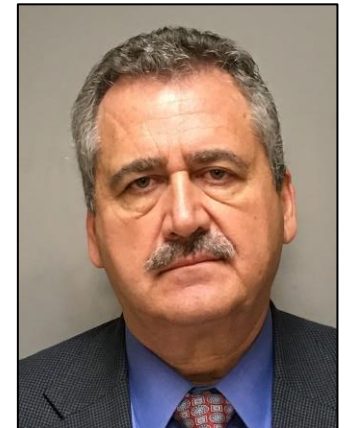
contacted Nationwide Insurance and filed a damage claim, indicating that Bertolina intentionally caused the accident. Nationwide told Sterling that intentional acts were not covered by Bertolina's policy. Sterling then told the insurer that Bertolina had not intentionally damaged the truck. In her initial statement to Nationwide, Bertolina claimed that she did not know Sterling and maintained that the accident had been due to poor road conditions. Bertolina subsequently admitted to investigators that she had intentionally crashed into Sterling's truck and had provided false information to Nationwide in an effort to get the insurer to cover the damages. Kenneth Sterling was sentenced to serve 11 ½ to 23 months, which is to include a minimum period of 18 months house arrest with electronic monitoring. He was ordered to perform 100 hours of community service, pay a \$250 civil penalty and pay court costs. Kari Bertolina was sentenced to serve 3 years of probation. She was ordered to perform 75 hours of community service, pay a civil penalty of \$100 and pay court costs.

- On June 21, 2018, Ojea Crosby was sentenced in **Montgomery County** after entering a negotiated plea to one count of Insurance

Fraud (F3). Crosby was involved in an accident on April 1, 2013, while driving without insurance. The accident caused extensive damage to Crosby's vehicle. Crosby did not call the police, but drove the damaged vehicle to a local auto body shop. The next day, Crosby obtained an automobile policy from Omni Insurance, but did not tell the company about the accident. On April 3, Crosby went to the Pennsylvania State Police and reported that the accident occurred on April 2. Crosby then reported the accident to Omni and claimed that it occurred after she obtained coverage on April 2. Crosby was sentenced to serve 3 years of probation, undergo random drug testing, perform 50 hours of community service, pay a civil penalty of \$5,000 and pay court costs.



- On June 15, 2018, Thomas Harbaugh was sentenced in **Montgomery County** after entering a negotiated plea to one count of Insurance Fraud (F3) and one count of Theft by Failure to Make Required Disposition (F3). Harbaugh was the



President and owner of the Miller & Cornell Insurance Agency. On six occasions from 2011 through 2015, Harbaugh altered a copy of a Travelers Insurance policy which he had obtained for his client High Point, so that the copy reflected a higher amount of coverage than what Harbaugh had actually purchased. On each occasion, Harbaugh provided an altered copy to High Point and billed that business for the cost of the inflated coverage amount. Harbaugh directed High Point to remit the inflated premium payments directly to Miller & Cornell Insurance Agency. When he received the funds, Harbaugh forwarded the

actual premium amount to Travelers and kept the additional funds for himself. On four occasions between 2014 and 2016, Harbaugh did not use premium funds he received from High Point or from another client, Bardol Wallcovering, to purchase insurance. Instead, Harbaugh kept the money for himself and provided forged certificates of coverage to the clients. Harbaugh illegally obtained a total of \$97,471 as a result of his actions. After his fraud was uncovered, Harbaugh paid some restitution to High Point. Harbaugh was sentenced to serve 23 months restrictive intermediate punishment, the first 6 months of which he will serve under house arrest. He was also ordered to serve an additional 5 years of probation. Further, Harbaugh was ordered to pay the full balance of restitution (\$83,293) at sentencing, pay a civil penalty of \$5,000 and court costs. As a condition of his sentence, Harbaugh is specifically prohibited from acting as an insurance agent or in any fiduciary capacity.

- On June 11, 2018, Michele Hill was sentenced in **Lawrence County** after entering a negotiated plea to one count of Criminal Attempt/Theft by Deception (M1). On June 16, 2016, Hill obtained a Progressive Insurance auto policy for her 2004 Chevrolet Malibu. At 3:45 AM on



December 22, 2016, Hill contacted Progressive and attempted to file a claim for a deer strike which had damaged her vehicle. Hill told the Progressive representative that the deer strike had occurred about one hour earlier and had damaged the front and side of her car. The representative reportedly advised Hill that her vehicle policy did not include comprehensive or collision coverage. Hill called Progressive again at 4:09 PM and added the coverage to her policy. On the morning of January 8, 2017, Hill contacted the insurer and reported that her car struck two deer while she was driving to work at approximately 5 AM. A Progressive representative took Hill's recorded statement on January 11. During that conversation, Hill

maintained that her car was not damaged prior to the claimed January 8 deer strike. When the representative asked Hill about her December 22 call to Progressive, Hill said that her car previously struck a deer but maintained that the accident did not damage her vehicle. An investigation revealed that Hill's car was damaged before she added comprehensive and collision coverage to her policy. Hill subsequently admitted that the second deer strike did not occur. Progressive denied the claim. Hill was sentenced to serve 2 years of probation, ordered to perform 50 hours of community service, pay a civil penalty of \$100 and pay court costs.

- On June 13, 2018, Albert Stefanik was sentenced in **Fayette County** after entering an open plea to one count of Criminal Attempt/Theft by Deception (M1). Stefanik was involved in an accident on September 11, 2017. His license was suspended at the time of the accident. Stefanik falsely claimed to Progressive Insurance that his mother was driving the vehicle and that he had been a passenger at the time of the accident. Stefanik was sentenced to serve 18 months of probation, ordered to pay a civil penalty of \$100 and pay court costs.



- On June 28, 2018, Latia Vinson was sentenced in **Allegheny County** after entering a negotiated plea to one count of Criminal Attempt/Theft by Deception (M1). On May 9, 2017, Vinson obtained coverage from Progressive



Insurance for her 2009 Lexus IS 250. The policy included deductibles of \$500 for both

comprehensive and collision. On May 16, at 3:06 PM, Vinson filed an on-line claim in which she indicated that her car had been hit by another vehicle while the Lexus was parked at a Giant Eagle store. Progressive Insurance inspected Vinson's vehicle and estimated the cost of repairs at \$1,291.69. Vinson told the insurer during a recorded statement that the accident had occurred on either May 15 or May 16. An investigation revealed that the accident actually occurred on May 7, 2017, prior to the inception of Vinson's policy. Vinson subsequently admitted that the damage occurred before she purchased the Progressive coverage. Vinson was sentenced to serve 18 months of probation, ordered to perform 50 hours of community service and pay court costs.

(ARD) DISPOSITIONS

During the month of June, eight 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.

The INSURANCE INDUSTRY should use one of the following:

- [Instructions for Insurance Industry Form](#) 📄
- [INSURANCE INDUSTRY Printable Referral Form](#) 📄
- [INSURANCE INDUSTRY Online Referral Form](#)

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.