



CRIMINAL LAW DIVISION **INSURANCE FRAUD SECTION NEWSLETTER**

September 2018

ATTORNEY GENERAL JOSH SHAPIRO

Butler County Driver Charged with Fraud and Theft



On September 12, 2018, Christina Hansen was arrested in Butler County. According to the criminal complaint, on January 12, 2018, Hansen reinstated her **Progressive Insurance** automobile policy following a lapse in her coverage. During the reinstatement process, Hansen allegedly assured Progressive that her vehicle had not been involved in any accidents during the lapse period. Progressive then reinstated Hansen's prior coverage as if no lapse had occurred. According to the complaint, Hansen called the insurer later that same day and claimed that her car had been in an accident following the coverage reinstatement. However, the police crash report allegedly revealed that the accident actually occurred earlier, before the policy was reinstated. According to the complaint, because the insurer had reinstated Hansen's coverage with no lapse, Progressive was required to pay nearly \$12,000 for repairs to

the vehicles that were damaged by Hansen's car. Hansen was charged with one count of Insurance Fraud (F3), one count of Theft by Deception (F3), one count of Criminal Attempt/Theft by Deception (F3) and one count of Insurance Fraud (M1).

Montgomery County Man Sentenced to Prison



On September 24, 2018, Steven Notter was sentenced in Montgomery County after entering a negotiated plea to one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3). Notter's uninsured vehicle was involved in a two car accident at approximately 3:56 PM on April 11, 2016. At 4:20 PM, Notter called **Nationwide Insurance** and purchased an auto liability insurance policy. During the call, Notter told the insurer that he had not been involved in any accidents during the prior three years. On April 20, the insurer of the other involved vehicle filed a claim with Nationwide. When Nationwide interviewed Notter about the loss, Notter claimed that he had purchased vehicle coverage from Nationwide prior to 3 PM on April 11. Nationwide determined that the policy actually incepted at 4:20 PM, after the accident occurred. Nationwide denied the claim. Notter was sentenced to serve 9-18

months in county prison. He was also ordered to pay restitution to the driver of the other vehicle and to pay court costs.



- On September 11, 2018, Hassan Nahdi was arrested in Montgomery County. According to the criminal complaint, Nahdi's vehicle was involved in a crash with two other vehicles at approximately 12:41 PM on November 2, 2017. At the time, Nahdi's **Progressive** vehicle policy did not include collision coverage. Shortly after the crash, Nahdi allegedly called Progressive and added collision coverage to his policy. The next day, Nahdi reported the accident to Progressive, but allegedly claimed that the crash had occurred between 1:00 PM and 2:00 PM. According to the complaint, investigators confirmed that the Pennsylvania State Police had dispatched a trooper to the accident scene at 12:41 PM, which was before Nahdi added collision coverage to his policy. The drivers of the other involved vehicles allegedly confirmed the earlier time of loss. Progressive denied payment of the claim. Nahdi was charged with one count of Insurance Fraud (F3), one count of Criminal Attempt/Theft by Deception (F3) and one count of Criminal Use of a Communication Facility (F3).



- On September 28, 2018, Eric Boulware was arrested in Montgomery County. According to the criminal complaint, on June 16, 2015, a **Progressive** policy holder was involved in a two-vehicle accident. The other vehicle was insured by **Allstate**. Both drivers allegedly stated that the Progressive policy holder's small child was the only passenger in the Progressive policy holder's vehicle. The police crash report listed no adult passengers for either vehicle. On August 21, Progressive allegedly received a bill for medical treatment provided to Eric Boulware, who purportedly



was riding in the front seat of the Progressive policy holder's car at the time of the June 16th accident. In September, Boulware's attorney filed a First Party benefit application on Boulware's behalf. Boulware allegedly submitted medical bills totaling more than \$8,000 to the insurer. However, the criminal complaint stated that both drivers maintained during three separate interviews that the Progressive policy holder had no adult passengers in her car at the time of the crash. Boulware's claim for benefits was denied. Boulware was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).

- On September 6, 2018, Eileen Sanzone was arrested in Philadelphia County. According to the criminal complaint, Sanzone filed a homeowner's claim in which she stated to **USAA** that approximately \$10,000 in jewelry had been stolen from her home. However, it was learned that Sanzone allegedly told Philadelphia police on the day of the burglary that only \$1,000 in jewelry had been taken. According to the complaint, Sanzone submitted false documents to USAA in support of her claim, but allegedly failed to provide the insurer with any receipts, professional estimates or photos to establish her ownership of the "stolen" items. The claim was denied. Sanzone was charged with one count of Insurance Fraud (F3), one count of Criminal Use of a Communication Facility (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- On September 26, 2018, Antar Jones was arrested in Montgomery County. Jones allegedly was involved in an accident on New Year's Eve of 2017 while driving his uninsured vehicle. On January 2, 2018, Jones allegedly obtained vehicle coverage from **Progressive**. According to the complaint,



Jones subsequently filed a report with police and submitted a claim to Progressive, stating that the accident had occurred on January 6, 2018. The complaint stated that investigators were able to confirm that the accident actually took place on New Year's Eve. When Jones was interviewed by authorities, he allegedly admitted to having misrepresented the accident date in an effort to have Progressive cover the cost of repairing his vehicle. Jones 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 False Reports to Law Enforcement (M3).

- On September 24, 2018, Amanda and Linda Gassner were arrested in Mercer County. According to the criminal complaint, Amanda Gassner was involved in a two vehicle accident on December 15, 2017. Amanda allegedly had a suspended driver's license at the time of the accident and was an excluded driver on her **Agency Insurance Company (AIC)** auto policy. Amanda and her mother, Linda Gassner, allegedly agreed to tell AIC that Linda had been driving the vehicle when the accident occurred. However, the complaint stated that the driver of the second vehicle identified Amanda as the operator and Linda as a passenger in the Gassner vehicle at the time of the crash. Amanda and Linda Gassner both were charged with two counts of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- On September 17, 2018, Shane Valentine was arrested in Washington County. According to the criminal complaint, Valentine obtained a **Progressive** automobile insurance policy on December 21, 2017. On January 29, 2018 at 6:06 P.M. Valentine allegedly reported through the mobile app that his 2006 Chevrolet pickup



truck was involved in a hit and run accident on January 19, 2018. In his mobile app statement, Valentine allegedly advised the insurer that he left the truck at a trailer park when he went out with friends and later discovered extensive damage to the truck's rear driver's side. According to the complaint, Progressive Insurance found an Ohio State Highway Patrol accident report which indicated that the rear driver's side of Valentine's truck was damaged in a hit and run accident at approximately 11:06 PM on December 9, 2017. Investigators compared photos taken by the Ohio Highway State Patrol with photos provided by Valentine in support of his January 29th claim. The investigators allegedly determined that the damage in both sets of photos was identical. Progressive denied the claim which was valued at \$5,171.35. Valentine was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).



- On September 10, 2018, Rykia Lambert was arrested in Erie County. According to the criminal complaint, on January 13, 2018, Lambert submitted an automobile insurance claim to **Esurance** stating that her vehicle was damaged in a hit and run accident. Esurance paid \$2,980 on the claim. However, the complaint further stated that investigators subsequently obtained a recorded conversation between Lambert and a relative who was incarcerated at the time. On the jail recording, Lambert allegedly stated that another relative who was excluded from her policy had been driving Lambert's vehicle when the crash occurred. According to the complaint, Lambert further explained that she subsequently parked the damaged vehicle on the street and then filed a hit and run claim with Esurance. Lambert was charged with one count of Insurance Fraud (F3) and one count of Theft by Deception (F3).



- On September 19, 2018, Lynn Hughes was arrested in Blair County. According to the criminal complaint, Hughes' **Progressive** policy lapsed on January 12, 2018. She contacted the insurer on January 18 and allegedly claimed that the vehicle had incurred no losses during the lapse period. The policy was then reinstated. The complaint further stated that Hughes filed a claim with the insurer on January 22 and stated that the vehicle was involved in an accident earlier in the day. However, investigators allegedly determined that the damage occurred on January 17th, before Hughes' coverage was reinstated. No money was paid by Progressive. Hughes 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 September 13, 2018, Sharon Williams was arrested in Cambria County. According to the criminal complaint, at 2:21 PM on August 9, 2017, Williams added comprehensive and collision coverage to her **Donegal Insurance** policy for her 2007 Dodge Durango. On August 15, Williams submitted a claim in which she allegedly stated that her vehicle caught on fire at approximately 3:00 PM on August 9. However, investigators obtained a copy of a police incident report which allegedly revealed that at approximately 1:24 PM on August 9, before Williams added the coverage to her policy, police were dispatched to a fire involving Williams' Dodge Durango. Donegal denied payment of the claim. Williams was charged with one count of Insurance Fraud (F3) and one count of Theft by Deception (F3).



- On September 17, 2018, Kyle Miller was arrested in Clearfield County. According to the criminal complaint, Miller filed a claim with **State Farm Insurance** on October 18, 2017,

for vandalism to his 2004 Nissan 350Z. Miller allegedly reported that the vehicle's exterior had been keyed, the interior front seats had been slashed and the radio and shift knob had been stolen. According to the complaint, investigators learned that the prior owner of the Nissan had filed a previous claim with State Farm for the same damage. Investigators compared photos from the two claims and allegedly determined that the damage was the same. Miller was charged with one count of Insurance Fraud (F3) and one count of Theft by Deception (F3).



- On September 5, 2018, Mellony McCullough was arrested in Philadelphia County. According to the criminal complaint, at 10:26 AM on June 20, 2016, McCullough purchased a vehicle policy from **Progressive**



Insurance. Later that day, McCullough contacted Progressive and filed a vandalism damage claim in which she allegedly stated that someone had poured sugar into her vehicle's gas tank. McCullough allegedly told the insurer that she discovered the vandalism at approximately 9:45 AM on June 20. However, an investigation revealed that McCullough had filed a police report in which she allegedly stated that the vandalism had occurred between 10:00 PM on June 19 and 8:00 AM on June 20. According to the complaint, McCullough subsequently admitted that she had purchased coverage from Progressive after she discovered that her vehicle had been vandalized. McCullough was charged with one count of Insurance Fraud (F3), one count of Criminal Use of a Communication Facility (F3) and one count of Criminal Attempt/Theft by Deception (M1).

- On September 13, 2018, Kristen Moore was arrested in Cambria County. According to the criminal complaint, on May 29, 2018, Moore's **Progressive** automobile policy was cancelled due to non-payment. Moore allegedly

reinstated her coverage on June 11 at 12:37 PM. At 1:46 PM, Moore filed an accident claim with Progressive and allegedly reported that another driver had clipped the front bumper of her vehicle. According to the criminal complaint, Moore advised the insurer that the accident happened at approximately 12:40 PM. Investigators subsequently obtained a Pennsylvania State Police non-reportable crash report which allegedly revealed that Moore's vehicle accident actually occurred at approximately 12:20 PM, prior to her policy reinstatement. Moore was charged with one count of Insurance Fraud (F3), one count of Insurance Fraud (M1) and one count of Criminal Attempt/Theft by Deception (M1).



- On September 11, 2018, Robert Ryman was arrested in Luzerne County. According to the criminal complaint, Ryman purchased an Allstate vehicle policy on April 22, 2016. At the time, Ryman allegedly claimed that he had vehicle coverage through **GEICO** which was effective through September 8. According to the complaint, an Allstate representative contacted GEICO and learned that Ryman's policy had been cancelled on March 30. The complaint further stated that Allstate would have charged Ryman a higher premium if the insurer had known that Ryman's GEICO coverage was cancelled. Ryman allegedly contacted Allstate again on April 25 and reported that his vehicle had been damaged in a hit and run accident. According to the complaint, Allstate investigators learned that the accident actually occurred on April 14, before Ryman obtained coverage from Allstate. Ryman allegedly admitted to authorities that he was not insured at the time of the accident. Ryman was charged with one count of Insurance Fraud (F3), one count of Criminal



Attempt/Theft by Deception (F3) and one count of Insurance Application Fraud (M1).



- On September 13, 2018, Stephanie Barron was sentenced in Butler County after entering a negotiated plea to one count of Insurance Fraud (F3). On July 6, 2017, Barron added collision and comprehensive coverage to her **Safe Auto** policy for her 2008 Hyundai Elantra. On July 15, Barron filed a claim for damage to her vehicle which purportedly was flooded on July 11. Barron provided the insurer with photographs which showed her vehicle submerged in flood waters. However, Safe Auto found newspaper stories which revealed that the flooding occurred before Barron added the coverage to her policy. Barron admitted to investigators that she added coverage to her vehicle after it was damaged. Safe Auto denied her claim. Barron was sentenced to three years of intermediate punishment, the first 18 months of which she will serve on electronic monitoring. She was also ordered to perform 100 hours of community service, pay a civil penalty to the Insurance Fraud Prevention Authority and pay court costs.
- On September 18, 2018, Jeffrey Ingram was sentenced in Allegheny County after entering a negotiated plea to one count of Insurance Fraud (F3). Ingram was a licensed insurance broker who had worked in the industry for more than 20 years. Between March 2015 and October 2016, Ingram worked for Success Financial Solutions where he sold products which included Medicare supplement policies offered by **Medico Insurance Company**. Each time



Ingram sold a Medicare supplement policy, he received a commission payment before the policy took effect. Ingram submitted approximately 252 fraudulent applications for policies through Medico and received \$88,636.55 in advanced commissions as a result. Medico launched an investigation after the company began to receive notices that some policies had been returned as undeliverable. During the investigation, one policyholder contacted Medico and claimed that both she and her husband had received bills for policies for which they had not applied. When Medico attempted to process payments using the banking information contained in the applications, the information proved to be invalid. Ingram told investigators that in many instances he obtained "applicant" information from the phone book, or he simply made up the information. Ingram was sentenced to serve three years of probation, pay a civil penalty of \$300 to the IFPA, and pay court costs. The exact amount of restitution is to be determined.

- On September 11, 2018, Olivia Stohon was sentenced in Greene County after entering a negotiated plea to one count of Insurance Fraud (M1). An investigation revealed that when Stohon applied for vehicle coverage through



Donegal Insurance on March 6, 2017, she did not disclose that her fiancé lived with her and operated her vehicle. At that time, her fiancé had a suspended driver's license. Stohon's misrepresentation was discovered when Donegal received an auto accident claim on April 4, 2017. Stohon was sentenced to serve two years of probation, ordered to perform 50 hours of community service, undergo drug and alcohol treatment, pay a civil penalty to the Insurance Fraud Prevention Authority and pay court costs.

- On September 25, 2018, Joshua Edery was sentenced in Allegheny County after entering an open plea to one count of Theft by Deception (M1). Edery and Robert Kach were named insureds on a **Motorists Insurance**

Group policy. On February 10, 2016, Edery was driving a 2006 Cadillac when it was hit from behind by another vehicle. The Cadillac sustained \$4,109.81 in damages. On March 17, Motorists issued a check payable to both Edery and Robert Kach for the damage. On March 24, Edery contacted Motorists and advised that he had tried to make a mobile deposit of the check, but the deposit failed because the check was not endorsed by both parties. Edery asked Motorists to send a replacement check made payable solely to Edery, but Motorists advised that the check had to be issued to both policyholders. Motorists issued a replacement check, but stopped payment on it after learning that the check had been sent to the wrong address. Motorists issued a second replacement check on March 29. However, the insurer subsequently learned that the original check had cleared the bank two days before Edery requested a replacement. The deposited check appeared to have been cut or folded so that Robert Kach's name did not appear in the mobile deposit image of the check. Edery was sentenced to serve two years of probation, pay restitution in the amount of \$4,109.81 to Motorists Insurance and pay court costs.



- On September 7, 2018, Erik Jacome was sentenced in Chester County after entering a negotiated plea to one count of Insurance Fraud (F3). On October 28, 2017, Jacome posed as his father-in-law during a call to **Progressive Insurance**. During the call, Jacome obtained coverage from Progressive Insurance for two cars; one car was owned by Jacome's father-in-law and the other was owned by another family member. Two days later, Jacome posed as his father-in-law again and filed a claim with Progressive for vandalism damage to the vehicles. Jacome eventually admitted to investigators that he had posed as his father-in-law and lied to

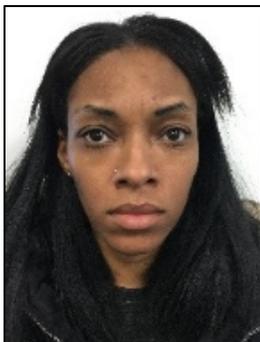


Progressive in an attempt to obtain claim proceeds. Jacome was sentenced to serve two years of probation, ordered to pay a civil penalty of \$2,000 to the Insurance Fraud Prevention Authority and to pay court costs.

- On September 10, 2018, Joseph Hickman was sentenced in Beaver County after entering an open plea to one count of Theft by Deception (M1). Hickman was injured on February 25, 2016 while working for Bath Fitters. He subsequently filed for workers' compensation benefits and on April 5, Hickman began receiving payments of \$774.10 per week from the **Mutual Benefit Group**. While Hickman was receiving workers' compensation payments, he also was working and receiving wages from Tri-State Fire Extinguisher, a company based in Steubenville, Ohio. Hickman failed to report his work and wages to the Mutual Benefit Group. In addition, Hickman submitted LIBC-760 forms to the insurer indicating that he had not worked or received wages while he received workers' compensation benefits. Hickman fraudulently obtained approximately \$15,093.00 in benefits between April 5, 2016 and December 21, 2017. Hickman was sentenced to serve one year of probation, perform 50 hours of community service, pay a civil penalty of \$100 to the Insurance Fraud Prevention Authority and pay court costs.



- On September 4, 2018, Sharon Gore was sentenced in Allegheny County after entering an open plea to one count of Criminal Attempt/Theft by Deception (F3). Gore obtained a new auto policy with **The General Insurance** on August 2, 2017. On the following day, Gore claimed that her vehicle had been involved in an accident after she obtained coverage. An investigation revealed that the accident occurred on August 1, the day before she had the vehicle insured. Gore was



sentenced to serve one year of probation, perform 50 hours of community service and pay court costs.

(ARD) DISPOSITIONS

During the month of September, one additional defendant received Accelerated Rehabilitative Disposition (ARD).

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

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.*

Important: When utilizing electronic filing through NICB, users should take careful note of the provided instructions regarding the "Party" to a claim. Information entered about a Party will only be transmitted to law enforcement if users select one of two options: "This Party was subject to an SIU investigation" or "This Party was subject to an enforcement action." Some users have missed this notation about individual Party data and consequently have submitted incomplete information to law enforcement.

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.