



CRIMINAL LAW DIVISION INSURANCE FRAUD SECTION NEWSLETTER

April 2019

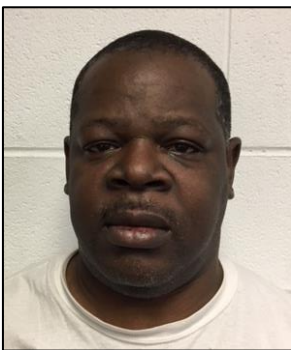
ATTORNEY GENERAL JOSH SHAPIRO

Montgomery County Man Charged with Making Fraudulent Injury Claim



On April 17, 2019, Michael McManus was arrested in Montgomery County. According to the criminal complaint, McManus's **Allstate** insured minivan was struck by a by a **Progressive** insured vehicle on October 5, 2015. On October 7, 2015, a law firm filed claims on McManus's behalf with both Allstate and Progressive, alleging that McManus suffered injuries to his wrist, shoulder and back as a result of the accident. During a recorded statement taken by Allstate on December 29, 2015, McManus allegedly told the insurer that he was injured when the impact from the accident pinned him against the door of his minivan. According to the complaint, Allstate paid nearly \$4,000 in first party medical benefits relating to injuries that McManus purportedly sustained from the crash. Progressive initially denied McManus's bodily injury claim after the insurer learned that McManus had been inside a store when his minivan was struck. McManus subsequently filed a lawsuit against the Progressive insured driver in Philadelphia Municipal Court, in which he allegedly sought \$12,000 in damages for bodily injury. According to the complaint, on February 7, 2018, McManus agreed to settle the suit for \$1,000. During a law enforcement investigation, witnesses allegedly confirmed that McManus had been inside of the store and nowhere near his vehicle at the time of the crash. McManus was charged with two counts of Insurance Fraud (F3), one count of Theft by Deception (F3), one count of Criminal Attempt/Theft by Deception (F3), one count of Criminal Use of a Communication Facility (F3) and one count of Theft by Deception (M1).

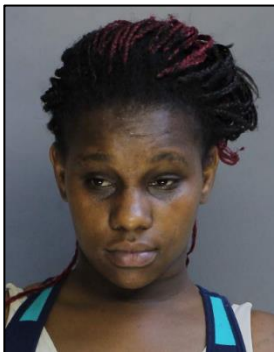
Defendant Sentenced in Workers' Compensation Fraud Case



On April 10, 2019, Richard Crump, Sr. was sentenced in Montgomery County after entering an open plea to one count of Workers' Compensation Fraud (F3) and one count of Theft by Deception (M1). Crump filed a claim for injuries which purportedly occurred when he fell at work. **PMA Insurance Company**, the workers' compensation carrier for Crump's employer, paid \$577.28 in medical benefits on Crump's behalf. However, surveillance video of the work area which was taken at the time of the purported accident revealed that Crump did not fall at work. When he was confronted, Crump admitted that his injuries occurred at a bus stop. Crump was sentenced to a period of 5 years of probation, ordered to perform 100 hours of community service. He was further ordered to pay a civil penalty of \$500 to the Insurance Fraud Prevention Authority and to pay court costs.



- On April 18, 2019, Contessa Lee was arrested in Fayette County. According to the criminal complaint, on October 4, 2018, Lee reported to Capitol Insurance that her car keys and vehicle were stolen the previous evening while Lee was at a local bar. The complaint stated that Lee's car was found smashed into a telephone pole outside of the bar. When the police arrived at the crash scene, they allegedly found the car keys in Lee's possession. According to the complaint, Lee was listed as an excluded driver on her **Capitol Insurance** vehicle policy at the time of the crash. She was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).

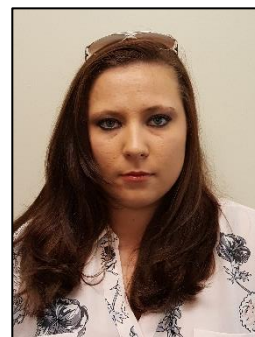


- On April 10, 2019, Tina Heath was arrested in Montgomery County. According to the criminal complaint, Heath's son was driving her vehicle on October 26, 2018, when it struck a deer. The severely damaged vehicle allegedly was uninsured at the time of the crash, due to a lapse in Heath's **Progressive Insurance Company** coverage. According to the complaint, Heath contacted her insurance agent on October 27, 2018, and re-applied for coverage. When asked if the vehicle had been involved in any accidents or sustained any damage during the lapse period, Heath allegedly answered "no." The complaint stated that on October 29, Heath's son contacted Progressive and filed a claim for the accident. He allegedly reported that the crash occurred while he had been driving his girlfriend to work on October 26. According to the complaint, the



insurer determined that the accident actually took place before Heath reinstated her vehicle coverage. Heath allegedly admitted to an investigator that she misrepresented the condition of her vehicle to her insurance agent when Heath reapplied for coverage. Heath 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).

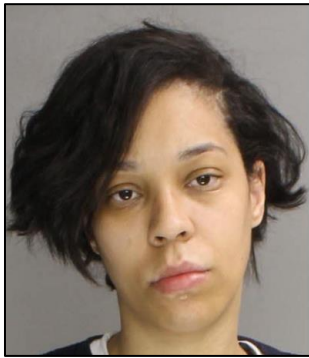
- On April 23, 2019 Shelby-Lynn Volchko was arrested in Allegheny County. According to the criminal complaint, at approximately 9:05 AM on January 9, 2019, Volchko reinstated her cancelled vehicle policy with **The General**



Insurance. Approximately an hour after the coverage was reinstated, Volchko allegedly contacted The General and reported that her 2012 Ford Escape had been involved in an accident at 9:30 AM. According to the complaint, investigators obtained records from AAA and from the tow company that AAA had contacted to assist Volchko. The records allegedly showed that the accident occurred before Volchko reinstated her coverage. According to the complaint, Volchko admitted to investigators that she misrepresented the time of the accident to the insurer in an effort to make it appear that her coverage was in place when the loss occurred. Volchko was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).

- On April 26, 2019, Ashley Latimer was arrested in Montgomery County. According to the criminal complaint, Latimer obtained an auto policy from **Progressive Insurance** on July 12, 2018. On July 17, Latimer allegedly contacted Progressive and discussed adding comprehensive and collision coverage. According to the complaint, Latimer contacted Progressive again on August 20 and added the coverage to her policy. On August 24, Latimer allegedly contacted the insurer and claimed

that her car had been vandalized overnight while it was parked outside of her house. According to the complaint, Latimer claimed that she discovered the damage that morning and had the vehicle towed to a Mercedes Benz dealership. However, an investigation allegedly revealed that the car was towed to the dealership on July 17, before Latimer added collision and comprehensive coverage to her policy. Progressive denied the claim. Latimer 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 April 29, 2019, Anitra Carlton was arrested in Montgomery County. According to the criminal complaint, on June 21, 2016, Carlton added a diamond ring and a pair of earrings valued at \$4,400 to her **Nationwide**



Insurance homeowner's policy. The complaint further stated that two days later, Carlton obtained coverage for the same items under a homeowner's policy with **CSAA Insurance**. For this policy, Carlton allegedly used the name "Anitra Meredith" and provided a different address. The complaint stated that in August of 2016, Carlton submitted a claim for the theft of her ring and earrings to both CSAA and Nationwide. Both insurers conducted an investigation. Each insurer asked Carlton if the stolen jewelry was covered by any other policy. Carlton allegedly assured both Nationwide and CSSA that her jewelry was only insured by one policy. According to the complaint, each of the policies contained a provision which limited the insurer's liability for the stolen items to one-half of their total value, if the jewelry was covered by more than one policy. Investigators alleged that Carlton submitted at least one forged appraisal in

support of her claim and provided inconsistent accounts of the theft to the insurers in an effort to obtain double the amount to which she was entitled under the policies. Carlton was charged with one count of Insurance Fraud (F3), one count of Criminal Attempt/Theft by Deception (F3), one count of Forgery (F3) and one count of Criminal Use of a Communication Facility (F3).

- On April 25, 2019, Robert Francis was arrested in Washington County. According to the criminal complaint, at approximately 12:30 AM on December 27, 2018, Francis's uninsured Ram truck slipped out of gear and rolled across a coal mining parking lot where it collided into the side of



an unoccupied vehicle. While he was at the accident scene, Francis allegedly contacted **Progressive Insurance** and purchased coverage for his vehicle. The complaint stated that Francis provided the owner of the parked vehicle with a screen shot of his new Progressive Insurance policy number. That vehicle owner then contacted Progressive and filed a claim. During the claim process, Francis allegedly told Progressive that his coverage had been in place at the time of the accident. However, the complaint stated that the owner of the other vehicle told Progressive that the accident happened earlier; he also provided the insurer with photos taken at the accident scene. The PA State Police crash report allegedly confirmed that the accident took place before Francis obtained coverage from Progressive. Francis was charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).

- On April 11, 2019, Davonna Davis was arrested in Dauphin County. According to the criminal complaint, on April 25, 2017, Davis contacted **Nationwide** and claimed that her 2008 Honda Accord had been stolen. She also filed a theft report with Harrisburg police. The vehicle was located in Newark, New Jersey on May 21. The complaint stated that the Newark police contacted Davis, who admitted that her vehicle was not stolen. Davis allegedly told the

police that she had driven the vehicle to New Jersey and abandoned it, expecting that it would be taken to a "chop shop" and sold for parts. According to the complaint, Davis told the police that she did so because she did not want to continue making the monthly payments. Nationwide denied her claim. Davis was charged with one count of Insurance Fraud (F3), one count of Criminal Attempt/Theft by Deception (F3) and one count of False Reports to Law Enforcement Authorities (M3).



- On April 18, 2019, Jiban Das was arrested in Montgomery County. According to the criminal complaint, Das was injured while working for his employer. on September 14, 2016. The complaint stated that Das submitted a workers' compensation claim to his employer's insurer, **Pennsylvania Manufacturers Indemnity Company (PMA)**, and subsequently began to receive weekly temporary total disability payments. On June 13 and November 30, 2017, Das allegedly submitted official PA Department of Labor and Industry forms to the insurer which indicated that Das had not worked since he began receiving workers' compensation benefits. However, according to the complaint, an investigation revealed that Das worked at a gas station from June 1 through October 14, 2017, while he continued to receive workers' compensation payments. Das received approximately a total of \$5,616 in workers' compensation benefits. Das allegedly admitted to investigators that he had worked at the gas station while he received benefits. Das was charged with two counts of Workers' Compensation Fraud (F3) and one count of Theft by Deception (F3).



- On April 4, 2019, Christina Hansen was sentenced in Butler County after entering an open plea to one count of Theft by Deception (M1). On January 12, 2018, Hansen reinstated her lapsed **Progressive Insurance** automobile policy, after assuring Progressive that her vehicle had not been in any accidents during the lapse period. Progressive then reinstated Hansen's prior coverage as if there had been no lapse. Hansen called the insurer a short time later and claimed that after her policy was reinstated, her car had been involved in an accident. However, the police accident report revealed that the crash occurred prior to the time of Hansen's policy reinstatement. Because the coverage was reinstated as if there had been no lapse, the insurer was required to pay nearly \$12,000 for the damage sustained by the other vehicles in the crash. Hansen was sentenced to serve 3 years of probation. She was ordered to pay restitution to Progressive in the amount of \$12,215.37 and to pay court costs.
- On April 3, 2019, Sharon Williams was sentenced in Cambria County after entering a negotiated plea to one count of Criminal Attempt/Theft by Deception (M1). At 2:21 PM on August 9, 2017, Williams added comprehensive and collision coverage to the **Donegal Insurance** policy covering her 2007 Dodge Durango. On August 15, Williams contacted the insurer and claimed that her vehicle caught on fire at approximately 3:00 PM on August 9. However, the incident report revealed that authorities were dispatched to the scene of Williams's car fire at approximately 1:24 PM, which was before

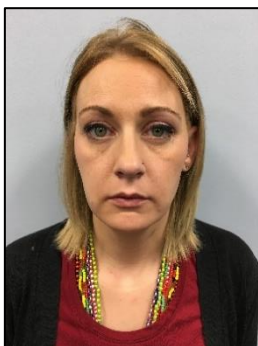


Williams added comprehensive and collision coverage to her policy. Donegal denied payment of the claim. Williams was sentenced to serve two years of probation. She was ordered to perform 50 hours of community service and to pay court costs.

- On April 22, 2019, Heather Bordack was sentenced in Cambria County after entering a negotiated plea to one count of Criminal Attempt/Theft by Deception (M1). Bordack obtained a **Safe Auto** automobile policy at 8:30 AM on July 6, 2018. On July 12, Bordack filed a claim for deer strike damage to her vehicle. Bordack told the insurer that the accident happened at approximately 2 AM on July 12. However, investigators determined that the accident actually occurred on July 2, four days before Bordack obtained her Safe Auto policy. Bordack was sentenced to serve two years of probation. She was ordered to perform 50 hours of community service and to pay court costs.



- On April 25, 2019, Michelle Diguglielmo was sentenced in Berks County after entering a negotiated plea to one count of Insurance Fraud (M1). On August 3, 2016 at 3:05 PM, Diguglielmo reinstated her lapsed policy with **Safe Auto Insurance Company**. During the reinstatement process, Diguglielmo told the insurer that her vehicle was not damaged and had not been in any accidents during the policy lapse. However, a power company subsequently filed a claim against Diguglielmo's policy for damage to an electrical box which was struck by Diguglielmo's vehicle at 2:46 PM on August 3, 2016. Safe Auto denied the claim after determining that the accident occurred prior to Diguglielmo's policy inception. Diguglielmo was sentenced to serve two years of probation. She was ordered to

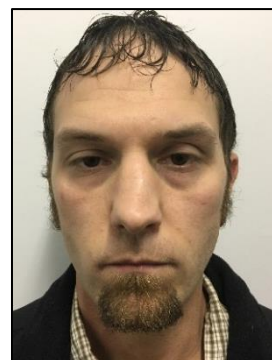


perform 10 hours of community service, fined \$750 and ordered to pay court costs.

- On April 24, 2019, Burt Webber III was sentenced in Lebanon County after entering a negotiated plea to one count of Criminal Attempt/Theft by Deception (M1). On September 27, 2016 at 6:35 AM, Webber purchased an automobile policy from **Progressive Insurance**. At 7:25 AM, Webber filed a claim for damage which occurred when his vehicle struck a deer. Webber reported that the accident occurred at approximately 7:05 AM. Investigators reviewed Webber's phone records and determined that the accident could not have occurred at the time Webber had claimed. Investigators interviewed Webber, who admitted that his vehicle was uninsured when the deer strike occurred. Webber was sentenced to serve 23 months of probation. He was ordered to pay a fine of \$100 and to pay court costs.



- On April 10, 2019, Jeremy Clark was sentenced in Fayette County after entering an open plea to one count of Criminal Attempt/Theft by Deception (M1). Clark and his wife were involved in a two vehicle accident on January 14, 2018, which damaged the Clarks' uninsured 2012 Dodge Avenger. Shortly after the accident, the couple purchased a policy for the Dodge from **Safe Auto**. They subsequently filed a claim for the accident in which the Clarks falsely stated that the crash had occurred after the policy inception. However, the driver of the other involved vehicle reported that the accident happened earlier. Investigators determined that the loss occurred before the Clarks obtained vehicle coverage. Jeremy Clark was sentenced to serve one year of probation, perform 100 hours of community service, pay



restitution of \$500 to the other driver, and pay court costs.

- On April 3, 2019, Jose Ramos was sentenced in Philadelphia County after entering a negotiated plea to one count of Unsworn Falsification to Authorities (M3). An individual purchased a substantially damaged vehicle for which he received a salvage title. He took the salvaged car to Ramos, who was a PennDOT-certified vehicle inspector. Ramos verified the individual's application for a reconstructed vehicle title and completed paperwork which stated that Ramos had personally inspected the individual's car, verified the vehicle's VIN, and confirmed that that the car was fully repaired. PennDOT received the completed application paperwork and issued the individual a reconstructed title, which permitted him to register and legally drive the car. The individual subsequently filed an insurance claim for the vehicle and falsely maintained that the car was in perfect condition when he bought it. A subsequent investigation revealed that the damaged vehicle never had been repaired. Ramos admitted to investigators that he made misrepresentations on the PennDOT form. He was sentenced to serve one year of probation and ordered to perform 25 hours of community service. He was further ordered to pay a \$500 civil penalty, as well as court costs.



(ARD) DISPOSITIONS

During the month of April, fourteen 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.*

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.