



# THE PIP SOURCE

DIVISION OF INSURANCE FRAUD | [www.MyFloridaCFO.com/fraud](http://www.MyFloridaCFO.com/fraud)

July 2011  
Volume 2 - Issue 1

## DIF Arrests 7 in Operation Easy Street

*"We have decided to take an aggressive approach to reach out and touch anyone who decides to participate in PIP fraud."*

*- Lt. Evangelina Brooks*

In a follow-up to Operation Look Out, and as part of a continuing aggressive strategy to take on all levels of participation in insurance fraud, the Division of Insurance Fraud's West Palm Beach office executed Operation Easy Street. The takedown resulted in the arrests of six PIP patients and a massage therapist allegedly involved in an insurance fraud scheme at Elite Rehabilitation Services Center, an accident clinic in Palm Beach County.

Working again with Allstate Insurance Company, DIF conducted an investigation which revealed that a number of patients had signed for treatment which was not provided by the clinic. Lt. Evangelina Brooks states, "We realize that this type of fraudulent activity takes place every day in accident clinics throughout the state. We have decided to take an aggressive approach to reach out and touch **anyone** who decides to participate in PIP fraud." Patients are not at the top of the food chain, so to speak, in this type of scheme. However, this scheme cannot succeed without the collaboration or participation of the patients, who provide the insurance coverage that is defrauded by the clinic.

Elite Rehabilitation, which originally incorporated in February 2009 under the name Ultimate Rehabilitation Services Center, billed Allstate more than \$71,000 for the treatment of seven patients, one of whom remains at large. The massage therapist, licensed in Florida since 2005, allegedly fabricated the treatment forms which were used in support of the fraudulent billing.

Director John Askins states, "This is one example of our all-encompassing strategy to attack those who engage in PIP fraud at every level. Everyone needs to realize that if they commit insurance fraud, they run the risk of getting arrested. They need to consider if taking that chance is worth taking that ride to jail."

Allstate released this statement: "Allstate is aware of the economic pressures that consumers face, and in an effort to protect the public and help mitigate the impact of fraud on insurance costs, we are aggressively pursuing the fight against insurance fraud."

This case is part of a continuing crackdown by the Division of Insurance Fraud, the insurance industry and the National Insurance Crime Bureau (NICB) in the fight against auto insurance fraud in Florida.

### INSIDE THIS ISSUE

- 1 Operation Easy Street
- 2 ASA Joe Licandro
- 3 PIP Fraud in the News
- 4 PIP Fraud Spotlight on 2011 Legislation
- 6 Statewide Arrests
- 7 Statewide Contacts

The PIP Source Newsletter is now available online each month at [www.MyFloridaCFO.com/fraud](http://www.MyFloridaCFO.com/fraud). You can find each new issue posted at our website by the third week of each month. Previous issues are also available. If you prefer to receive the PIP Source by e-mail or have comments you wish to share, contact us at our new e-mail address at [ThePIPSource@MyFloridaCFO.com](mailto:ThePIPSource@MyFloridaCFO.com).

CHIEF FINANCIAL OFFICER  
**JEFF ATWATER**  
FLORIDA DEPARTMENT OF FINANCIAL SERVICES  
STATE OF FLORIDA

## Jacksonville's Joe Licandro Honored as National Fraud Prosecutor of the Year

Our very own Joseph Licandro, dedicated prosecutor with the Duval County State Attorney's Office in Jacksonville, was named the 2010 Prosecutor of the Year by the Coalition Against Insurance Fraud (CAIF). Joe, a 4-year prosecutor who has been with the dedicated insurance fraud program for two years, receives high praise from the Jacksonville DIF office. Captain Brian McCoy states, "Joe has completely surpassed all expectations of a dedicated prosecutor. As our dedicated prosecutor, Joe has tremendously increased the productivity of the Jacksonville DIF Office. He is smart, aggressive and conscientious. He has had a positive impact on the DIF detectives, the insurance industry and the citizens of northeast Florida."

Joe was assigned to be the first dedicated insurance fraud prosecutor in north Florida in 2009. Since his assignment, there has been a dramatic increase in arrests, convictions, restitution and the amount of investigative costs recovered. He aggressively tackles fraud cases of all kinds, including those involving insurance agents, arson, PIP, vehicle, life insurance and workers compensation. Joe is credited with helping take down an auto glass company that filed nearly 1,000 bogus claims in a million-dollar fraud case.

Joe has received recognition for his collaborative efforts in reaching out to other state and federal law enforcement agencies to assist them with investigating and prosecuting fraud cases.

At a Cabinet meeting in June, Chief Financial Officer Jeff Atwater sponsored a resolution recognizing Assistant State Attorney Joe Licandro from the Office of State Attorney Angela B. Corey, 4th Judicial Circuit in Jacksonville, as the National Fraud Prosecutor of the Year. The [Coalition Against Insurance Fraud](#) selected Joe from a list of nominees who were submitted from across the country. We congratulate Joe for this well deserved honor.



Left to right:  
 DIF Lt. Kevin Jones  
 DIF Director John Askins  
 Attorney General Pam Bondi  
 Governor Rick Scott  
**ASA Joe Licandro**  
 DIF Captain Brian McCoy  
 CFO Jeff Atwater  
 Agriculture Commissioner  
 Adam Putnam



## Insurance Fraud **MOST WANTED**

Earlier this year as part of an ongoing effort to implement new strategies to combat insurance fraud, Florida Chief Financial Officer Jeff Atwater launched the Department of Financial Services "**Most Wanted**" insurance fraud website, <http://www.myfloridacfo.com/pressoffice/mostwanted>, to engage Floridians in the search for scammers who have eluded law enforcement. In less than one week, one fugitive was apprehended. Here is the newest "Most Wanted" installment involving PIP fraud:



Ruddy J. Antenor, 46, formerly the manager of Palm Bay Therapy & Rehab, a clinic in Brevard County, is wanted for his involvement in organizing five (5) staged accidents between August and October 2007, which resulted in fraudulent claims filed against multiple insurance companies, of which more than \$51,000 was paid. Fourteen subjects have been arrested in these cases to date.

In September 2009, a warrant was issued for Antenor, and he has been a fugitive since. Help us find this fraudster and bring him to Justice.

# PIP FRAUD – In The News

## **DIF Returns \$252,765 in Restitution to Victim Companies**

In June 2007, the Division of Insurance Fraud executed Operation TGIF, in which they arrested nearly 40 subjects as part of an organized staged accident ring. Last month, the case was finalized when DIF paid \$252,765.92 in restitution to 12 companies victimized by the ring.

Lt. Evangelina Brooks, who now leads the PIP squad in the West Palm Beach office, was working in Miami at the time. "I had been with the Division about six months when I was handed this case, and it turned out to be a wild one," she said. Lt. Brooks was the lead detective for the five-month undercover investigation, which identified a ring that was staging accidents mostly on Friday nights, and had operated unscathed for several years.

The case originated when DIF received a call after two sworn members had discussed PIP fraud on a local radio show. The callers were interested in the reward and reported that they had been approached to participate in a staged accident. Five months later, the rest, as they say, is history. The case took down two clinics and a paralegal that passed himself off as the attorney he was working for.

Most fraud cases don't take four years to conclude, but patience has its rewards; in this case, 252,765 of them.

The victim companies were 21<sup>st</sup> Century Insurance Company, AIU Insurance Company, American Independent Insurance Company, Avis Budget Group, Dollar Rent-A-Car, Esurance Insurance Company, Geico Insurance Company, Hertz Rent-A-Car, Met Life Insurance Company, State Farm Insurance Company, Unitrin Insurance Company and Victoria Fire Insurance Company. DIF was assisted in the investigation by the Miami-Dade State Attorney's Office, the Florida Department of Law Enforcement, the U.S. Secret Service, the North Miami Police Department, the Coral Gables Police Department, the South Florida Money Laundering Strike Force, and NICB. (See related photos on page 5).

## **CFO Jeff Atwater Speaks at 2011 FIFEC Conference in Orlando**



Chief Financial Officer Jeff Atwater was the keynote speaker for this year's annual FIFEC conference in Orlando. CFO Atwater emphasized his commitment to fighting insurance fraud in Florida, and thanked the attendees for their efforts in the battle. CFO Atwater spoke about hiring former Assistant United States Attorney Tom Kirwin as his new Deputy CFO over law enforcement and praised the leadership of longtime DIF veteran Director John Askins.

CFO Atwater stated, "Insurance fraud hurts us all and is holding us back from the full financial recovery that Floridians are looking forward to and deserve. Fighting fraud is more than a job, it's a calling. We could have no stronger team in the fight against fraud in Florida. Key parts of that team are the professionals in this room and the citizens we serve every day."

CFO Atwater praised his department's reward program, which has awarded more than \$250,000 to approximately 50 citizens and resulted in 142 arrests that uncovered more than \$16 million in fraudulent insurance billings. CFO Atwater also spoke about the mission of the newly formed Medicaid and Public Assistance Fraud Task Force.

This year's conference, which was attended by more than 700 people, was considered to be one of the best in years.

## **Congratulations to Fort Myers' New Lieutenant Mark Fritz**

We would like to congratulate Mark Fritz, who was promoted to lieutenant in June and will supervise the Division of Insurance Fraud's Fort Myers office. Lt. Fritz started with DIF in March 2009 and has more than 30 years in law enforcement experience. He previously served with the Winnebago County Sheriff's Department in Illinois and later with the Illinois State Police, Division of Investigations, where he attained the rank of master sergeant. Lt. Fritz also served honorably for seven years as a military policeman with the U.S. Army.

Lt. Fritz has worked several major PIP fraud cases over the last two years, but he will now lead the fight in an area where the unscrupulous scammers have increased their activity.

## **Insurance Plus Employees Charged With Theft, Sale of Fake Insurance Cards**

In August 2010, the Division of Insurance Fraud began an investigation into Tampa insurance agency Insurance Plus. Customers believed they paid for auto insurance with either Kingsway Amigo or Security National Insurance. They later learned they had no coverage, either by getting pulled over for a traffic violation and being told that their license was suspended for not having insurance, or by getting notices from the Florida Department of Highway Safety and Motor Vehicles advising of the lack of coverage. Three employees including a licensed agent were charged with insurance fraud and selling insurance without a license.

## PIP FRAUD SPOTLIGHT ON – 2011 Legislation

With regards to PIP legislation that was on the Legislature's 2011 menu, this year had several delicious entrees full of promise. The bills contained some much-needed revisions to PIP, and they appeared to have strong support in both the House and the Senate. However, as the end of the session drew near, the bills' opponents exerted a lot of pressure on elected officials, and the bills died. Fortunately, Florida's Chief Financial Officer Jeff Atwater was able to salvage two important components.

One involves the funding for fraud-related investigations and prosecutions. The Division of Insurance Fraud was seeking to create a direct support organization called the Automobile Insurance Fraud Strike Force. The original idea was to establish a process for the Division to raise funds, including grants, gifts and donations, to assist in the prosecution, investigation and prevention of motor vehicle insurance fraud. The legislation was modified to allow the Division to accept the donation or grant of property or money from outside sources, which would be deposited into the Insurance Regulatory Trust Fund. Under the new law, persons or businesses who want to contribute to the fight against fraud can do so. We will publish details on how to participate in a future issue of the PIP Source.

This is the text from Senate bill 2132 that became law on July 1, 2011.

### **626.9894 - Gifts and grants.**

- (1) The department may accept, for purposes of anti-fraud efforts, any donation or grant of property or moneys from any governmental unit, public agency, institution, person, firm, or corporation.
- (2) All rights to, interest in, and title to such donated or granted property shall immediately vest in the Division of Insurance Fraud upon donation. The division may hold such property in co-ownership, sell its interest in the property, liquidate its interest in the property, or dispose of its interest in the property in any other reasonable manner.
- (3) All donations or grants of moneys to the division shall be deposited into the Insurance Regulatory Trust Fund and shall be separately accounted for and may be used by the division to carry out its duties and responsibilities, or for the subgranting of such funds to state attorneys for the purpose of funding or defraying the costs of dedicated fraud prosecutors.
- (4) Moneys deposited into the Insurance Regulatory Trust Fund pursuant to this section may be appropriated by the Legislature, pursuant to the provisions of chapter 216, for the purpose of enabling the division to carry out its duties and responsibilities, or for the purpose of funding or defraying the costs of dedicated fraud prosecutors.
- (5) Notwithstanding the provisions of s. 216.301 and pursuant to s. 216.351, any balance of moneys deposited into the Insurance Regulatory Trust Fund pursuant to this section remaining at the end of any fiscal year shall be available for carrying out the duties and responsibilities of the division. The department may request annual appropriations from the grants and donations received pursuant to this section and cash balances in the Insurance Regulatory Trust Fund for the purpose of carrying out its duties and responsibilities related to the divisions anti-fraud efforts, including the funding of dedicated prosecutors and related personnel.

The only other PIP related legislation that passed this session allows the imposition of a civil fine as a penalty for a motor vehicle insurance fraud related crime. The proceeds would be paid to the same trust fund and be used to fight insurance fraud. Here is the text from House bill 1087 that also became law on July 1, 2011.

### **817.234 False and fraudulent insurance claims.**

- (12) In addition to any criminal liability, a person convicted of violating any provision of this section for the purpose of receiving insurance proceeds from a motor vehicle insurance contract is subject to a civil penalty.
  - (a) Except for a violation of subsection (9), the civil 989 penalty shall be:
    1. A fine up to \$5,000 for a first offense.
    2. A fine greater than \$5,000, but not to exceed \$10,000, for a second offense.
    3. A fine greater than \$10,000, but not to exceed \$15,000, for a third or subsequent offense.
  - (b) The civil penalty for a violation of subsection (9) must be at least \$15,000 but may not exceed \$50,000.
  - (c) The civil penalty shall be paid to the Insurance Regulatory Trust Fund within the Department of Financial Services and used by the department for the investigation and prosecution of insurance fraud.
  - (d) This subsection does not prohibit a state attorney from entering into a written agreement in which the person charged with the violation does not admit to or deny the charges but consents to payment of the civil penalty.

### **Coming Next Month in the Spotlight:**

We take a look at PIP Marketing.

# A

## A Message From the Division of Insurance Fraud



When we worked to create the dedicated prosecutor unit in 2003, our goals included the promotion of a level of consistency in fraud prosecutions; to take a tougher stand against fraud, including jail, fines and licensing sanctions; and to improve public awareness of insurance fraud, its impact on the community and the potential penalties.

In 2004, the pilot program in Miami-Dade changed the very way that insurance fraud was prosecuted in Florida. Over the last seven years, the program has now expanded statewide to 14 dedicated prosecutors in six jurisdictions.

When a dedicated prosecutor takes a position in the Insurance Fraud Unit, it is typically for a 12- to 18-month commitment. The specialized work done by the attorneys in prosecuting insurance fraud opens many doors to them. But we feel the revolving door that is spinning at this time is somewhat counterproductive to our common goals.

The very first dedicated prosecutor in the program stayed with the unit for nearly four years before being lured to work for the federal government. In contrast to the last nine months, the dedicated prosecutor program in Miami-Dade County has lost three assistant state attorneys to job offers from the insurance industry. We worry that the high rate of turnover can be detrimental to the common goals that we believe are beneficial and shared by both law enforcement and the insurance industry; the prosecution of felons who commit insurance fraud and drive up the cost of insurance for all Floridians.

We support the opportunity for anyone to change jobs and improve their ability to provide for themselves or their family. We are extremely thankful to our prosecutors for their time and contributions to the program. We have always believed that they are essential in the fight against insurance fraud. Their dedication and hard work is vital to our success.

However, an unintended consequence of the industry's gain is our diminished effectiveness in combating insurance fraud. Therefore, we need to work on increasing the salaries of our fine prosecutors.

### Operation TGIF

- > We have restitution checks for the following companies:
- > 21st Century Insurance Company
- > AIU Insurance Company
- > American Independent Insurance Company
- > Avis Budget Group
- > Dollar Rent A Car
- > Esurance Insurance Company
- > Geico Insurance Company
- > Hertz Rent A Car
- > Met Life Insurance Company
- > State Farm Insurance Company
- > Unitrin Insurance Company
- > Victoria Fire Insurance Company

> Total Restitution - **\$252,765.92**



The above received restitution checks at the June NICB meeting in Plantation (left to right) Matt Armentano of Nationwide / Victoria Fire and Casualty; Shawn Morgan of Geico; Pat Monegan of Unitrin Direct; and David Thomas of Farmers Insurance.



Additional restitution checks were given out at the FIFEC conference in Orlando (left to right) Frank Stevens and Lou Beniamino of Global Options representing Dollar Rent A Car; Efrain Ventura representing State Farm; and Nancy Jensen and George Hodge representing Met Life.

Congratulations to the DIF agent, Lt. Evangelina Brooks, for a job well done.



# Statewide PIP Arrests – June 2011

Each issue will provide a list of PIP arrests made by the offices throughout the State. Along with each defendant's name and age, we will include: the type of scheme involved; the fraud dollar amount; clinic name(s); victim insurance company name(s); and the arresting office. If you need additional details on any of these arrests, please contact Captain Smith.

**Theresa Johnson, 45** – Theft of PIP checks - \$384 (Geico) **J**  
**Gabriel Cruz, 27** - staged acct 01/03/10 (driver) \$12,034 – Complete Medical Therapy Services (Direct) **T**  
**Kathelene Lisette Sanchez, 27** - staged acct 01/03/10 (passenger) \$1,734 - Complete Medical Therapy Services (Direct) **T**  
**Simone Marsh, 31** - staged acct 11/24/10 (driver) \$2,788 – Good Care Chiropractic Center (Assurance America) **W**  
**Alejandro Estrada, 30** - staged acct 02/14/10 (passenger) \$36,360 – Bethel Health & Rehab Center (Direct General) **O**  
**Alexander Cid, 45** – staged acct 08/15/09 (recruiter) \$46,483 - (Allstate / Progressive / US Security) **M**  
**Yuleydis Calderin, 32** – staged acct 08/15/09 (driver) \$46,483 - (Allstate / Progressive / US Security) **M**  
**Luis Rivero Dominguez, 35** – staged acct 08/15/09 (recruiter) \$46,483 - (Allstate / Progressive / US Security) **M**  
**Terrance Davis, 23** - staged acct 08/22/09 (driver) \$0 - (Republic Western) **W**  
**Jesus Iluminado Guerrero, 29** – staged 12/14/08 (driver) \$6,452 - (First Commercial / State Farm) **M**  
**Alexander Cid, 45** – staged acct 12/14/08 (recruiter) \$6,452 - (First Commercial / State Farm) **M**  
**Daphne Casimir, 22** – patient - \$1,576 (Geico) **B**  
**Maritza Cuellar de Becerra, 42** – PIP patient - \$14,099 – Elite Rehabilitation (Allstate) **W**  
**Roberto Rodriguez Gomez, 39** – PIP patient - \$11,957 – Elite Rehabilitation (Allstate) **W**  
**Miriam Perez Gonzalez, 60** – PIP patient - \$1,632 – Elite Rehabilitation (Allstate) **W**  
**Kenny Hernandez, 41** – PIP patient - \$1,387 – Elite Rehabilitation (Allstate) **W**  
**Mariuska Palacio, 26** – PIP patient - \$11,101 – Elite Rehabilitation (Allstate) **W**  
**Maria Cristina Suarez, 26** – clinic employee - \$5,075 – Elite Rehabilitation (Allstate) **W**  
**Lady Li, 30** – PIP patient - \$14,656 – Elite Rehabilitation (Allstate) **W**  
**Daniel Orta, 34** – fake ins card (Geico) **W**  
**Erica Medrano, 25** – fake ins card (United Auto) **W**  
**Lahiren Garcia, 38** – clinic employee - \$13,362 - Bayshore Chiropractic Center (Gainso / Nationwide) **F**  
**Bella Jenkins, 45** – ins agent - fake ins card (Kingsway Amigo / Security National) **T**  
**David Ball, 43** – sale of fake ins card (Kingsway Amigo / Security National) **T**  
**Torrence Blake, 35** – sale of fake ins card – Insurance Plus (Kingsway Amigo / Security National) **T**  
**Rider Ramon Almaguer, 21** – staged acct 12/04/10 (recruiter) \$39,752 – MYG Rehab Center (State Farm) **M**  
**Rider L Almaguer, 40** – staged acct 12/04/10 (driver) \$39,752 – MYG Rehab Center (State Farm) **M**  
**Gilda Palencia, 51** – staged acct 12/04/10 (passenger) \$39,752 – MYG Rehab Center (State Farm) **M**

Office Code –**B** (Broward) **F** (Ft Myers) **J** (Jacksonville) **M** (Miami) **O** (Orlando) **TL** (Tallahassee) **T** (Tampa/St Pete) **W** (West Palm Beach)



**DOG TIRED OF YOUR INSURANCE RATES?  
 LOWER THEM  
 REPORT INSURANCE FRAUD!**

**You may be eligible for a REWARD 1-800-378-0445**

Department of Financial Services

FOAA



# Statewide PIP Contacts

## PANHANDLE REGION

Counties: Bay, Calhoun, Escambia, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Lafayette, Leon, Liberty, Madison, Okaloosa, Santa Rosa, Taylor, Wakulla, Walton, Washington

**Pensacola Field Office - 850.453.7802**

**Captain Buddy HAND**

**Lt. Joseph HOLOKAN**

## NORTH REGION

Counties: Alachua, Baker, Bradford, Citrus, Clay, Columbia, Dixie, Duval, Flagler, Gilchrist, Hamilton, Levy, Marion, Nassau, Putnam, St. Johns, Sumter, Suwannee, Union

**Jacksonville Field Office - 904.798.5802**

**Captain Brian McCOY**

**Lt. Kevin JONES**

## WEST CENTRAL REGION

Counties: Charlotte, Collier, DeSoto, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Lee, Manatee, Pasco, Pinellas, Polk, Sarasota

**Tampa Field Office - 813.972.8602**

**Captain Michael BYRNE**

**Lt. Carlos ROSARIO**

**Lt. Darrell WILSON**

**Fort Myers Field Office - 239.278.7527**

**Lt. Mark FRITZ**

## EAST CENTRAL REGION

Counties: Brevard, Indian River, Lake, Martin, Okeechobee, Orange, Osceola, Palm Beach, Seminole, St. Lucie, Volusia

**West Palm Beach Field Office - 561.837.5601**

**Major Simon BLANK**

**Captain Glen HUGHES**

**Lt. Evangelina BROOKS**

**Orlando Field Office - 407.835.4402**

**Lt. Jewel CAMERON**

## SOUTH REGION

Counties: Broward, Dade, Monroe

**Miami Field Office - 305.536.0302**

**Captain Steven SMITH**

**Lt. Violeta SERRANO**

**Lt. John DYGON**

**Lt. Stanley JEAN-FELIX**

**Plantation Field Office - 954.321.2902**

**Lt. Bill LEE**

## South Florida Major Medical Fraud Task Force

Supervisory Special Agent Fred Burkhardt 954.329.7427

## Central Florida Major Medical Fraud Task Force

Supervisory Special Agent Dennis Russo 863.967.6904

## Editor's Corner

It's hard to believe that it has already been a year since we got the green light to do this newsletter.

As we begin our second year, we hope to continue to provide useful and important information to the public and the industry about PIP fraud in Florida. In the last 12 months, we published information for more than 330 persons arrested for PIP fraud throughout the state. It is our goal to increase that number for the coming year.

We have received many phone calls and positive comments regarding the PIP Source, and we are proud of its success. CFO Atwater is committed to doing what it takes to succeed in this fight. We are excited about some of the cases and features we will be sharing with you over the next year.

We would like to hear from you. Please contact us at [ThePIPSource@MyFloridaCFO.com](mailto:ThePIPSource@MyFloridaCFO.com). Thank you again for your continuing support.

## STAGING CAR CRASHES IS NOT CHILD'S PLAY!

**INSURANCE FRAUD  
is a crime. REPORT IT!**

FOAA



Department of Financial Services

**You may be eligible for a REWARD 1-800-378-0445**



CHIEF FINANCIAL OFFICER  
**JEFF ATWATER**  
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

