

A.G. Schneiderman Announces Arrests In Alleged Automobile Accident Ring On Long Island

Five Defendants Charged With Arranging Accidents Involving Rented U-Haul Trucks; Submitting Over \$100,000 In Fraudulent Insurance Claims

Schneiderman: Insurance Fraud Costs All New Yorkers, My Office Will Hold Offenders Accountable

NEW YORK— Attorney General Eric T. Schneiderman today announced the arrests of five individuals for their alleged roles staging automobile accidents in Nassau and Suffolk counties to fraudulently receive insurance payouts. The defendants, including alleged ringleader Jean Guilberto, are charged with participating in a series of staged accidents in which rented U-Haul trucks were intentionally crashed into cars loaded with participants, who were then directed to be treated for fictitious injuries at a medical clinic in Freeport. As a result of the three allegedly fake accidents and falsely reported injuries, the defendants are also charged with submitting fraudulent insurance claims, totaling more than \$100,000. The defendants are charged on three indictments with multiple felonies, including Insurance Fraud in the Third Degree (a class D felony), Grand Larceny in the Third Degree (a class D felony), and Falsifying Business Records in the First Degree (a class E felony). If convicted, Guilberto faces as much as 21 years in prison.

“Insurance fraud costs all New Yorkers and my office will hold those who seek to scam our insurance and medical systems accountable,” **Attorney General Schneiderman** said. “Breaking up staged automobile accident rings means safer streets and safer communities. It also means a fairer market for consumers whose insurance premiums skyrocket as a result of this kind of fraud.”

The defendants, who were arrested and arraigned today, are charged with conspiring to create three staged accidents, between October 2010 and June 2011, in order to fraudulently bill insurance carriers and collect illegal payouts. According to statements made by the prosecutor at arraignment, the defendants rented U-Haul trucks and then intentionally drove them into cars operated by other participants. The accidents were allegedly organized by Guilberto, who allegedly recruited the U-Haul drivers and the occupants of the second vehicle with promises of cash payments or lucrative personal injury settlements. After they staged the accidents, the defendants allegedly lied to the responding police officers and pretended that the accident had been real.

Also according to statements made by the prosecutor at arraignments, the occupants of the cars struck by the U-Hauls were directed by Guilberto to Freeport Medical, P.C., located at 50 South Main Street in Freeport, NY. At Freeport Medical, these defendants allegedly filled out insurance forms that included false information about the accident and the defendants’ purported soft tissue injuries. Based on the fraudulent

claims of injury, Freeport Medical billed insurance carriers over \$25,000 for each accident and over \$100,000 in total.

In New York State, a person injured in a motor vehicle accident is automatically covered by the Comprehensive Motor Vehicle Insurance Reparations Act, commonly referred to as the No-Fault law. No-Fault insurance carriers are required to provide reimbursement for a wide range of medical and health services for injuries related to car accidents, up to \$50,000 per person.

In addition to medical coverage, a victim in a motor vehicle accident may be eligible to recover money from an insurance carrier for a bodily injury lawsuit stemming from injuries resulting from the accident.

The defendants were arraigned today before Justice William C. Donnino in Nassau County Court on three indictments, related to three accidents:

- An accident dated October 30, 2010, at the intersection of Brook Avenue and Mildred Avenue in Bay Shore, in which a U-Haul truck rear-ended a Mitsubishi;
- An accident dated December 19, 2010, at the intersection of Patton Avenue and East Little Neck Road in Babylon, in which a U-Haul truck sideswiped a Chevrolet; and;
- An accident dated June 29, 2011, at the intersection of Milburne Avenue and Harold Avenue in Hempstead, in which a U-Haul truck rear-ended a Toyota.

The following defendants are charged in the indictments:

- Jean Guilberto, 35, of Wyandanch, NY, the alleged organizer of the three staged accidents, is charged with three counts of Insurance Fraud in the Third Degree and three counts of Grand Larceny in the Third Degree;
- Jahmari Monroe, 27, of Bronx, NY, driver of the U-Haul in the October 30, 2010 accident, is charged with one count of Insurance Fraud in the Third Degree and one count of Grand Larceny in the Third Degree;
- Troy Russell, 32, of Amityville, NY, driver of the U-Haul in the December 19, 2010 accident, is charged with one count of Insurance Fraud in the Third Degree and one count of Grand Larceny in the Third Degree;
- Alecia Holland, 38, of Wyandanch, NY, a passenger in the car struck by the U-Haul in the December 19, 2010 accident, is charged with one count of Insurance Fraud in the Third Degree, one count of Grand Larceny in the Third Degree, and one count of Falsifying Business Records in the First Degree; and
- Larry Henley, 46, of Uniondale, NY, driver of the U-Haul in the June 29, 2011 accident, is charged with one count of Insurance Fraud in the Third Degree and one count of Grand Larceny in the Third Degree.

If convicted, defendant Guilberto faces up to 21 years in prison, and the remaining defendants face up to 7 years in prison. The charges against the defendants are merely accusations, and the defendants are presumed innocent until and unless proven guilty.

Guilberto is currently in custody on \$5,000 cash over a \$2,500 bond on each indictment; Russell is in custody on a \$25,000 bond over \$15,000 cash bail; and Henley is in custody on a \$2,500 bond over \$1,500 cash bail. Monroe and Holland were released on their own recognizance. Judge Donnino ordered that all defendants surrender their passports.

The Attorney General thanks the New York State Department of Financial Services, the National Insurance Crime Bureau, U-Haul, RepWest Insurance Company, Allstate Insurance Company, GMAC Insurance Company, 21st Century Insurance Company and Gary Armstrong of GDA Investigations Inc. for their valuable assistance in this investigation.

The investigation was handled by Investigators Adrian Klapper and Kevin McCann. The Auto Insurance Fraud Unit is led by Deputy Chief Leonard D'Alessandro and Supervising Investigators Edward Keegan and Natalie Shirfin. The Investigations Bureau is led by Chief Dominick Zarrella.

This case is being prosecuted by Assistant Attorney General Jeff Minett of the Auto Insurance Fraud Unit of the Attorney General's Criminal Enforcement and Financial Crimes Bureau, with the assistance of Legal Analyst Bradley Ruty. The Bureau is led by Bureau Chief Gary T. Fishman and Deputy Bureau Chief Stephanie Swenton. The Division of Criminal Justice is led by Executive Deputy Attorney General Kelly Donovan.

Groups audience:
Auto Insurance Fraud Unit (AIFU)
Criminal Enforcement and Financial Crimes Bureau