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Release # 195-2007
www.queensda.org

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 19, 2007

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ELEVEN INDIVIDUALS CHARGED
WITH \$300,000 WORKERS' COMPENSATION FRAUD

Among the Alleged Injured Workers Are a Former New York State Employee Who Now Runs Pennsylvania Fried Chicken Restaurant and Public Library Employee Working at Queens Institute

Queens District Attorney Richard A. Brown, joined by New York State Insurance Fund (NYSIF) Executive Director David P. Wehner, New York State Insurance Superintendent Eric R. Dinallo and New York State Workers' Compensation Board Fraud Inspector General John H. Burgher, today announced that nearly a dozen individuals have been charged with workers' compensation fraud totaling more than \$300,000 after an extensive investigation.

District Attorney Brown said, "Some of the defendants are accused of stealing tens of thousands of dollars in workers' compensation benefits that they were not entitled to receive. In other cases, defendants working as contractors allegedly cheated the system by presenting forged workers' compensation insurance certificates to prospective clients, thereby potentially undercutting the bids of honest contractors and, at the same time, failing to provide insurance coverage for their workers in the event of an injury. This is a serious crime that undermines the system for workers who are truly deserving of workers' compensation and for contractors who pay their fair share. My office will continue to aggressively prosecute individuals who abuse the system for their own benefits."

"This year, NYSIF surpassed 1,000 arrests for workers' compensation fraud because of an aggressive anti-fraud program over the past 10 years that, with the assistance of local prosecutors such as Queens District Attorney Richard Brown, has held businesses, claimants and medical providers accountable for their fraudulent practices," NYSIF Executive Director David P. Wehner said. "During that time, NYSIF cases have produced more than \$150 million in restitution and estimated fraud savings, which is a credit to our personnel who are trained to spot fraud, a credit to our investigative unit, and a credit to law enforcement authorities statewide. As these cases show, however, we can never rest on our laurels. We must do more to bring workers' comp frauds to justice, and to educate the public that fraud is a crime – a felony – not without victims. Every honest citizen is a victim of insurance fraud."

State Insurance Department Superintendent Eric R. Dinallo said, "The New York State Insurance Department has always been aggressive in combating workers' compensation fraud committed by individuals or businesses seeking to cheat the system. Working with dedicated officials like Queens District Attorney Richard Brown, we intend to continue these efforts. We will work with renewed commitment to combating business fraud because this is a crime that increases the premiums paid by legitimate businesses, hurting all New Yorkers. About half of the arrests in this sweep are for workers' compensation fraud committed by businesses."

State Workers' Compensation Fraud Inspector General John H. Burgher said, "These cases demonstrate an aggressive commitment by the Workers' Compensation Board and its Office of Fraud Inspector General to combat workers' comp fraud throughout New York State. Whether the fraud is being conducted by an employer or an individual, we will find them and prosecute them to the fullest extent of the law."

The defendants have been variously charged with second, third and fourth degree grand larceny, second, third and fourth degree insurance fraud, first degree falsifying business records, first degree offering a false instrument for filing and violation of sections 114(1) and 96(1) of the Workers' Compensation law.

District Attorney Brown said the cases were returned to his office after a joint investigation by the New York State Insurance Fund, the New York State Insurance Department's Insurance

Frauds Bureau, and the Inspector General's Office of the State Workers' Compensation Board. The Queens District Attorney's office investigators arrested the individuals, who will be prosecuted by the District Attorney's Economic Crimes Bureau.

Among those arrested was Patrick Phillips, the owner of Patrick Construction, Inc., who allegedly reported earnings of \$134,570 to the NYSIF and paid premiums for workers' compensation based on that. Yet Philips' company earned substantially more and now owes the fund approximately \$76,000 in unpaid premiums.

Another defendant, Marie Richard, is alleged to have been receiving benefits for a bad back suffered while working as a developmental aide at the State's Bernard M. Fineson Developmental Disabilities Services Office Building in Queens Village. Later, she allegedly became the owner and operator of King Crown Fried Chicken in Reading, Pennsylvania. Video surveillance allegedly showed the defendant working behind the counter and cooking at the grill. However, she failed to notify the NYSIF that she was employed. As a result, she allegedly received \$9,550 in benefits to which she was not entitled.

In another case, defendant Edward Rosa, who was employed as a cleaner at the Queens Public Library in Jamaica, Queens, allegedly sustained an on-the-job injury to his lower back and received workers' compensation benefits. He then became employed as a maintenance staff worker at the Poppenhusen Institute in College Point, but failed to notify the workers' compensation board that he was employed. He received \$87,689.99 in benefits to which he allegedly was not entitled.

The defendants were arraigned over the last two weeks in Queens Criminal Court in Kew Gardens.

The arrests were made by NYPD Detectives Ferdinand Caravousanos, Joseph Diaz, Lori Welsh, and Oniel Miller of the District Attorney's NYPD Squad under the direct supervision of Sergeant Frank Horvath and the overall supervision of Captain John M. Zanfardino; State Insurance Fund Investigators Melvin Cohen, Curtis Brantley, Dominick Raspante, and Ray Mayberry under the direct supervision of Supervising Investigator Ben Emengo and the overall supervision of Director of Confidential Investigations Laurence LaPointe; State Workers' Compensation Board Investigator Brian Cody and David Regazzi of the Office of the Inspector General, under the supervision of Inspector General John Burgher and Assistant Inspector General Scott Jaffer; and State Insurance Department Investigators George Capaccio, Dennis Carmody, Frank Hunt, Cindy Licata and Solomon Jones under the direct supervision of Deputy Chief Investigator John Browne and the overall supervision of Director Charles Bardong.

Assistant District Attorney Rosemary Buccheri, of the District Attorney's Economic Crimes Bureau, is prosecuting the case under the supervision of Gregory C. Pavlides, Bureau Chief, and Christina Hanophy, Deputy Bureau Chief, and the overall supervision of Executive Assistant District Attorney for Investigations Peter A. Crusco and Deputy Executive Assistant District Attorney Linda M. Cantoni.

It should be noted that a criminal complaint is merely an accusation and that a defendant is presumed innocent until proven guilty.

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ADDENDUM

MARIE RICHARD, 48, of 1743 Reading Boulevard in Wyomissing, PA, has been charged with third-degree grand larceny (alleged theft - \$9,550), third-degree insurance fraud and violating section 114(1) of the Workers' Compensation law. If convicted, the defendant faces up to seven years in prison.

CAROLINE MARING, 50, of 1 Brighton Court in Brooklyn, has been charged with attempted third-degree grand larceny (alleged theft - \$11,040), third-degree insurance fraud and first-degree falsifying business records. If convicted, the defendant faces up to seven years in prison.

TAHSEEN SYED, 59, of 107-23 111th Street in Richmond Hill and the owner of AAA Enterprises, has been charged with third-degree grand larceny (alleged theft - \$16,975.45), third-degree insurance fraud, second-degree criminal possession of a forged instrument, first-degree falsifying business records and violating sections 114(1) of the Workers' Compensation law. If convicted, the defendant faces up to seven years in prison.

THEODORE LIATSOS, 66, of 57-14 69th Place in Maspeth, has been charged with third-degree grand larceny (alleged theft \$7,700), third-degree insurance fraud, first-degree falsifying business records and violating section 114(1) of the Workers' Compensation law. If convicted, the defendant each face up to seven years in prison.

MIGUEL TAMAY, 39, of 144-05 88th Avenue in Jamaica, has been charged with third degree grand larceny (alleged theft \$26,782.80), third-degree insurance fraud and violating section 114(1) of the Workers' Compensation law. If convicted, the defendant faces up to seven years in prison.

YURIY DAVIDOFF, 39, of 63-27 Booth Street in Rego Park, has been charged with third-degree grand larceny (alleged theft \$35,000), first-degree falsifying business records and violating section 114(1) of the Workers' Compensation law. If convicted, the defendant faces up to seven years in prison.

PATRICK PHILLIPS, 52, of 85-11 106th Street in Richmond Hill, has been charged with first-degree falsifying business records, second-degree grand larceny (alleged theft \$76,362), second-degree insurance fraud and violating sections 114(1) and 96(1) of the Workers' Compensation law. If convicted, the defendant faces up to fifteen years in prison.

EDWARD ROSA, 50, of 103-57 100th Street in Ozone Park, has been charged with second-degree grand larceny (alleged theft \$87,689.99) criminal possession of a forged instrument, first-degree falsifying business records and violating section 114(1) of the Workers' Compensation law. If convicted, the defendant faces up to seven years in prison.

SEAMUS (JAMES) CAREY, 41, of 56 Ellsworth Avenue, in the Bronx, has been charged with third-degree insurance fraud, first-degree falsifying business records, first degree offering a false instrument for filing and violating sections 114(1) and 96(1) of the Workers' Compensation law. If convicted, the defendant faces up to seven years in prison.

CHARALAMBOS STRATI, 41, of 157-37 22nd Avenue, in Whitestone, has been charged with fourth-degree grand larceny (\$2,836.74), fourth-degree insurance fraud, first degree falsifying business records and violating 114(1) and 96 (1) of Workers' Compensation law. If convicted, the defendant faces up to four years in prison.

CHARLES ETIENNE, 42, OF 226-07 137th Avenue in Laurelton, has been charged with second-degree grand larceny. (\$66,239.89), second-degree insurance fraud, first-degree falsifying business records and violating 114(1) and 96(1) of the Workers' Compensation law. If convicted, the defendant faces up to 15 years in prison.

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Note to Editors: Press release e-version posted at www.queensda.org.