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61 CHARGED IN UNDERCOVER STOLEN CAR/INSURANCE FRAUD STING OPERATION
*Defendants Include NYPD and Other Government Employees, Medical Doctor and School Employees;
70 Reportedly Stolen Vehicles Worth \$1.7 Million Recovered*

Queens District Attorney Richard A. Brown, joined by New York City Police Commissioner Raymond W. Kelly and New York State Insurance Superintendent Eric R. Dinallo, announced today that 61 individuals have been charged in a \$1.7 million undercover insurance fraud “sting” operation that has resulted in the recovery of 70 vehicles that had been falsely reported as stolen by their owners in order to get large insurance settlements. Fifty-one of the individuals are in custody. The remaining ten are presently being sought or are expected to surrender today.

According to the charges, a vehicle owner would deliver his/her car to a so-called “middleman” with the understanding that the middleman would then dispose of the vehicle. The owner would then falsely report the car stolen to the police and file an insurance claim for the “theft.” In turn, the middleman would deliver the car to a Queens garage – known to accept insurance job vehicles and discretely dispose of them – for a fee based upon the condition of the vehicle. The middleman typically would give the garage owner the vehicle keys with the understanding that the keys would be returned within a week so that the car owner could return them to their insurance company as evidence of the vehicle’s “stolen” nature. Unbeknownst to those charged in the scheme, the owner of the garage was an undercover detective.

Among the 41 individuals charged with giving up their vehicles are a New York City police officer, the director of security at a City-run hospital, a New York City buildings inspector, a Virginia physician and an employee with the U.S. Department of Homeland Security. An owner and employee of a Long Island used car lot are among the 15 individuals charged with brokering the vehicles. Five other individuals are variously charged with possessing stolen vehicles or possessing and/or removing vehicle identification numbers from vehicles

The 18-month investigation dubbed *Operation Disappearing Act* was conducted utilizing various law enforcement techniques – including court-ordered wiretaps, as well as video and physical surveillance.

District Attorney Brown said, “In recent years we have seen an alarming increase in automobile insurance fraud in the New York metropolitan area – indeed, throughout the state and across the country. The cost of automobile insurance fraud is enormous – estimated by the insurance industry at \$23 billion nationwide each year -- and is ultimately passed on to the consumer by way of ever increasing insurance premiums. The defendants believed that they could beat the system, but they could not have been more mistaken. Instead of pocketing ‘easy money,’ they now face serious felony charges and prison sentences.”

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Police Commissioner Kelly said, "The individuals who engaged in insurance fraud effectively passed their insurance bills on to the rest of us. The detectives and prosecutors are to be commended for stopping them."

The arrests are the latest in a series of undercover operations in Queens County targeting auto theft and insurance fraud that began in 1991 and is being conducted by the NYPD's Organized Crime Control Bureau Auto Crime Division and the Queens District Attorney's Organized Crime and Rackets Bureau.

The defendants have been variously charged with Grand Larceny in the Third and Fourth Degrees, Attempted Grand Larceny in the Third Degree, Insurance Fraud in the Third Degree, Falsifying Business Records in the First Degree, Criminal Possession of Stolen Property in the Third Degree, Criminal Possession of a Forged Instrument in the Second Degree, Forgery of a Vehicle Identification Number, Illegal Possession of a Vehicle Identification Number and Illegal Possession of Vehicle Identification Number Plates. Most of the defendants face up to seven years in prison, if convicted.

Operation Disappearing Act has resulted in the recovery of 70 vehicles, which include many luxury, late-model automobiles, such as the Cadillac Escalade and numerous BMWs, including a BMW 650i with a purchase price of \$67,000. The operation also led to the discovery of a total of more than forty false insurance claims that potentially could have cost various insurers, including Geico and Allstate, hundreds of thousands of dollars in settlements. The total amount of payoffs by undercover detectives for all 70 vehicles involved in the investigation was about \$70,000, or approximately \$1,000 per vehicle, with the total value of the recovered vehicles estimated at \$1.7 million.

Among those charged are:

- Philip Shaw, the owner of High Gear Auto Sales, located at 245 Linden Boulevard in Elmont, Long Island, who allegedly provided many of the owner give-up vehicles to a broker who later allegedly sold them to an undercover officer.
- NYPD Police Officer Shantell McKinnies, who is assigned to the 102nd Precinct in Queens and whose 2006 Dodge Charger was allegedly delivered by the defendant Malcolm Young to undercover detectives in Queens on August 20, 2007, in exchange for \$1,200. It is alleged that McKinnies falsely reported that her vehicle had been stolen within the confines of the 79th Precinct in Brooklyn on August 23, 2007, and thereafter received a \$26,255 settlement from USAA Insurance.
- Richy Galarza, the director of security at Woodhull Hospital, who allegedly falsely reported that 2005 Infiniti was stolen from a park and ride lot in the Bronx while he was working. It is alleged that Galarza fraudulently obtained a \$27,875 settlement from Geico Insurance.
- a Virginia physician who allegedly falsely reported that her 2001 Acura MDX was stolen from a parking lot in Maryland while she was shopping. It is alleged that the physician fraudulently obtained a settlement in the amount of over \$19,000 from Travelers Insurance.
- New York City building inspector Craig Stewart, 35, of 24 Melody Lane in Amityville, Long Island, who was allegedly overheard discussing with defendant Shaw on January 8, 2007, the pricing and delivery of defendant Joseph Owens' 2002 Mercedes Benz SL500 to Shaw. The following day, the Mercedes Benz was allegedly delivered by the defendant Young to

undercover detectives in Queens. It is alleged that the owner, Owens, falsely reported that his vehicle had been stolen on Long Island on January 13, 2007, and thereafter received a \$29,428 settlement from Geico Insurance.

- NYPD school safety officer Regina Clay, who allegedly falsely reported that her 2005 Dodge Durango was stolen from a parking lot near her home in Flushing, Queens. It is alleged that Clay fraudulently obtained a settlement in the amount of over \$20,00 from Geico Insurance.
- New York State Department of Corrections clerical employee Kim Yarbrough, 44, of 34-25 Linden Place in Flushing, whose 2005 Nissan Altima was allegedly delivered by Young to undercover detectives in Queens on September 29, 2006, in exchange for \$1,800. It is alleged that Yarbrough falsely reported that her vehicle had been stolen on October 5, 2007, while she was grocery shopping and thereafter received a \$20,000 settlement from Statewide Insurance.
- U.S. Department of Homeland Security secretary Marilyn Godfrey, 35, of 686 West 48th Street in Brooklyn, whose 2005 Toyota Camry was allegedly delivered by Young to undercover detectives in Queens on July 9, 2007, and sold for \$1,700. Ten days later, it is alleged that Godfrey falsely reported that her car had been stolen in Brooklyn and thereafter fraudulently obtained a \$13,000 settlement from Geico Insurance.
- New Rochelle School District security guard Andre Williams, 46, of 9 Potomac Street in Flushing whose 2004 Chevy Impala was allegedly delivered by Young to undercover detectives in Queens on October 21, 2006, and sold for \$1,200. It is alleged that Williams falsely reported that his car had been stolen in New Rochelle on November 1, 2006, and thereafter fraudulently obtained a \$18,202 settlement from Allstate Insurance Company.

District Attorney Brown said that “owner give-up” is the term that describes when a car owner disposes of his vehicle and reports it stolen to his insurance company. Such staged thefts are often motivated by economic factors – such as the vehicle needs major repairs, the owner has fallen behind on his lease or loan payments, or vehicle usage – such as mileage – has exceeded the terms of the lease. Many of the alleged stolen vehicles in *Operation Disappearing Act* have liens on them.

According to the District Attorney, the investigation began in July 2006 when the NYPD Auto Crime Division initiated an investigation into a group of individuals who were allegedly participating in an “owner give-up” insurance fraud scheme in Queens County and elsewhere. As part of the investigation, a covert garage was established in Queens and staffed with undercover detectives.

The investigation was conducted by Detective Robert Magrino, under the supervision of Sergeant Jonathan Schwartz, and the overall supervision of Lieutenant Gene Borelli, Captain Steven Zolga and Deputy Inspector Charles V. Talamo. Senior Fraud Investigator Hugh Brickley of the New York State Insurance Frauds Bureau also assisted in the investigation, as well as the National Insurance Crime Bureau.

The case is being prosecuted by Assistant District Attorney Christine M. Maloney and Robert A. Miller, of the District Attorney’s Organized Crime and Rackets Bureau, and Mary M. Lowenburg, Supervisor of the District Attorney’s Auto Crime and Insurance Fraud Unit, under the supervision of Bureau Chief Gerard A. Brave and Deputy Bureau Chief Marc Resnick and under the overall supervision of Executive Assistant District Attorney for Investigations Peter A. Crusco and Deputy Executive Assistant District Attorney for Investigations Linda M. Cantoni.

It should be noted that criminal charges are merely accusations and that defendants are presumed innocent until proven guilty.

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Note to Editors: An e-version of this press release is posted on the QDA website at www.queensda.org.

ADDENDUM

- 1) The following 12 individuals have been identified as middlemen:
 - Wayne Donaldson, 39, of 115-72 227th Street in Cambria Heights
 - Frederick Francis, 46, of 936 East 37th Street in Brooklyn
 - Dwayne Gibbons, 32, of 137-16 242nd Street in Rosedale, Queens
 - Devon Guishard, 26, of 2 Doscher Street in Brooklyn
 - Chad Jenkins, 24, of 34-31 Linden Place in Flushing
 - Jose Maldonado, 31, of 17 Doscher Street in Brooklyn
 - Daniel Moya-Palma, 22, of 139-12 34th Road in Flushing, Queens
 - Julian Portilla, 16, of 139-19 34th Road in Flushing, Queens
 - Philip Shaw, 42, of 913 Carmans Road in Massapequa, Long Island
 - Robert Sowulski, 50, of 27 Merrit Avenue in Massapequa, Long Island
 - Craig Stewart, 35 of 24 Melody Lane in Amityville, Long Island
 - Malcolm Young, 28, of 34-20 137th Street in Flushing, Queens

- 2) The following 35 individuals are charged with conspiring or assisting in delivering personally owned vehicles to the various middlemen in order for the owners of the vehicles to falsely file a false claim of theft with their insurance companies:

QUEENS (14)

Craig Boyce, 27, of 168-20 Sayres Avenue in Jamaica
Denise Butler, 48, of 120-15 149th Avenue in Queens
Paul Clarke, 34, of 83-44 251st Street in Bellerose
Regina Clay, 38, of 155-15 71st Avenue in Flushing
Julio Collins, 30, of 98-25 Horace Harding Expressway in Corona
Gennaro Esposito, 38, of 31-20 46th Street in Astoria
Olivier J. Gittens, 61, of 20-55 Seagirt Boulevard in Far Rockaway
Allyson Levine, 34, of 440 Little Neck Parkway in Little Neck
Terrell Lovell, 26, of 108 Beach 59th Street in Far Rockaway
Edward Martinex, 29, of 73-09 Ditmars Boulevard in Queens
Melody S. Nelson, of 87-09 34th Avenue in Jackson Heights
Paul A. Service, Jr, 31, of 110-02 195th Street in St. Albans
Shefton Simpson, 35 of 117-11 229th Street in Queens Village
Kim Yarbrough, 44, of 34-25 Linden Place in Queens

BROOKLYN (8)

Janel Sealy Bowie, 40, of 653 East 43rd Street
Dennis Fisher, 37, of 29 Brooklyn Avenue
Deshawn Eaddy, 30, of 118 Tapscot Street
Marilyn Godfrey, 36, of 392 East 46 Street
Eslie Hinds, 55, of 537 Chester Street
Dionne M. Humphry, 36, of 147 Ocean Avenue
Shantell A. McKinnies, 27, of Brooklyn
Lauren Rodolphus, 28, of 300 Lenox Road

BRONX/MANHATTAN (2)

Richy J. Galarza, 37, of 1961 Fowler Avenue in the Bronx
Audrey McAllister, 30, of 78 East 127th Street in Manhattan

LONG ISLAND (7)

Edmond Clarke, 29, of 487 Kirtman Avenue in Elmont
Marianne Cruz, 42, of 330 Washington Street in Hempstead
Angenor Jimenez, 32, of 641 Commander Avenue in West Babylon
Joseph Owens, 35, of 64 Locust Drive in Amityville
Anna Marie Sowulski, 44, of 7 Hettys Path in Centerreach
Deidre Stewart, 38, of 24 Melody Lane in Amityville
Teneka Williams, 34 of 35 Pecan Street in Wyandanch

UPSTATE (2)

Andre Williams, 46, of 223 Webster Avenue in New Rochelle
Tiffany Young, 23, of Middletown, New York

OUT OF STATE (2)

Jenetta Brown, 30, of 135 Finely Street in Pittsburgh, Pennsylvania
Elisabeth J. Gayflor, 35, of 731 Garfield Avenue in Jersey City, New Jersey

3) The following 2 individuals have been identified as possessing stolen vehicles:

Manuel Guzman, 32, of 1402 Perry Street in Reading, Pennsylvania
Gustavo Solis, 29, of 244 South 3rd Street

4) The following 2 individuals have been identified as possessing and/or removing vehicle identification numbers from vehicles:

Gregory Bethea, 39, of 113-10 196th Street in St. Albans
Ivan Nichols, 30, of 83-30 118th Street in Kew Gardens

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