



RICHARD A. BROWN
DISTRICT ATTORNEY

**DISTRICT ATTORNEY
QUEENS COUNTY
125-01 QUEENS BOULEVARD
KEW GARDENS, NEW YORK 11415-1568
718-286-6000**

Release # 207-2006
www.queensda.org

**FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 29, 2006**

**CONTACT: KEVIN RYAN
NICOLE NAVAS
MERIS CAMPBELL
(718)286-6315**

**QUEENS INSURANCE BROKER CHARGED WITH SALE
OF BOGUS WORKERS' COMP POLICIES TO TEN BUSINESS OWNERS**

Queens District Attorney Richard A. Brown, joined by New York State Insurance Department Superintendent Howard Mills and New York State Workers' Compensation Board Chair Donna Ferrara, today announced that a 74-year-old licensed Flushing insurance broker has been charged with selling bogus workers' compensation policies to small business owners in the New York City-Long Island area over a five-year period.

District Attorney Brown said, "The defendant is accused of selling bogus insurance policies to individuals and businesses who believed that they had proper coverage when, in fact, they had no insurance coverage at all. He is alleged to have preyed upon his clients' trusting nature and having needlessly cost them thousands of dollars in penalties."

State Insurance Department Superintendent Mills said, "Workers and employers in New York who in good faith paid for Workers' Compensation Insurance should never have to worry about being covered in the unfortunate event of a work-related accident or injury. The quick and coordinated response to this alleged fraud shows how seriously the Insurance Department and the other governmental agencies involved take their responsibility to protect honest New Yorkers and businesses."

State Workers' Compensation Board Chair Ferrara said, "The actions of this individual illustrate an absolute disregard for the rule of law, the protection of New York business owners who finance the system and workers who rely on the workers' compensation system for their sustenance in the event of a workplace injury. This shameful act of betrayal cannot be tolerated and I commend the investigators of the Workers' Compensation Board and the Insurance Department, as well as the District Attorney's office, for bringing these charges to light."

The District Attorney identified the defendant as Theodore N. Knopp, 74, of 82 Soundview Drive in Port Washington, Long Island, and the owner of Theodore N. Knopp Insurance, located at 14 Kissena Boulevard in Flushing. He was arraigned yesterday before Queens Criminal Court Judge Steven W. Paynter on one count of Scheme to Defraud in the First Degree, four counts of Forgery in the Second Degree, four counts of Falsifying Business Records in the First Degree, one count of Grand Larceny in the Third Degree, two counts of Grand Larceny in the Fourth Degree, one count of Insurance Fraud in the Third Degree, three counts of Insurance Fraud in the Fourth Degree, one count of Petit Larceny and four counts of violation of Workers Compensation Law Section 114 (fraudulent practices). The defendant, who was released without bail and directed to return to court on November 1, 2006, faces up to seven years in prison if convicted.

District Attorney Brown said that, according to the criminal charges, Knopp sold nonexistent worker's compensation policies to the owners of gas stations and fast-food restaurants in the New York City-Long Island area between August 2001 and August 2006. The policies would list an existing company with a nonexistent policy and/or a nonexistent policy with an insurance company which had stopped doing business or never existed.

For example, the defendant allegedly procured insurance for Basdev Selopal, the owner of Selopal Enterprises, Inc., a gas station located at 130-01 Hillside Avenue in Richmond Hill, Queens, through Tower Insurance Company for the period of September 12, 2003 through September 12, 2004. Mr. Selopal allegedly paid the defendant a \$500 deposit toward the \$1,000 premium and

received an insurance binder bearing the defendant's name as the insurance broker and Tower Insurance Company as the insurance company. Mr. Selopal then allegedly paid the defendant an addition \$1,000 to extend the policy for another year. On November 8, 2005, Mr. Selopal was advised by the State Workers' Compensation Board that he was not covered and had incurred penalties totaling \$13,250.

The case against the defendant was initiated when the New York State Insurance Department received a complaint from a business owner who claimed to have paid Knopp for insurance, received a bogus insurance card and subsequently learned from the insurance company that there was no such policy and that he, in fact, was not insured. The State Workers' Compensation Board, in routine checks of worker's compensation insurance, also came across companies who had been sold bogus policies. Both agencies immediately teamed up with the Queens District Attorney's Office and a joint investigation was undertaken.

District Attorney Brown noted that, on December 29, 2005, the State Insurance Department held a hearing at which the defendant failed to appear and his license was revoked.

The investigation was conducted by Investigators George Capaccio of the New York State Insurance Department's Fraud Division and Brian Cody of the New York State Workers' Compensation Board's Office of the Fraud Inspector General.

Assistant District Attorney Mariana Zelig of the District Attorney's Economic Crimes Bureau is prosecuting the case under the supervision of Assistant District Attorneys Gregory C. Pavlides, Bureau Chief, and Christina Hanophy, Deputy Bureau Chief, and the overall supervision of Executive 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 an accusation and that defendants are presumed innocent until proven guilty.

#

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