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TEN INDIVIDUALS CHARGED WITH WORKERS' COMPENSATION FRAUD
Defendants Include Former City Worker and Queens Business Owner

Queens District Attorney Richard A. Brown, joined by New York State Insurance Fund (NYSIF) Executive Director David P. Wehner, New York State Insurance Department Superintendent-Designate Eric R. Dinallo and New York State Workers' Compensation Board Chair Donna Ferrara, today announced that ten individuals have been charged with workers' compensation fraud totaling more than \$110,000 following a seven-month investigation.

District Attorney Brown said, "A former City worker who was hurt on the job more than twenty years ago is charged with continuing to collect workers' compensation payments after secretly obtaining work in the construction industry. A second defendant – a Queens contractor – is accused of undercutting the bids of honest contractors by submitting forged certificates of insurance to a general contractor as proof of holding valid insurance for his employees in order to compete for a job. Both scenarios constitute fraud and rob the state of tens of thousands of dollars in unlawfully obtained workers' compensation benefits and rob unsuspecting employees of necessary insurance coverage. Those who commit such frauds should know that they face prison time and fines for their actions. My office will continue to aggressively pursue and prosecute individuals who abuse the system for their own benefit."

State Insurance Fund Executive Director Wehner said, "We are determined to continue an aggressive attack against workers' compensation fraud in New York State. NYSIF's cases account for more than three quarters of million dollars in actual fraud and estimated savings in this sweep, as well as a case of certificate fraud that must be borne by a NYSIF policyholder. These are crimes of an audacious and flagrant nature that New York businesses and the workers' compensation system can ill afford to tolerate. Workers' compensation fraud is a felony that should not be lightly regarded. Law enforcement authorities such as Queens District Attorney Richard Brown understand that, and they understand that workers' compensation fraud has a direct and seriously adverse economic impact on everyone who lives and works in New York State. That's why NYSIF has no intention of slowing down and every intention of cracking down on fraud."

State Insurance Department Superintendent-Designate Dinallo said, "Workers compensation fraud increases the costs of doing business in New York and these arrests demonstrate that state agencies are working together to address this problem. Those who try to defraud the system should be held accountable so honest businesses do not bear the burden of these costs."

State Workers' Compensation Chair Ferrara said, "The Workers' Compensation Board remains committed to ensuring that those who deserve workers' compensation benefits continue to receive them while we are also committed to ensuring that those who would circumvent the system are brought to justice. We applaud District Attorney Richard Brown and those involved for their hard work on this matter."

The charges are the result of a seven-month joint investigation by the Queens District Attorney's Economic Crimes Bureau, 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.

Among the ten defendants arrested were:

- Giorlano Vicari, who began receiving workers' compensation benefits in February 1983 after being injured while working as a painter for the New York City Housing Authority. Nearly twenty-one years later, he allegedly obtained employment in the construction industry. However, when he filed his work activity forms with the Workers' Compensation Board, he allegedly failed to notify the Board of the change in his work status – as he is required to do. As a result, Vicari is accused of unlawfully receiving \$19,365 in workers' compensation and medical benefits that he was not entitled to receive during a two-year period between 2003 and 2005.

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- Fernando Gonzalez began receiving workers' compensation benefits in June 1992 after being injured at work as a mechanic for Certified Automatic Transmission, Inc., in Maspeth. In January 2006, it is alleged that he obtained employment as a van driver – transporting visitors to Fort Dix Correctional Facility in New Jersey. However, it is alleged that he did not advise the Workers Compensation Board that he was employed and he wrongfully collected \$15,780 in disability benefits between January 2006 and June 2006.

- Farouk Ali, began receiving workers' compensation benefits in December 1994 after being injured while working as a packer/shipper at Laminall Inc., in Long Island City. It is alleged that between November 2003 and November 2006, the defendant rented a spot at Aqueduct Flea Market for \$800 a month and sold ladies clothes while attesting to the Workers' Compensation Board that he had not returned to work since his accident. As a result, he allegedly collected \$43,285 in benefit checks to which he was not entitled.

- Joseph Ambrosino, the owner of Joe's Flooring Corp., located at 220-24 93rd Avenue in Queens Village, allegedly presented a forged workers' compensation insurance certificate to a general contractor, Montauk Rug and Corporation, of Manhattan, in January 2005 in order to obtain work installing floors as an independent subcontractor. It was later discovered that the defendant had no workers' compensation insurance policy to do business.

The ten defendants have been variously charged with third- and fourth-degree grand larceny, third-degree insurance fraud, first-degree falsifying business records, first-degree offering a false instrument for filing, second-degree criminal possession of a forged instrument and violation of sections 114(1) and 96(1) of the Workers' Compensation law. They were arraigned earlier this week in Queens Criminal Court in Kew Gardens.

The investigation was conducted by:

- Detectives Ferdinand Caravousanos, Lawrence D'Angelico, Lori Welsh, Oniel Miller and Hugh Dorsey, of the District Attorney's NYPD Squad, under the supervision of Sergeant Frank Horvath and the overall supervision of Captain John M. Zanfardino, and by Paralegal Bijal Soni, of the District Attorney's Economic Crimes Bureau.

- State Insurance Fund Investigators Dominick Raspante, Curtis Brantley and Ray Mayberry, under the supervision of Supervising Investigator Ben Emengo, and by State Insurance Fund Investigator Larry Dolce under the supervision of Supervising Investigator Michael Galgano, and the overall supervision of Director of Confidential Investigations Laurence LaPointe.

- State Workers' Compensation Board Investigators Brian Cody and David Regazzi, of the Inspector General, under the supervision of Inspector General John Burgher and Assistant Inspector General Scott Jaffer;

- State Insurance Department Fraud Bureau Investigators Solomon Jones, Frank Hunt, George Capaccio, and Dennis Carmody under the supervision of Deputy Chief Investigator Gerard Callahan and the overall supervision of Chief Investigator Anthony DeRiso and Director Charles Bardong, Mineola Office, and by New York State Insurance Department Fraud Bureau Medical Unit Investigator Regina Wolfe under the supervision of Associate Investigator Joseph Edwards and the overall supervision of Assistant Chief Investigator Karen Silverstein, New York City Office.

Assistant District Attorney Rosemary Buccheri, of the District Attorney's Economic Crimes Bureau, is prosecuting the cases 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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Note to Editors: Press release e-version posted at www.queensda.org.

See Addendum on following page for information on defendants.

ADDENDUM

FAROUK ALI, 48, of 114-44 127th Street in South Ozone Park, has been charged with third-degree grand larceny (alleged theft - \$43,285) third-degree insurance fraud, first-degree falsifying business records and violating sections 114(1) and 96(1) of the Workers' Compensation law. If convicted, he faces up to seven years in prison.

JOSEPH AMBROSINO, 42, of 220-24 93rd Avenue in Queens Village, has been charged with first-degree falsifying business records, first-degree offering a false instrument for filing and violating section 114(1) of the Workers' Compensation law. If convicted, he faces up to four years in prison.

VICARI GIROLAMO, 62, of 79-15 265TH Street in Floral Park, has been charged with third-degree grand larceny (alleged theft - \$19,365), third-degree insurance fraud, first-degree offering a false instrument and violating sections 114(1) and 96(1) of the Workers' Compensation law. If convicted, he faces up to seven years in prison.

FERNANDO GONZALEZ, 46, of 54-09 90th Street in Elmhurst, have been charged with third-degree grand larceny (alleged theft - \$15,780.63), third-degree insurance fraud, first-degree falsifying business records and violating sections 114(1) and 96(1) of the Workers' Compensation law. If convicted, he faces up to seven years in prison.

VINCENT JEFFERES, 44, of 1202 Cross Bay Boulevard in Broad Channel, has been charged with third-degree grand larceny (alleged theft - \$8,000), first-degree falsifying business records and violating section 114(1) of the Workers' Compensation law. If convicted, he faces up to seven years in prison.

SHAHINUL KHASRU, 47, of 97-03 82nd Street in Ozone Park, has been charged with third-degree grand larceny (alleged theft - \$14,964), first-degree falsifying business records and violating section 114(1) of the Workers' Compensation law. If convicted, he faces up to seven years in prison.

LAURETTA KING, 46, of 170-34 130th Avenue in Jamaica, has been charged with fourth-degree grand larceny (alleged theft - \$1,030), second-degree criminal possession of a forged instrument and first-degree falsifying business records. If convicted, she faces up to seven years in prison.

ADALGIZA SANDOVAL, 46, of 90-29 218th Place in Queens Village, has been charged with third-degree grand larceny (alleged theft - \$4,990) and third-degree insurance fraud and first-degree falsifying business records. If convicted, she faces up to seven years in prison.

JAMES VASLOS, 65, of 25-40 Steinway Street in Astoria, has been charged with fourth-degree grand larceny (alleged theft - \$1,200), first-degree falsifying business records and violating section 114(1) of the Workers' Compensation law. If convicted, he faces up to four years in prison.

CARLOS ZUMBA, 47, of 40-29 99th Street in Corona, has been charged with fourth-degree grand larceny (alleged theft - \$1,980), first-degree falsifying business records and violating section 114(1) of the Workers' Compensation law. If convicted, he faces up to seven years in prison.