



Opening Argument



Richard A. Brown

Queens Auto Theft Plunges 80% in Decade

We have made remarkable strides to cut auto theft in Queens County and crack down on auto insurance fraud.

An important part of our success is the funding we receive from the state. The New York State Motor Vehicle Theft and Insurance Fraud Prevention Act fund enhances our ability to investigate and prosecute car thieves and auto insurance cheats. Last year the fund allocated almost \$5 million to law enforcement statewide and in the past five years it has allocated over \$1.5 million to our office. We have spent the money wisely and well.

In 1990 there were 50,239 cars reported stolen in Queens County. In 2000 the number of cars stolen in Queens had fallen to 12,406 -- a drop of almost 80% in a decade. Last year, 10,425 cars were stolen in Queens -- 4,519 in Queens South and 5,926 in Queens North -- sharp drop of almost 16% from the year before.

Career Car Thieves

How did we achieve these results? First, we focused on career car thieves.

In the last five years, our office has obtained over 1,300 felony auto crime convictions and sent more than 600 car thieves to state prison.

Second, we targeted chop shops. In April 1999 we set up an undercover scrap metal yard in Willets Point. Carmine Agnello, John Gotti's son-in-law, soon showed up. He ordered our undercover detectives to do business solely with him. The undercover detectives refused. Extortion, arson and firebombing soon followed. Agnello was prosecuted and sentenced to nine years in federal prison. In November 2000 we charged Robert Flock, 29, of Ozone Park, with masterminding a multi-million-dollar auto theft, dismantling and stolen parts ring in Queens and Brooklyn. His ring allegedly stole cars to order. The cars were chopped up and the parts sold to various auto body shops and auto parts stores. Flock remains in jail awaiting trial

And, third, we scrutinized auto insurance fraud.

In December we closed down one of the largest no fault insurance rings ever uncovered in New York. Working closely with the NYPD, the State Police and the State Insurance Department, we uncovered a network of unscrupulous attorneys, doctors and other medical professionals, clinics and runners in a 14-month investigation called Operation Whiplash and arrested over 100 persons.

It takes more than teamwork with law enforcement partners to be successful. It also

takes a lot of resources. The state fund helps provide the financial support for these resources.

The Queens District Attorney's Office provided two bureau chiefs, a deputy bureau chief, eight assistant district attorneys, seven investigators and two paralegals. The NYPD's Internal Affairs Bureau provided 25 investigators, two undercover police officers and 250 police officers. The State Insurance Department provided seven investigators. The State Police Auto Theft Unit provided two undercover investigators and 10 investigators.

The network included three medical doctors, two chiropractors, an acupuncturist, a physical therapist, two lawyers and an NYPD police administrative aide. Together they devised a highly sophisticated scheme to enable them to plunder the system.

Corrupt Police Aide

Runners recruited individuals for fees up to \$500 to pose as accident victims and provide their personal identity information. The runners passed the information to the corrupt police administrative aide who created police accident reports about auto accidents which never happened. The runners took the fake victims to a law firm which filled out phony auto insurance claims and then to medical clinics which administered bogus treatment for fake and non-existent injuries. The medical clinics billed the insurance companies and the lawyers negotiated settlements with them.

So far, three defendants have pled guilty -- a chiropractor, a go-between and the police administrative aide. The go-between and the police aide admitted engaging in racketeering and so both are headed to state prison.

If we had not infiltrated this operation, the insurance companies would have been obligated to pay out over \$3 million for the phony claims. The ring filed a total of \$900,000 worth of fake claims and about \$180,000 in settlements had been paid out by roundup day. These costs would have ultimately been passed along to consumers -- you, me and all New York's other car owners.

Funding for the Motor Vehicle Theft and Insurance Fraud Prevention Act statewide is now \$4.7 million. I would urge the Legislature to maintain this funding and to consider an increase. That way we can continue to drive down auto theft, lock up auto insurance fraud schemers and hold the line on auto crime and car insurance rates.