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## Attorney General

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### Eliot Spitzer

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Contact: Paul Larrabee  
(518) 473-5525

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#### **TWELVE INDICTED IN BROOKLYN AND QUEENS INSURANCE FRAUD RINGS**

Attorney General Eliot Spitzer, State Insurance Superintendent Gregory Serio and New York City Department of Investigation Commissioner Rose Gill Hearn today announced the indictments of 12 people on charges stemming from the operation of two separate auto insurance fraud rings in Brooklyn and Queens. They are accused of submitting more than \$350,000 in fraudulent personal injury claims to automobile insurance carriers.

The defendants are alleged to have staged car accidents and then falsely claimed under New York's no-fault law that they had been injured. Among the charged defendants are two New York City Correction Officers, Lynae Spry, 37 and Pamela Jackson, 35. Each drove a vehicle involved in a separate staged accident in 2000, then submitted false claims to insurance carriers.

"The aggressive prosecution of auto insurance fraud will help reduce high auto insurance premiums," said Spitzer. "Each incident, whether it be a sophisticated ring involving staged accidents, or simply the case of an overinflated claim, causes consumers to pay more."

New York State Superintendent of Insurance Gregory Serio said: "Fraud rings like these victimize all of New York's drivers who end up paying the price through increased premiums. These indictments are proof positive that our on-going collaborative efforts with the Attorney General's Office and law enforcement throughout the state are protecting hard working families and taking crooks off the street to stabilize the auto insurance marketplace for New York drivers."

New York City Department of Investigations Commissioner Rose Gill Hearn said: "These Correction Officers now find themselves facing serious criminal charges thanks to their avarice and disregard for the law. Their conduct is particularly egregious considering their job is to enforce law, not break it. Thankfully, the charges they face do not reflect the conduct of the vast majority of honest, hard-working Correction Officers."

Today's charges are contained in four separate indictments brought by a Kings County grand jury. Both rings frequently used rental vehicles to stage the accidents. Following the accidents, the defendants were directed by "steerers" to medical clinics, where they allegedly received months of treatment for their supposed injuries. Many of the defendants were paid by steerers for participating in the accidents and several also received thousands of dollars in bodily injury settlements paid out by insurance carriers of the "at-fault" drivers in the staged accidents.

The first indictment charges six defendants from the first accident ring with staging accidents in 1999 and 2000. The defendants allegedly billed five insurance carriers a total of approximately \$140,000 for medical treatments and the carriers paid out over \$42,000 to medical providers. The defendants are Brian McFarland, 28; Erica Rabassa, 25; Gilbert Estronza, 26; Colleen Halligan, 23; Jenette Martinez, 24; all of Brooklyn; and Joseph DiGiacomo, 23, of Staten Island.

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The 31 counts of the indictment charge: Grand Larceny in the Third Degree and Insurance Fraud in the Third Degree, both class “D” felonies; Attempted Grand Larceny in the Third Degree, Falsifying Business Records in the First Degree, Grand Larceny in the Fourth Degree, Insurance Fraud in the Fourth Degree and Scheme to Defraud in the First Degree, all class “E” felonies; and Petit Larceny, a class “A” misdemeanor.

The three remaining indictments charge six defendants of the second accident ring with staging accidents in 1999 and 2000. The defendants submitted over \$214,000 in bills to multiple insurance carriers and approximately \$163,000 in claims were paid. For one accident alone, two insurance carriers paid out over \$135,000 in claims. The defendants are Kenneth Reese, 42; Leslie Reese, 40; Anthony Wright, 46; Darnsford Gritten, 29; and Pamela Jackson, all of Kings County; and Lynae Spry of Bronx County.

The 22 counts of the three indictments charge Grand Larceny in the Third Degree and Insurance Fraud in the Third Degree, both are class “D” felonies; Grand Larceny in the Fourth Degree and Falsifying Business Records in the First Degree, both are class “E” felonies; and Conspiracy in the Fifth Degree, an class “A” misdemeanor.

Today’s charges are the product of ongoing investigations of the accident rings, in which 11 individuals have already been charged with insurance fraud, grand larceny, and related crimes. Felony charges against the previously charged defendants are pending.

Arraignments for the defendants were initiated on April 20 and continued today before Kings County Supreme Court Justice John P. Walsh.

The charges are merely accusations and the defendants are presumed innocent until and unless proven guilty.

The cases are being prosecuted by Assistant Attorneys General Damian S. Jackson and William Jorgenson of Spitzer’s Auto Insurance Fraud Unit, under the supervision of Unit Chief Steve Nachman. The investigations were conducted by Investigators Daniel Pisculli, Lawrence McDonald, Luke Johnson, and Michael Beshara, under the supervision of Supervising Investigator Dominick Zarrella and Deputy Chief James Conway of the Investigations Bureau. Also assisting in the investigation were: Detective Gerard Shanley of the New York City Police Department’s Fraud Accident Investigation Squad, under the supervision of Lieutenant Glenn Halligan; and Captain Vincent Valerio and First Deputy Inspector General Meera Cattafesta of the New York City Department of Investigation under the supervision of Assistant Commissioner Michael Caruso.

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