



Department of Investigation

Press Release

DISTRICT ATTORNEY - NEW YORK COUNTY

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FOUR INDICTED IN PERSONAL INJURY FRAUDS

Manhattan District Attorney Robert M. Morgenthau announced today the indictments of four people for trying to steal millions of dollars from the City of New York by bringing fraudulent personal injury lawsuits. Today's indictments involve two separate schemes. In the first, a Brooklyn couple and their neighbor tried to cheat the City out of \$3 million by falsely claiming that they had been seriously injured in a Brooklyn collision with a Fire Department ladder truck. In the second, a Brooklyn cabdriver tried to steal \$1 million by falsely claiming that he was injured in a sidewalk fall in Queens.

The indictment resulted from investigations by the City Department of Investigation and the State Insurance Department's Insurance Frauds Bureau.

The first indictment charges IGOR PERLOV, a security guard, INNA PERLOVA, his wife, and LIDIYA SHVARTS, their neighbor, both home care attendants, with Attempted Grand Larceny in the First Degree and Perjury in the First Degree. INNA PERLOVA and SHVARTS were also charged with Perjury in the First Degree, Perjury in the Second Degree, Making a False Statement in the First Degree, and Offering a False Instrument for Filing in the First Degree.

IGOR PERLOV was driving alone in his car on May 29, 1998 when he collided with a Fire Department truck at Avenue V and Ocean Avenue in Sheepshead Bay, Brooklyn. The investigation revealed that PERLOV lied in sworn testimony on March 8, 1999, in a preliminary examination at the Comptroller's Office, when he asserted that his wife, PERLOVA, and their neighbor, SHVARTS, were in his car when the collision occurred. Both PERLOVA and SHVARTS lied, first in notices of claim they filed on June 26, 1998, with the Comptroller's Officer, when they asserted that they had been passengers in PERLOV's car when it collided with the fire truck. They both lied a second time, in sworn preliminary examinations at the Comptroller's Office, PERLOVA on January 29, 1999 and SHVARTS on April 20, 1999, when they again testified that they had been passengers in PERLOV's car when the accident occurred. Finally, they both lied a third time, in sworn testimony on January 24, 2001, during pre-trial depositions at the City Law Department, when both women claimed that they had been passengers in PERLOV's car at the time of the collision.

The PERLOV investigation began in August, 2000, when the City Law Department obtained police and accident reports indicating that PERLOV had been driving alone in his car, a 1993 Mercury Grand Marquis, when he collided with a Fire Department ladder truck in Brooklyn.

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The second indictment charges GRACILIANO SANTOS, a cabdriver, with attempted Grand Larceny in the Second Degree and Perjury in the First Degree.

SANTOS claimed that he had been severely injured on August 14, 1998, when he tripped and fell, suffering a laceration to his right leg and pain to his right arm, back, and neck, on a sidewalk in front of Big R Food Warehouse at 1580 Gates Avenue in Ridgewood, Queens. The investigation revealed that a few hours after his injury, SANTOS was treated at Jamaica Hospital Medical Center and told triage personnel that he had cut his right leg on a fence. The investigation further revealed that SANTOS lied, on December 18, 1998, in sworn testimony during a preliminary examination at the Comptroller's Office, when he asserted that he had injured himself in a sidewalk fall.

The investigation disclosed that SANTOS actually lacerated his leg when he scaled a fence surrounding Saint Sylvester R.C. Church to flee individuals who were chasing him. The church was on Grant Avenue in Brooklyn, several miles from the sidewalk in front of the Queens food warehouse site where he said he was injured.

The SANTOS investigation began in September, 1999, when the City Comptroller's Office, in a preliminary review, found that SANTOS' claim of serious injury was inconsistent with his description of how his injury had occurred, and referred the matter to DOI.

The four defendants will be arraigned on the indictments late today in New York State Supreme Court. All four have filed \$1 million civil tort cases against the City, which are pending.

Both indictments are part of a continuing joint effort on the part of DOI, the City Law Department, the Comptroller's Office and the Manhattan District Attorney's Office to identify and prosecute individuals who file fraudulent lawsuits against the City. The City spends more than \$400 million on claims and judgements annually, and it is estimated that approximately 10 per cent of the 10,000 lawsuits filed each year against the City are fraudulent.

Mr. Morgenthau thanked DOI Commissioner Edward J. Kuriansky; City Comptroller Alan G. Hevesi; Corporation Counsel Michael D. Hess; New York State Insurance Department Superintendent Gregory V. Serio, as well as Julia Davis, DOI's Inspector General for Executive Offices and Non-Mayoral Agencies, DOI Special Investigators Robert Medaglia and Michael Corrigan, who conducted the SANTOS investigation, and investigators at the State Insurance Department-Frauds Bureau, who conducted the PERLOV investigation.

The SANTOS matter was referred to DOI by the City Comptroller's Office, in particular Robert Brackman, Special Counsel, and Michael Aaronson, Chief, and Sharon Riley, former Deputy Chief, of the Bureau of Law and Adjustment.

The PERLOV matter was referred to DOI and the New York State Insurance Department's Frauds Bureau by the City Law Department's Tort Division, in particular Eugene Borenstein, former Chief of the Tort Division, Steven Levi, Senior Risk Management Counsel, and Nancy Goldbach, Chief, Early Intervention Unit.

Assistant District Attorney Jonathan Kraden, of Manhattan District Attorney's Special Prosecutions Bureau presented the PERLOV case to the grand jury and will handle the prosecution. Assistant District Attorney Tyrone Huges, also of the Special Prosecutions Bureau, presented the SANTOS case to the grand jury and will handle the prosecution. Both cases are being supervised by Bureau Chief Leroy Frazer and Deputy Bureau Chief Thomas Wornom.

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Mr. Morgenthau also thanked the New York State Division of Criminal Justice Services and the New York State Motor Vehicle Theft and Insurance Fraud Prevention Board who have been working with the District Attorney's Office to combat Fraud in cases related to motor vehicles.

Attempted Grand Larceny in the First Degree is a class C felony which is punishable by up to 15 years in prison. Attempted Grand Larceny in the Second Degree, Perjury in the First Degree, Making a False Statement in the First Degree and Offering a False Instrument for Filing in the First Degree are class D felonies which are punishable by up to 7 years in prison. Perjury in the Second Degree is a class E felony which is punishable by up to 4 years in prison.