



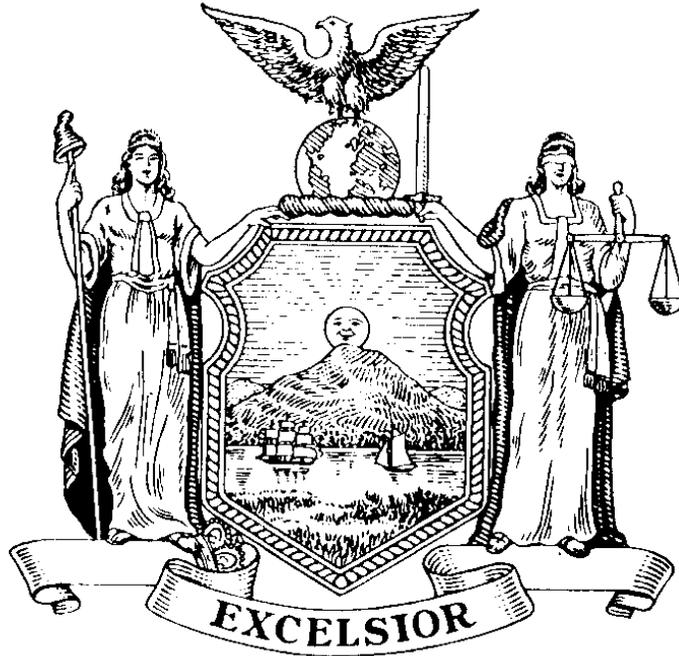
STATE OF NEW YORK  
Andrew M. Cuomo, Governor

**Michael C. Green**  
Executive Deputy Commissioner  
Division of Criminal  
Justice Services

Office of Program  
Development and Funding

**Anne Marie Strano**  
Deputy Commissioner

# New York State



## 2012 Annual Report to the Governor and Legislature

### Motor Vehicle Theft and Insurance Fraud Prevention Board

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New York State Division of Criminal Justice Services  
Alfred E. Smith Office Building  
80 South Swan Street  
Albany, NY 12210  
[www.criminaljustice.ny.gov](http://www.criminaljustice.ny.gov)



**New York State  
2012 Motor Vehicle Theft and  
Insurance Fraud Prevention  
Board Members**

**Michael C. Green, Chair**  
Executive Deputy Commissioner  
New York State  
Division of Criminal Justice Services

**Kristina L. Baldwin, Esq.**  
Assistant Vice President  
Property Casualty Insurers Association  
of America

**Hon. Richard A. Brown**  
District Attorney, Queens County

**Hon. Janet DiFiore**  
District Attorney, Westchester County

**Barbara J. Fiala**  
Commissioner  
New York State  
Department of Motor Vehicles

**Hon. Robert T. Johnson**  
District Attorney, Bronx County

**Thomas Lohmann**  
Regional Director  
National Insurance Crime Bureau

**James Potts**  
New York Central Mutual Fire  
Insurance Company

***Office of Program Development and Funding***

**Anne Marie Strano**  
Deputy Commissioner

**Ron Dickens**  
Director

***Law Enforcement Grants Unit***  
Michele Mulloy, Program Specialist

Paul Chesley  
Tom Cowin  
Mary Ann Deet  
Richard Hunter  
Michael Passaro  
Paula Raiti  
Kathleen Stack

**Other Report Contributors:**

***Office of Justice Research and Performance***

Adam Dean     Marge Cohen

**New York State Department of Financial Services**

**Financial Frauds and Consumer Protection Division**

**Criminal Investigations Unit**

Roy Zabala, Senior Examiner

# **Mission Statement**

## **Motor Vehicle Theft and Insurance Fraud Prevention Board**

In accordance with Executive Law §846-1 and 846-m, the Motor Vehicle Theft and Insurance Fraud (MVT&IF) Prevention Board, as its stated mission and purpose, shall make recommendations to the Commissioner of the Division of Criminal Justice Services (Commissioner) with respect to the exercise of his or her functions, powers and duties as set forth in Executive Law §846-1(3).

The Board shall also:

In accordance with the legislative intent of Article 36-A of the Executive Law, develop and recommend to the Commissioner a plan of operation that shall provide for a coordinated approach to curtailing motor vehicle theft and motor vehicle insurance fraud throughout the state (hereinafter "plan"). The plan shall provide an integrated means to detect, prevent, deter, and reduce motor vehicle theft and motor vehicle insurance fraud by providing funds, upon the recommendation of the Board and approval by the Commissioner, to meet these objectives.

The plan shall include, but not be limited to:

- An assessment of the scope of the problem of motor vehicle theft and motor vehicle insurance fraud, including a regional analysis of the incidence of motor vehicle theft and motor vehicle insurance fraud and related activities;
- An analysis of various methods of combating the problem; and
- The development of a request for proposals process, consistent with the Plan, for applications from provider agencies to receive grants from the Motor Vehicle Theft and Insurance Fraud Prevention Fund established pursuant to §89-d of the State Finance Law.

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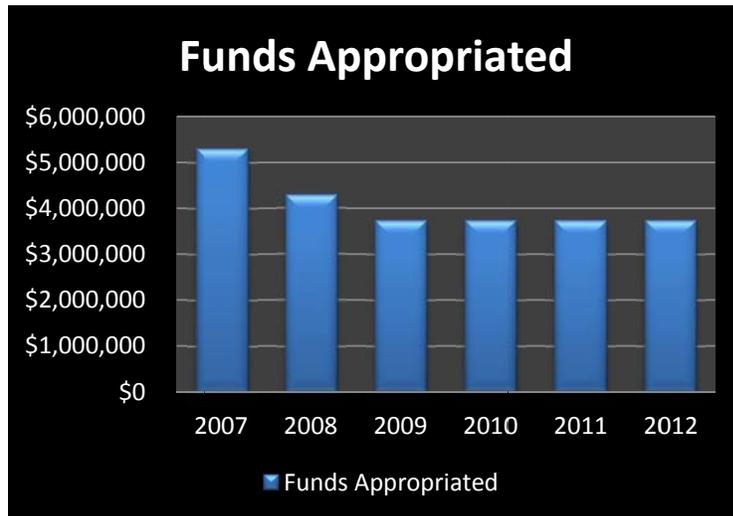
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## I. INTRODUCTION

New York State enacted Executive Law, Article 36-A (L.1994, c.170) creating the *New York Motor Vehicle Theft and Insurance Fraud Prevention Demonstration Program* to help reduce the overall cost of motor vehicle insurance in the State. A 12-member *Motor Vehicle Theft and Insurance Fraud Prevention Board* was authorized under this statute to oversee the program. Members of the Board, selected by the Governor and the Legislature, include representatives of law enforcement, consumers of motor vehicle insurance, insurance carriers and relevant state agencies. The Board became operational in September 1997 with the appointment of its members. This is the 13<sup>th</sup> annual report to the Governor and the Legislature by the *New York Motor Vehicle Theft and Insurance Fraud Prevention Board* as required under Executive Law §846-1(3)(h).

Funding for the program is provided for under State Finance Law §89-d, which established a special fund consisting of monies received from the \$10 fee assessed on each insurance policy issued for a portion of passenger vehicles and all other motor vehicles registered in New York State (Insurance Law §9110). The 2012-13 State Budget appropriated \$3.7 million in support of demonstration projects.

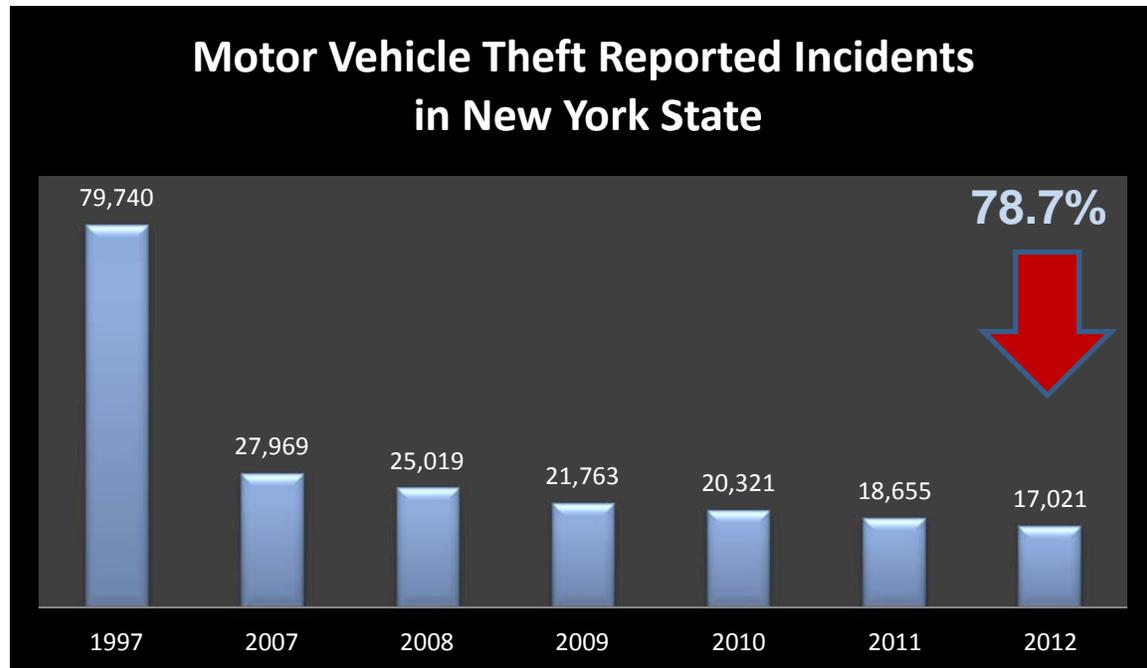


Having completed its organizational tasks of crafting bylaws and a mission statement, as well as creating a strategy for conducting a Request for Proposal (RFP) process, the Board made its first awards in September 1997. The Board has issued RFPs annually since then. 2012 marked the 16<sup>th</sup> year of the Board's operation.

All of the tasks outlined above are part of an organized and planned pursuit of reducing motor vehicle theft rates and insurance fraud in New York. The impact of motor vehicle theft and motor vehicle insurance fraud cannot be understated. It is a highly-organized criminal activity that costs hundreds of millions of dollars each year. Those costs are passed on to law abiding citizens and legitimate businesses and result in increased costs of doing business and higher insurance rates.

## Motor Vehicle Theft

Great strides have been made in reducing motor vehicle theft in New York. From 1997 through 2012, reported thefts were down 78.7 percent. In 2012, there were 17,021 motor vehicles stolen in New York State.

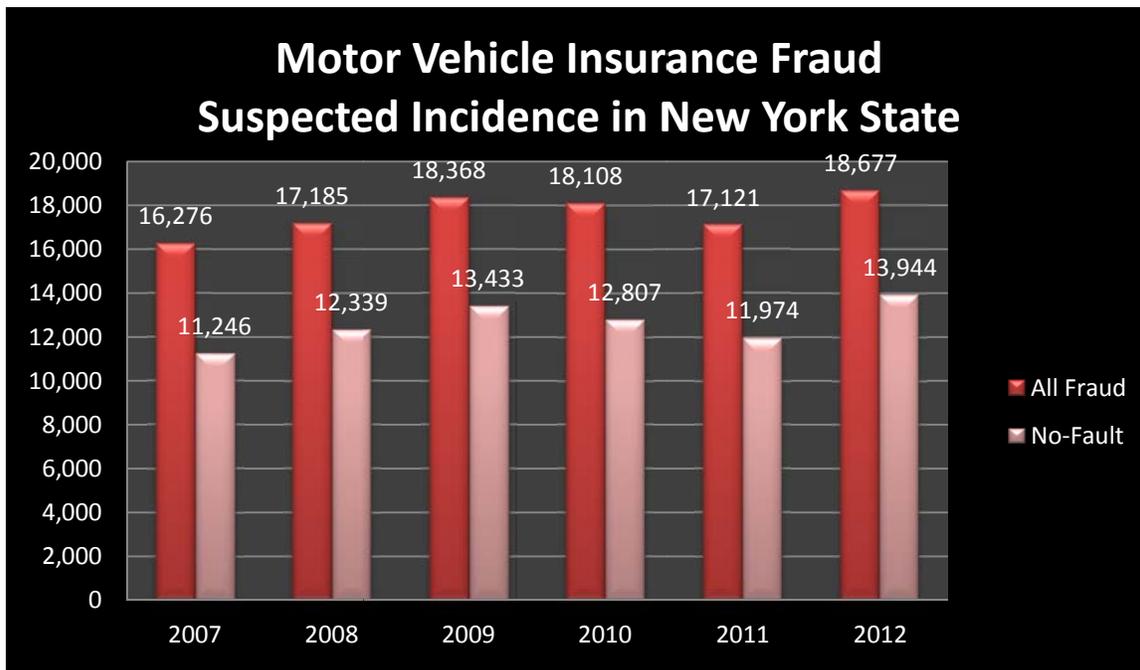


Law enforcement knowledge gained into the dynamics of motor vehicle theft makes it apparent that the trafficking of stolen vehicles knows no state or international boundaries, and that insurance fraud, in many cases, is perpetrated by well-organized groups of profit-motivated conspirators.

## Motor Vehicle Insurance Fraud

The incidence of motor vehicle insurance fraud in the early 1990s was significantly lower than the level now reported. Beginning in 1997, the New York State Insurance Frauds Bureau had seen an alarming increase in the number of reports of suspected insurance fraud from insurers across the state. Overall reports of motor vehicle insurance fraud had increased consistently from 5,214 in 1996 to a high of 24,282 in 2003. No-fault insurance fraud also increased during this time period to a high of 17,831 in 2003, accounting for 73 percent of all reported motor vehicle insurance fraud. Combined investigative and prosecutorial efforts of state and local law enforcement agencies to combat motor vehicle insurance fraud, coupled with changes in the insurance laws, resulted in a 33 percent decrease in all types of motor vehicle insurance fraud from 2003 to 2007 (including a 36.9 percent drop in no-fault fraud and a 22 percent decline in other types of motor vehicle insurance fraud).

While current levels of suspected incidences of motor vehicle insurance fraud are well below historic highs, they have consistently exceeded 2007 suspected incidences and a continued focus on reducing the incidence of these offenses is warranted.



## Statewide Plan of Operation

In August 1999, the New York State Motor Vehicle Theft and Insurance Fraud Prevention Board initiated the development of a statewide plan for curtailing motor vehicle theft and insurance fraud throughout the state. The Board determined that the experience and expertise gained as a result of the ongoing operations of the funded demonstration projects provided a solid foundation upon which to build a statewide plan. To research and develop a plan that was reflective of the problem in all regions of New York State, the Board recommended that several agencies with extensive expertise in this area be involved in its development. In addition, officers representing 16 law enforcement agencies were added to the Statewide Work Group.

The size of the Motor Vehicle Theft and Insurance Fraud Statewide Advisory Group, which is comprised of individuals with backgrounds in combating motor vehicle theft and motor vehicle insurance fraud, has grown as the number of grantees has grown. The following agencies participate in the 2012 Statewide Advisory Group:

Albany City Police  
 Albany County District Attorney  
 Bronx County District Attorney  
 Buffalo City Police  
 Cheektowaga Town Police  
 Erie County District Attorney  
 Fire Department of New York  
 Hempstead Town Police  
 Kings County District Attorney  
 Monroe County District Attorney  
 Monroe County Sheriff's Office

Nassau County District Attorney  
 Nassau County Police  
 New York City Police  
 New York County District Attorney  
 Niagara County District Attorney  
 Niagara County Sheriff's Office  
 Niagara Falls City Police  
 Queens County District Attorney  
 Richmond County District Attorney  
 Rochester City Police  
 Suffolk County District Attorney

Suffolk County Police  
Syracuse City Police  
Westchester County District Attorney  
Yonkers City Police  
National Insurance Crime Bureau  
New York Anti Car Theft and Fraud  
Association, Inc. (NYACT)

New York Prosecutors' Training  
Institute, Inc. (NYPTI)  
NYS Attorney General's Office  
NYS Department of Financial Services  
NYS Department of Motor Vehicles  
NYS Division of State Police

The following insurance industry carriers also were represented at the 2012 Statewide Advisory Group: Allstate, Auto One, Farmers, New York Central Mutual, and Zurich North America.

The Statewide Advisory Group reconvenes annually with members responsible for:

- Researching and developing updates for inclusion in the Motor Vehicle Theft (MVT) Statewide Plan of Operation and Motor Vehicle Insurance Fraud (MVIF) Statewide Plan of Operation to provide for a coordinated approach to curtailing motor vehicle theft and motor vehicle insurance fraud throughout the state.

The annually updated MVT Statewide Plan of Operation & MVIF Statewide Plan of Operation provide an integrated means to detect, prevent, deter and reduce motor vehicle theft and motor vehicle insurance fraud. They are available on the DCJS website [www.criminaljustice.ny.gov](http://www.criminaljustice.ny.gov). These plans provide guidance on the types of projects that will be supported with MVT&IF Program funding. Following the recommended format for the statewide plan, the Annual Report will present information on the dimensions of motor vehicle theft and motor vehicle insurance fraud in two separate sections.

## **II. Dimensions of Motor Vehicle Theft in New York State**

### **National Overview – 2011/2012<sup>1</sup>**

In the FBI's Uniform Crime Reporting (UCR) Program, motor vehicle theft is defined as the theft or attempted theft of a motor vehicle. In the UCR Program, a motor vehicle is a self-propelled vehicle that runs on land surfaces and not on rails. Examples of motor vehicles include sport utility vehicles, automobiles, trucks, buses, motorcycles, motor scooters, all-terrain vehicles and snowmobiles. Motor vehicle theft does not include farm equipment, bulldozers, airplanes, construction equipment, or water craft such as motorboats, sailboats, houseboats or jet skis. The taking of a motor vehicle for temporary use by persons having lawful access is excluded from this definition.

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<sup>1</sup> Final FBI statistics for 2012 were not available at the time this report was published (Preliminary Annual UCR data was available as of August 14, 2013).

<sup>1</sup> As of August 5, 2013, forty (40) law enforcement agencies submitted less than 12 months of UCR motor vehicle theft reporting.

According to national statistics, there were an estimated 715,373 thefts of motor vehicles reported in 2011 as compared to 739,565 in 2010. The estimated number of motor vehicle thefts declined 3.3 percent when compared with prior year data. The FBI reports more than \$4.3 billion was lost nationwide to motor vehicle thefts in 2011. The average dollar loss per stolen vehicle was \$6,089, with automobiles accounting for 73.9 percent of all motor vehicles reported stolen in 2011. ([http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2011/crime-in-the-u.s.-2011/property-crime/mvtheftmain\\_final.pdf](http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2011/crime-in-the-u.s.-2011/property-crime/mvtheftmain_final.pdf))

According to the FBI's Preliminary Annual Crime Statistics for 2012, motor vehicle theft increased 1.3 percent in 2012 when compared with 2011 data. Motor vehicle thefts increased 4.9 percent in cities with 250,000 to 499,999 inhabitants, but decreased 5.1 percent in cities with 1 million or more inhabitants. Metropolitan counties reported a 2.1 percent increase in motor vehicle thefts, while non-metropolitan counties reported a 2.1 percent decrease. (<http://www.fbi.gov/news/pressrel/press-releases/fbi-releases-preliminary-annual-crime-statistics-for-2012>)

## Statewide Overview of Motor Vehicle Theft

New York State has experienced a sustained reduction in the number of reported stolen vehicles — from 79,740 in 1997 to 17,021 in 2012 (a 78.7 percent decrease). The number of vehicles reported stolen in New York is now at its **lowest level in more than two decades**. The decrease in New York far exceeds the national reduction of approximately 47.2 percent over the same time period.

According to Division of Criminal Justice Services statistics, motor vehicle theft in New York State dropped 8.5 percent in 2012 when compared with 2011 data.<sup>2</sup>

The following overview on the incidence of motor vehicle theft in New York State will be done regionally<sup>3</sup>. In 2011, the greatest number of motor vehicle thefts occurred in the Greater New York City region, with 9,434 reported thefts accounting for 50.6 percent of the state total. Rounding out the top five regions in the state are NYC Suburban region, with 3,239 (17.4 %), Western region, with 1,966 (10.5%), Finger Lakes Region, with 1,253 (6.7%), and the Capital District region, with 768 (4.1 %). A detailed breakdown of the data by county is provided in the appendices of this report.

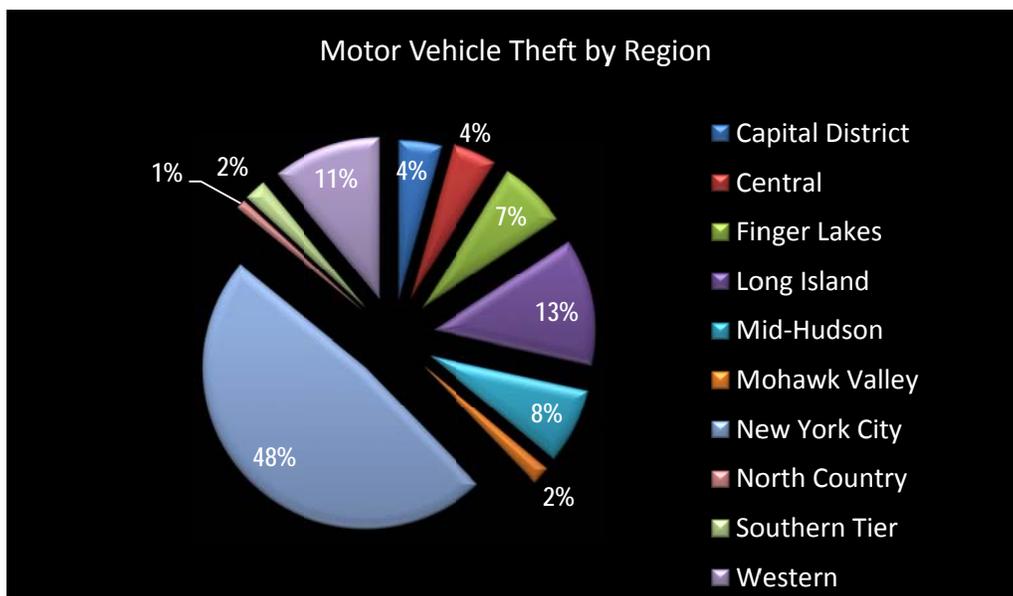
**New York State Regional Map  
for Incidents of  
Motor Vehicle Theft and  
Motor Vehicle Insurance Fraud**



<sup>2</sup> As of August 5, 2013, forty (40) law enforcement agencies submitted less than 12 months of UCR motor vehicle theft reporting.

## Regional Overview

Of the 17,021 reports of Motor Vehicle Theft submitted to the New York State Division of Criminal Justice Services, approximately 48 percent were for the New York City region, with the Long Island region following a distant second.



While the preponderance of motor vehicle theft continues to occur in the New York City region, six non-New York City region counties (Erie, Suffolk, Nassau, Monroe, Westchester and Onondaga) place among the top ten counties with regard to UCR reports from law enforcement. Of the top ten counties, only Onondaga County demonstrated an increase in incidents of motor vehicle theft.

Motor Vehicle Theft 2011 vs. 2012 Top Ten Counties			
County	2011	2012	Change
Queens	3,149	2,715	-13.8%
Kings (Brooklyn)	2,936	2,680	-8.8%
Bronx	2,110	1,649	-21.9%
Erie	1,537	1,481	-3.7%
Suffolk	1,269	1,182	-6.9%
Nassau	1,094	1,001	-8.6%
Monroe	1,048	976	-6.9%
New York	899	834	-7.3%
Westchester	772	632	-18.2%
Onondaga	500	580	13.8%

### **III. Dimensions of Motor Vehicle Insurance Fraud in New York State**

#### **National Overview**

During the 1960s, traditional motor vehicle liability insurance became the target of public criticism because of the expensive and time-consuming process of determining who was at fault and, therefore, legally liable when an accident occurred. In response to this consumer dissatisfaction with the insurance industry, many states enacted no-fault legislation which allows accident victims to recover financial losses, such as medical and hospital expenses and lost income, from their own insurance companies without liability being assigned. In 1974, New York became one of 12 states that initiated true no-fault motor vehicle insurance.

According to the Insurance Information Institute, Florida, Michigan, New Jersey, New York, Pennsylvania, Hawaii, Kansas, Kentucky, Massachusetts, Minnesota, North Dakota, Utah and Puerto Rico have no-fault insurance laws, with Kentucky, New Jersey and Pennsylvania considered “Choice” states, whereby drivers can choose a no-fault system policy or a policy based on traditional tort liability law.

No-fault laws are intended to lower the cost of auto insurance by keeping claims out of the courts. In most states, no-fault laws require insurers to cover the injury costs of their own policyholders (first-party coverage) regardless of who is at fault.

With an increase of motor vehicle insurance claims comes an increase in motor vehicle insurance fraud and related crimes. These crimes add an estimated 10 percent to the cost of insurance premiums paid by policyholders in New York State. In many states, the financial benefits of having no-fault insurance are being eliminated due to the higher premiums now paid for coverage.

On a national level, it is difficult to identify the crime of motor vehicle insurance fraud in order to develop trends that allow law enforcement to target the problem. Unlike motor vehicle theft, theft from a motor vehicle and theft of motor vehicle parts and accessories, statistics on motor vehicle insurance fraud crimes are not part of the Uniform Crime Report maintained by the Federal Bureau of Investigation. There are no uniform definitions of insurance fraud among the states and although insurance fraud is illegal in all states, the level of seriousness attached to the crime varies by state. Some states classify insurance fraud or certain types of fraud as a felony, others as a misdemeanor. In addition, the dollar amount involved can determine whether the crime is considered a felony.

According to the Coalition Against Insurance Fraud, fraud bureaus are state agencies that detect, investigate and prevent insurance scams. Most fraud bureaus deal with all kinds of insurance fraud, but some investigate only certain kinds, such as workers compensation or auto insurance. While not all states require special investigation units of insurance companies to forward every suspicious claim to their state’s fraud bureau, New York State does. These reports are deemed “suspected incidents” of insurance fraud, and may be handled in-house by insurance carriers or by

civil actions instead of being prosecuted criminally. Prompted by the incidence of insurance fraud, 42 states and the District of Columbia have established fraud bureaus; some bureaus have limited powers, and some states have more than one bureau to address fraud in different lines of insurance.

## Statewide Overview

On October 29, 2012, Hurricane Sandy battered coastal portions of New York State with record-setting flooding and devastating winds. As one of the worst natural disasters to hit New York in decades, Sandy caused tremendous damage to homes, businesses, infrastructure and vehicles. Approximately 400,000 vehicles were flooded, leaving an opening for unscrupulous individuals to sell salvaged vehicles to unsuspecting consumers or file false insurance claims.



## Statewide Statistics

According to the National Insurance Crime Bureau, New York ranks among the top five states for fraudulent auto insurance claims.

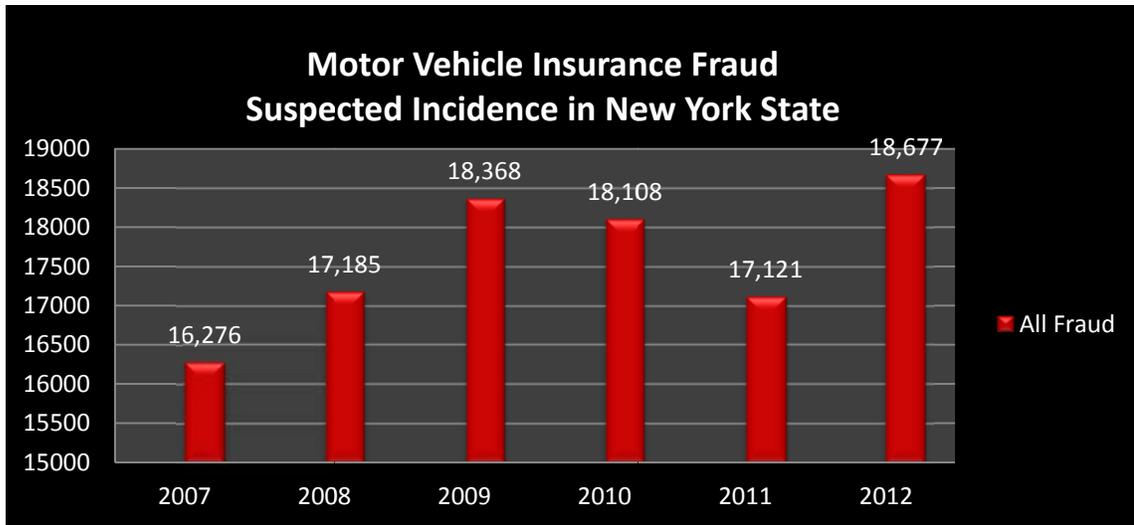
As outlined in the New York State Department of Financial Service's (DFS) *2012 Consumer Guide to Automobile Insurance*, New York State drivers are required to secure auto insurance that includes:

- **No-Fault Personal Injury Protection (PIP):** To pay medical expenses, lost earnings and other reasonable and necessary expenses for a driver or passenger injured in, or a pedestrian injured by, their vehicle;
- **Liability:** To protect against the harm their vehicle, or any vehicle they drive with the owner's permission, might do to other people and their property; and,
- **Uninsured Motorists:** To protect against the injuries they, their family or their passengers might suffer in a hit-and-run accident or in an accident with an uninsured vehicle.

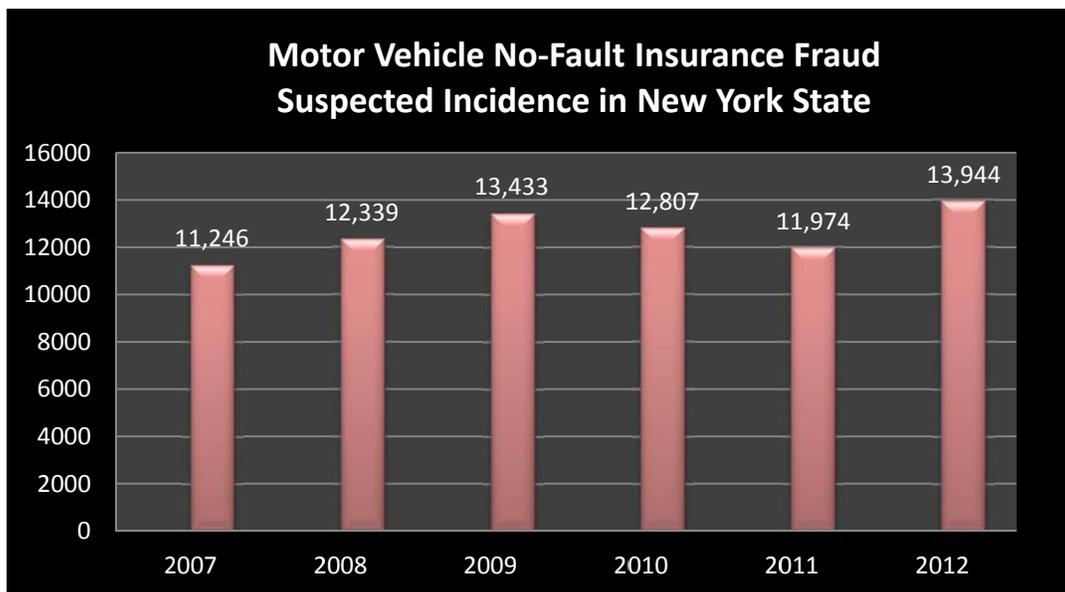
Legislative findings associated with the creation of the Motor Vehicle Theft and Insurance Fraud Demonstration Program (New York Executive Law §846-J) point out: "Motor vehicle theft and motor vehicle insurance fraud is a major problem in New York costing honest motor vehicle policyholders billions of dollars annually. As the cost of motor vehicle insurance continues to rise, this essential coverage has become less affordable and more out of reach for many New Yorkers."

According to InsuranceQuotesUSA.com, auto insurance in New York costs an average of \$1,122 annually, making it the third most expensive insurance jurisdiction in the nation, surpassed only by New Jersey and Washington, D.C. The Coalition Against Insurance Fraud estimates that insurance fraud costs every family in the United States about \$950 a year in the form of higher insurance premiums. According to estimates by the Insurance Information Institute, insurance fraud accounts for about 10 percent of the property/casualty insurance industry's incurred losses and loss adjustment expenses. In addition, auto insurers in New York pay almost twice as much in no-fault claims as they collect in no-fault premiums.

A study of New York's no-fault system by the Insurance Research Council (IRC) shows how prevalent fraud is in the New York City area. About one in every five claims settled appears to have some element of fraud, and as many as one in three appears to be inflated, according to the IRC.



In 2012, there were 18,677 incidents of suspected motor vehicle insurance fraud reported to the Insurance Frauds Bureau of the Department of Financial Services (DFS), including motor vehicle theft, motor vehicle fire, larceny from a motor vehicle, motor vehicle vandalism, motor vehicle collision damage, motor vehicle fraud bills, motor vehicle insurance cards and motor vehicle miscellaneous and No-Fault.



Of those 18,677 incidents, 13,944 pertained to no-fault insurance fraud. Based on this data, no-fault insurance fraud accounts for approximately 74.6 percent of all reported suspected incidents of motor vehicle insurance fraud.

## **IV. PROGRAM OVERVIEW**

The *New York Motor Vehicle Theft and Insurance Fraud Prevention Demonstration Program* supports a variety of initiatives targeting motor vehicle theft and related motor vehicle insurance fraud.

### **Program Goals**

The goals of the program are to provide an integrated means to prevent, deter and reduce the incidence of motor vehicle theft and motor vehicle insurance fraud by developing and providing funding for demonstration programs that include: education on theft and fraud prevention; programs on motor vehicle theft and fraud prevention; and specialized law enforcement units to combat motor vehicle theft and motor vehicle insurance fraud. The following entities are eligible to participate: any locality, governmental agency or not-for-profit organization that provides one or more of the motor vehicle theft or insurance fraud prevention programs approved by the Board. Current budget language restricts program funding to local assistance projects only.

### **Motor Vehicle Theft and Insurance Fraud Prevention Board**

The demonstration program is administered by a 12-member board chaired by the commissioner of the Division of Criminal Justice Services (DCJS), or his or her designee. All Board members are appointed by the Governor: three recommended by the Speaker of the Assembly; three by the Temporary President of the Senate; and the remaining five by the Governor. The members, who are not considered public officials, serve a four-year term. The Board is to be representative of consumers of motor vehicle insurance, motor vehicle insurance companies, law enforcement agencies and the judicial system. The Board must meet a minimum of four times a year.

The Board is charged with developing and recommending a coordinated plan of operation that provides for the statewide reduction of motor vehicle theft and motor vehicle insurance fraud. Elements of the plan must include:

1. An assessment of the magnitude and scope of the problem, including an analysis of theft and fraud by region;
2. Methods for combating the problem; and
3. Development of a competitive Request for Proposal (RFP) process.

Pursuant to the recommendations of the Board, Executive Law, Article 36-A authorizes the DCJS commissioner to:

1. Execute contracts;
2. Accept grants and other contributions;

3. Make grants through an RFP process;
4. Appoint employees and affix compensation;
5. Request assistance and information from the New York State Police, police departments throughout the state, State Department of Financial Services, State Department of Motor Vehicles, State Office of Court Administration, or any State agency or from any insurer;
6. Assist municipalities in the development of local programs;
7. Advise and assist the Superintendent of Insurance pursuant to Insurance Law §2348. (This section now requires that rate filings reflect insurers' savings resulting from the program); and,
8. Submit by Feb. 15 of each year to the Governor and Chairs of Senate Finance and Assembly Ways and Means committees a report on the Board's activities, activities of grant recipients and the results or impact.

## **Program Priorities**

Program priorities identified in the enabling legislation are: **motor vehicle theft and motor vehicle insurance fraud**. Funds must be used to augment, not supplant, locally-supported initiatives. Activities eligible for funding include:

1. Prosecution and adjudication;
2. Law enforcement;
3. Community-based organizations;
4. Educational programs for motor vehicle owners; and,
5. Programs to examine the efficacy of theft prevention devices

## V. BOARD ACTIVITY

**March 28, 2012:**

**Board Members Present:**

Kristina Baldwin  
Richard Ehlinger (for Barbara Fiala)  
Thomas Lohmann  
Judy Robinson (for James Potts)

Eileen Sullivan (for Richard Brown)  
Steve Vandervelden (for Janet DiFiore)  
William Zelenka (for Robert Johnson)

**DCJS Staff Present:**

Paul Chesley  
Tom Cowin  
MaryAnn Deet  
Ron Dickens  
Val Friedlander

Rich Hunter  
Michele Mulloy  
Paula Raiti  
Kathy Stack

**Guests:**

Brian Buff  
Thomas Burke  
Kathleen Hotaling

Jennifer Paperman  
Sean Smith

On behalf of Executive Deputy Commissioner Michael Green, Ron Dickens called the meeting to order at 10:30 a.m. He welcomed everyone in attendance and expressed the importance regarding attending the meeting. The Nov. 15, 2011, Board meeting minutes were adopted.

MVT&IF Program Specialist Michele Mulloy provided an update on the following topics:

- Office of the State Comptroller (OSC) 'Administration of the Motor Vehicle Law Enforcement Fee' Audit: April 1, 2008 to Present
- Current Statistics for Motor Vehicle Theft and Motor Vehicle Insurance Fraud
- SFY 2010/2011 Contract Expenditures/Unencumbrance Balance
- SFY 2011/2012 Budget
- SFY 2011 MVT&IF Program Awards
- 2012 MVT Statewide Plan of Operation & MVIF Statewide Plan of Operation
- MVT&IF Program Statewide Advisory Group Meeting

DCJS Counsel Val Friedlander provided a legislative update regarding proposed Motor Vehicle Insurance Fraud bills and amendments to Open Meetings Law.

Representatives from the New York Anti-Car Theft Association (NYACT) and New York Prosecutors Training Institute (NYPTI) presented a summary of what their agencies provide to the District Attorneys and a summary of grant activities that

reflected their agency programs to reduce the incidence of motor vehicle theft and motor vehicle insurance.

The Board Meeting was adjourned at 12:15 p.m.

### **June 19, 2012:**

#### **Board Members Present:**

Michael Green

Thomas Higgins (for Barbara Fiala)

Thomas Lohmann

James Potts

Eileen Sullivan (for Richard Brown)

Steve Vandervelden (for Janet DiFiore)

William Zelenka (for Robert Johnson)

#### **DCJS Staff**

Tom Cowin

MaryAnn Deet

Val Friedlander

Rich Hunter

Michele Mulloy

Paula Raiti

Kathy Stack

AnneMarie Strano

#### **Guests:**

Heather DeCastro

Daniel Pluff

William Smith

Michael Trane

Patrick Weidel

Executive Deputy Commissioner Michael Green called the meeting to order at 1:05 p.m. He welcomed everyone in attendance and expressed the importance regarding attending the meeting. The March 28, 2012, Board meeting minutes were adopted.

MVT&IF Program Specialist Michele Mulloy provided an update on the following topics:

- MVT&IF Prevention Board Appointments
- Office of the State Comptroller (OSC) 'Administration of the Motor Vehicle Law Enforcement Fee' Audit: April 1, 2008 to Present
- Current Statistics for Motor Vehicle Theft and Motor Vehicle Insurance Fraud
- SFY 2012/2013 Budget
- Current Status for SFY 2010 and SFY 2011 MVT&IF Program Grants
- 2012 MVT Statewide Plan of Operation & MVIF Statewide Plan of Operation

Representatives from Niagara County District Attorney's Office, Niagara County Sheriff's Office and Niagara Falls City Police Department presented a summary of grant

activities that reflected their agency programs to reduce the incidence of motor vehicle theft and motor vehicle insurance.

The Board Meeting was adjourned at 2:15 p.m.

**October 2, 2012:**

**Board Members Present:**

Michael Green, Chairman  
Thomas Higgins (for Barbara Fiala)  
Thomas Lohmann

James Potts  
Eileen Sullivan (for Richard Brown)  
William Zelenka (for Robert Johnson)

**DCJS Staff**

Paul Chesley  
Tom Cowin  
MaryAnn Deet  
Val Friedlander  
Ben Lazarus

Michele Mulloy  
Paula Raiti  
Kathy Stack  
AnneMarie Strano

Executive Deputy Commissioner Michael Green called the meeting to order at 11:35 a.m. He welcomed everyone in attendance and expressed the importance regarding attending the meeting. The June 19, 2012, Board meeting minutes were adopted.

MVT&IF Program Specialist Michele Mulloy provided an update on the following topics:

- Office of the State Comptroller (OSC) 'Administration of the Motor Vehicle Law Enforcement Fee' Audit: April 1, 2008 to Present
- Current Statistics for Motor Vehicle Theft and Motor Vehicle Insurance Fraud
- Current Status for SFY 2010 and SFY 2011 MVT&IF Program Grants
- SFY 2012/2013 Budget
- 2012 MVT Statewide Plan of Operation & MVIF Statewide Plan of Operation
- SFY 2012/2013 MVT&IF Prevention Program Request for Proposals (RFP)
- 2011 MVT&IF Prevention Program Annual Report

Office of Program Development and Funding (OPDF) Administrative Unit Program Representative Ben Lazarus, presented to the Boardmembers/representatives instructions on how to utilize GMS to review the applications received.

The Board Meeting was adjourned at 1:00 p.m.

**October 2, 2012:**

**Board Members Present:**

Michael Green, Chairman  
Kristina Baldwin  
Robert Johnson  
Thomas Higgins (for Barbara Fiala)

Thomas Lohmann  
James Potts  
Eileen Sullivan (for Richard Brown)  
Steve Vandervelden (for Janet DiFiore)

**DCJS Staff**

Paul Chesley  
Tom Cowin  
MaryAnn Deet  
Val Friedlander  
Rich Hunter

Michele Mulloy  
Mike Passaro  
Paula Raiti  
AnneMarie Strano

Executive Deputy Commissioner Michael Green called the meeting to order at 11:35 a.m. He welcomed everyone in attendance. Representatives for Board members handed in the proxy letters. The October 2, 2012, Board meeting minutes were adopted.

MVT&IF Program Specialist Michele Mulloy provided an update on the following topics:

- Current Status for SFY 2011 MVT&IF Program Grants
- SFY 2012 Funding Proposals
- 2011 MVT&IF Prevention Program Annual Report
- 2012 MVT&IF Prevention Program Annual Report Format
- MVT&IF Program Regional Meetings
- MVT&IF Program Statewide Advisory Group Meeting

MVT&IF Program Specialist Michele Mulloy provided a brief description of each grant application received. The following charts indicate the results of the Board members votes for the SFY 2012 funding proposals:

*New York City Agencies*

Applicant	Amount Requested	Amount Recommended	Vote by members to accept amount recommended
Bronx County District Attorney	\$292,956	\$277,523	Robert Johnson recused himself from the vote. Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Thomas Lohmann motioned to accept the recommendation for the award presented. Steve Vandervelden seconded the motion and all voted in favor.
Kings County District Attorney	\$241,811	\$216,996	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Thomas Lohmann motioned to accept the recommendation for the award presented. Steve Vandervelden seconded the motion and all voted in favor.
New York County District Attorney	\$300,000	\$250,000	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Thomas Lohmann motioned to accept the recommendation for award was presented. Eileen Sullivan seconded the motion and all voted in favor.
Queens County District Attorney	\$568,440	\$518,579	Eileen Sullivan recused herself from the vote. Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Robert Johnson motioned to accept the recommendation for the award presented. James Potts seconded the motion and all voted in favor.
Richmond County District Attorney	\$83,534	\$77,096	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Robert Johnson motioned to accept the recommendation for the award presented. Steve Vandervelden seconded the motion and all voted in favor.
New York City PD – Auto Crime Unit	\$321,200	\$175,200	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Steve Vandervelden motioned to accept the recommendation for the award presented. Thomas Lohmann seconded the motion and all voted in favor.
New York City PD – Auto Larceny Units	\$219,994	\$0	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Thomas Lohmann motioned to accept the recommendation for the award presented. Steve Vandervelden seconded the motion and all voted in favor.
New York City PD – FAIS	\$174,900	\$95,400	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. James Potts motioned to accept the recommendation for the award presented. Thomas Lohamnn seconded the motion and all voted in favor.
Fire Dept. of NYC	\$113,274	\$100,000	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Steve Vandervelden motioned to accept the recommendation for the award presented. Robert Johnson seconded the motion and all voted in favor.

***New York City Suburbs Agencies***

Applicant	Amount Requested	Amount Recommended	Vote by members to accept amount recommended
Hempstead Village Police Department	\$29,500	\$21,000	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Thomas Lohmann motioned to accept the recommendation for the award presented. James Potts seconded the motion and all voted in favor.
Nassau County District Attorney	\$171,845	\$166,059	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Thomas Lohmann motioned to accept the recommendation for the award presented. Eileen Sullivan seconded the motion and all voted in favor.
Nassau County Police Department	\$156,000	\$120,000	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Thomas Lohmann motioned to accept the recommendation for the award presented. Steve Vandervelden seconded the motion and all voted in favor.
Suffolk County District Attorney	\$367,200	\$315,058	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Thomas Lohmann motioned to accept the recommendation for the award presented. James Potts seconded the motion and all voted in favor.
Suffolk County Police Department	\$143,897	\$133,930	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. James Potts motioned to accept the recommendation for the award presented. Robert Johnson seconded the motion and all voted in favor.
Westchester County District Attorney	\$330,000	\$278,365	Steve Vandervelden recused himself from the vote. Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Robert Johnson motioned to accept the recommendation for the award presented. Thomas Lohmann seconded the motion and all voted in favor.
Yonkers City Police Department	\$158,399	\$132,000	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Steve Vandervelden motioned to accept the recommendations for the award presented. James Potts seconded the motion and all voted in favor.

***Capital Region/Hudson Valley***

Applicant	Amount Requested	Amount Recommended	Vote by members to accept amount recommended
Albany City Police Department	\$48,000	\$36,500	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Thomas Lohmann motioned to accept the recommendation for the award presented. Robert Johnson seconded the motion and all voted in favor.
Albany County District Attorney	\$104,760	\$70,160	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Steve Vandervelden motioned to accept the recommendation for the award presented. James Potts seconded the motion and all voted in favor.

**Central Region**

Applicant	Amount Requested	Amount Recommended	Vote by members to accept amount recommended
Syracuse City Police Department	\$38,500	\$26,000	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. James Potts motioned to accept the recommendation for the award presented. Thomas Lohmann seconded the motion and all voted in favor.

**Western Region**

Applicant	Amount Requested	Amount Recommended	Vote by members to accept amount recommended
Buffalo City Police Department	\$117,145	\$116,096	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Thomas Lohmann motioned to accept the recommendation for the award presented. Robert Johnson seconded the motion and all voted in favor.
Cheektowaga Town Police Department	\$48,000	\$48,000	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Thomas Lohmann motioned to accept the recommendation for the award presented. Robert Johnson seconded the motion and all voted in favor.
Erie County District Attorney	\$120,714	\$120,714	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Robert Johnson motioned to accept the recommendation for the award presented. Eileen Sullivan seconded the motion and all voted in favor.
Monroe County District Attorney	\$145,050	\$117,054	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Steve Vandervelden motioned to accept the recommendation for the award presented. Thomas Lohmann seconded the motion and all voted in favor.
Monroe County Sheriff Office	\$47,800	\$28,400	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Thomas Lohmann motioned to accept the recommendation for the award presented. James Potts seconded the motion and all voted in favor.
Rochester City Police Department	\$42,176	\$42,176	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Robert Johnson motioned to accept the recommendation for the award presented. James Potts seconded the motion and all voted in favor.
Niagara County District Attorney	\$162,647	\$154,877	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendations for the award presented. Steve Vandervelden motioned to accept the recommendation for the award presented. Robert Johnson seconded the motion and all voted in favor.
Niagara County Sheriff Department	\$21,500	\$20,500	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Thomas Lohmann motioned to accept the recommendation for the award presented. James Potts seconded the motion and all voted in favor.

Niagara Falls City Police Department	\$41,920	\$36,000	Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. James Potts motioned to accept the recommendation for the award presented. Thomas Lohmann seconded the motion and all voted in favor.
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*Statewide*

Applicant	Amount Requested	Amount Recommended	Vote by members to accept amount recommended
New York Anti-Car Theft & Fraud Association	\$61,000	\$57,000	Thomas Lohmann and Jim Potts recused themselves from the vote.. Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Steve Vandervelden motioned to accept the recommendation for the award presented. Eileen Sullivan seconded the motion and all voted in favor.
New York Prosecutor Training Institute	\$47,600	\$29,000	Eileen Sullivan and Steve Vandervelden recused themselves from the vote. Executive Deputy Commissioner Michael Green requested a motion to accept the recommendation for the award presented. Thomas Lohmann motioned to accept the recommendation for the award presented. James Potts seconded the motion and all voted in favor.

The Board Meeting was adjourned at 12:25 p.m.

**The complete minutes of the Board's meetings are available upon written request to:**

**New York State Division of Criminal Justice Services  
Office of Program Development and Funding  
Law Enforcement Unit  
Alfred E. Smith Office Building  
80 South Swan Street  
Albany, New York 12210**

## VI. 2012 Grant Program Descriptions



### ***New York City Region***

Bronx County Office of the District Attorney  
Kings County Office of the District Attorney  
New York County Office of the District Attorney  
Queens County Office of the District Attorney  
Richmond County Office of the District Attorney  
New York City Police Department  
Auto Crime Division (ACD)  
Auto Larceny Units (ALU)  
Fraudulent Accident Investigation Squad (FAIS)  
Fire Department of New York

### ***Bronx County Office of the District Attorney***

The Bronx County District Attorney's Office Anti-Auto Theft Unit, in collaboration with individual NYPD precincts, has investigated both auto crime and insurance fraud matters since receiving initial grant funding in 1995. The Anti-Auto Theft program, which has been supported with resources provided by state grants, was designed to increase the number of successful prosecutions of defendants charged with grand larceny of a motor vehicle, criminal possession of stolen property, illegal possession of a vehicle identification number, auto stripping and/or unauthorized use of a vehicle.

The Bronx County District Attorney's Office owns five bait cars, two of which were purchased with funds provided from a one-time legislative grant awarded in 2010. Working jointly with precincts that experience an increase in car theft, the bait cars are positioned in high crime areas, with plainclothes police officers stationed nearby. The office continues to work to conduct joint investigations with police precincts around Bronx County. During 2012, the office worked with Bronx precincts to conduct bait car operations and to use the two license plate readers (LPRs) in its possession. During the year, use of the LPRs led to three arrests. Also, in 2012, joint operations between the NYPD and the office's auto crime unit led to the recovery of 252 vehicles valued at approximately \$4,013,145.

In 2011, following a year-long investigation with the National Insurance Crimes Bureau, Bronx County District Attorney detective investigators arrested 21 people who were involved in an insurance fraud and money laundering ring. The apparent ring leader was charged with Grand Larceny in the second degree for stealing more than \$100,000. The scheme cost insurers Allstate, GEICO, GMAC, Liberty Mutual, and Progressive more than \$300,000 in fraudulent payouts.

The scheme was carried out by stealing the identities of legitimately insured policy holders, reporting non-existent accidents involving the perpetrators' cars and claiming the cost of repairs to already damaged cars. The defendants reported more

than 100 claims involving 19 damaged vehicles. A second ring leader was arrested in September 2012. Her bail was set at \$50,000. She and six others have been indicted.

Six defendants were convicted during 2012, including the initial ring leader, who pleaded guilty to grand larceny in the second degree and has been sentenced to two to six years in prison consecutive with an unrelated federal matter, in which he was sentenced to 48 months. The remaining defendants' cases are pending.

Another case involving insurance fraud and grand larceny concluded during 2012. In 2011, the defendant was driving southbound on the Major Deegan Expressway approaching the Triborough Bridge when a tractor trailer near him lost control and flipped over. Video showed that the defendant stopped his car and went to see if the truck driver was alright. After the event, he began medical treatment for injuries he claimed he had sustained due the accident, even though his car was not involved. The medical billing exceeded \$60,000. The case was investigated by the NYC Fraudulent Accident Investigation Squad (FAIS), and an arrest was made. A civil law suit initiated on the defendant's behalf against the other drivers was withdrawn. On February 24, 2012, the defendant pleaded guilty to insurance fraud in the second degree, and on May 2, was sentenced to six months in jail followed by five years probation. This was his first arrest.

Auto stripping (break-ins) is a significant problem in Bronx County. On July 26, 2011, an individual broke into a victim's car by smashing the window while it was at a repair shop. The owner of the shop detained the defendant until police arrived. The defendant was arrested and arraigned, at which point the court set bail at \$50,000. The defendant had 35 prior convictions, a number of them for auto stripping. Based on those, the current case was elevated in the grand jury. He also had prior felony convictions, making him a predicate felon. On February 16, 2012, the defendant pleaded guilty to the top count of elevated auto stripping, a felony, and was sentenced to the maximum of two to four years in prison.

During 2012, the police lost seven high-end motorcycles connected to a long-term Manhattan case, from an impound lot in the north Bronx. This led to a NYPD Internal Affairs Bureau (IAB) investigation and an intense hunt for the culprits. With the use of subpoenas and search warrants for GPS units provided by the district attorney's office, two defendants were eventually arrested and charged, with some of the stolen bike parts recovered from a storage facility. The two had no connection to the police; one of them had seen the bikes in the lot and decided to steal all of them. Their cases are pending.

On October 19, 2011, a police officer on foot patrol in the 52nd Precinct observed an individual sitting behind the wheel of a car with the engine running and drinking a beer. When the officer knocked on the window, the defendant stomped on the gas pedal, almost running over the officer's foot. The defendant sideswiped at least two vehicles, injuring a woman in one of them, ran a red light and disappeared. After hitting another vehicle, he was located by a police car, and a high speed chase ensued, during which the defendant struck a police car and other vehicles. The chase ended when he struck a school bus. The defendant was removed from the car, which had a

broken steering column. The car had been reported stolen. The defendant had four felony convictions and 12 misdemeanor convictions. He was indicted and approximately one year later, on November 8, 2012, pleaded guilty to elevated unauthorized use as a felony. He was sentenced on November 29, 2012, to the maximum two to four years in prison.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	11	Indictments	88
Misdemeanor Arrests	93	Misdemeanor Convictions	219
Felony Arrests prosecuted	361	Felony Convictions	64
Confidential Informants Developed	6	Warrants Issued	10
Number of MVT Cases Taken to Trial	2	Number of MVT Cases Plea Bargained	416

<b>2012 Grant Funded Motor Vehicle Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	5	Indictments	9
Misdemeanor Arrests	0	Misdemeanor Convictions	10
Felony Arrests prosecuted	9	Felony Convictions	5
Confidential Informants Developed	21	Warrants Issued	0
Number of MVIF Cases Taken to Trial	0	Number of MVIF Cases Plea Bargained	16
Restitution to the Insurance Industry		\$0	

### ***Kings County Office of the District Attorney***

The Kings County District Attorney's Office (KCDA) has a long and distinguished history of conducting innovative and complex investigations, especially in the area of "white collar" or financial crime. Over the years, the Rackets Division, which is responsible for overseeing motor vehicle-related crimes project, has successfully conducted investigations into organized car thefts, chop shops, odometer rollbacks, fraudulent collision shops, medical clinics involved in fraudulent activities such as billing for fraudulent test results or treatments, durable medical equipment providers, as well as arsons for profit, identity theft, dealers of fraudulent insurance cards, and money laundering. These investigations and prosecutions are often conducted with the assistance of other agencies such as the state Department of Motor Vehicles (DMV), NYPD Auto Crimes Unit, NYPD FAIS, and U. S. Postal Inspectors.

The office has a zone system of prosecution in which Assistant District Attorneys are assigned to one of five different zones covering specific precincts in Kings County. These ADAs prosecute all criminal activity within their assigned zone. Within each zone, there are ADAs dedicated to the investigation and prosecution of automobile theft and insurance fraud. Additionally, financial investigators and paralegals also devote as much time as necessary to assist in the prosecutions of grant-related crimes. There also are detective investigators from the office's Special Investigations Unit available to provide support as requested. Finally, it should be noted that although ADAs throughout the office handle auto-related cases, senior

members of the Rackets Division are always available to these attorneys in order to provide training and supervision.

### **Description of MVT and IF Related Activity During 2012**

Below is a sampling of the cases that highlight the successes of the KCDA's with respect to the investigation and prosecution of automobile theft and insurance fraud. These achievements have been extremely enhanced due to support provided by MVTIF grant funds:

- A defendant who owned a used car dealership registered and maintained more than 50 websites in connection with advertising used cars for sale. This defendant is currently indicted on 480 counts related to failure to file required forms with the DMV, larceny of 27 motor vehicles and larceny from of more than 30 customers who were directed to wire transfer thousands of dollars to the defendant's bank account in return for cars they bid on and never received. During this investigation, the defendant fled to Florida. The ADA supervised the defendant's apprehension in Miami and extradition back to New York, where he was remanded by the judge at the ADA's request. The ADA is currently working with various Immigration and Customs Enforcement agents and FBI personnel in Africa, Afghanistan and the Middle East to secure visas which will enable victims to travel to New York and testify in the grand jury. At this time there are four separate Supreme Court cases against this defendant which have taken a substantial amount of time and dedication.
- A defendant who owned a body shop and his employees defrauded insurance companies by causing additional damage to vehicles brought in for repair after accidents. They would then represent to the insurance adjuster that the damage was the result of the accident and bill the insurance company for the enhanced damage. As a result of a plea, the defendant was required to pay restitution of \$1 million dollars, which was divided among KCDA, New York State Department of Taxation and Finance and New York City Department of Finance.
- A defendant arranged for so-called medical mills to bill insurance companies for approximately \$50,000 for injuries supposedly sustained in fraudulent accidents. This case is ongoing.
- A defendant made a complaint with the NYPD that the doors, seats and headlights of his 2011 Audi R8 had been removed from the vehicle. GEICO issued him a check in the amount of \$48,774.81, which he cashed. Subsequent investigation indicates that no theft had occurred based on the fact that both the doors had the original production numbers stamped upon them. An arrest will be made for insurance fraud and larceny, and the car likely will be forfeited.

- Two targets are suspected of stealing and/or possessing after they were stolen, older-model vehicles, particularly Nissans manufactured between 1992 and 1998. Several Nissans were recovered with no or minimal damage. Based on the investigation thus far, police have attributed these targets to the theft of these vehicles. The police recovered the fingerprints of one of the individuals on the rear view mirror of one recovered vehicle. After search warrants were executed for the DNA of the other target of the investigation, his DNA was recovered on the steering wheel of another vehicle.
- Three defendants pled to conspiracy in the fifth degree and paid full restitution of approximately \$58k for engaging in a scheme to purchase a 2004 Land Rover expressly for the purpose of using its parts for future staged vandalisms and collecting insurance payments.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	0	Indictments	222
Misdemeanor Arrests Prosecuted	369	Misdemeanor Convictions	257
Felony Arrests Prosecuted	308	Felony Convictions	47
Confidential Informants Developed	0	Warrants Issued	0
Number of MVT Cases Taken to Trial	2	Number of MVT Cases Plea Bargained	360

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	2	Indictments	29
Misdemeanor Arrests Prosecuted	2	Misdemeanor Convictions	22
Felony Arrests Prosecuted	44	Felony Convictions	3
Confidential Informants Developed	0	Warrants Issued	0
Number of MVIF Cases Taken to Trial	0	Number of MVIF Cases Plea Bargained	20
Amount of Funds (Restitution) Provided to the Insurance Industry		\$65,027.81	

### ***New York County District Attorney's Office (DANY)***

The New York County District Attorney's Office (DANY) devotes substantial resources to combating motor vehicle theft, insurance fraud and the production, sale and use of fraudulent vehicle-related documents. Long-term, major investigations are handled by the Rackets and Major Economic Crime Bureaus, individual insurance frauds and other investigations are handled in the Special Prosecutions Bureau, and all are supported by the Asset Forfeiture Unit and the Forensic Accounting and Financial Investigations Unit. The Money Laundering and Tax Crimes Unit also contributes. Assistants in the Trial Division handle numerous fraudulent document cases and the majority of offenses related to vehicle theft.

### **Current Trends and Activity**

Medical mills - corrupt clinics unlawfully controlled by non-physicians that exist solely to fraudulently bill insurance carriers for the treatment of non-existent injuries –

remain a serious and challenging problem for law enforcement. In 2011, the Major Economic Crime Bureau finally concluded the long-term investigation and prosecution of more than a dozen defendants in the St. Nicholas Medical Group, a corrupt clinic that bilked insurance companies of over \$6.8 million. In addition to jail terms for many of the defendants, asset forfeiture and restitution orders were issued to benefit more than 165 insurance company victims. By the end of 2012, \$1,540,836.47 had been paid out. Hopefully, additional payments will be made in 2013. Investigations into other fraudulent clinics were ongoing as 2012 came to a close.

The most significant MVT and IF grant-related case in 2012 was the long-term joint investigation conducted by the Rackets Bureau and the NYPD, with support from U.S. Customs and ATF, that led to the indictment and arrest of 33 defendants, all members of a major stolen motorcycle and firearms trafficking ring. Various defendants were charged with stealing and reselling 63 motorcycles with a total value close to \$500,000, and possession and sale of 15 firearms. Charged with enterprise corruption, the defendants performed specific roles within the organization. Some were members of “steal teams” who scoured the streets, usually in stolen mini-vans, looking for specific high-end cycles to steal in order to fill “orders” placed by distributors and retail dealers. Other members dismantled and packaged some of the stolen cycles for shipment to international dealers, while others acted as the retail distributors, taking orders and providing the stolen motorcycles to black market customers in New York and abroad.

In addition to stealing vehicles, some members of the organization travelled to southern states, purchased a variety of handguns and assault rifles, then transported them back to New York to resell at many times their actual value. An undercover detective purchased 15 weapons from the defendants during the investigation. Still other members of the criminal organization were charged with orchestrating an insurance fraud scheme in which luxury vehicles were sold by their owners to the defendants for a fraction of their value for eventual shipment and resale overseas. The vehicle owners then falsely reported them stolen and filed bogus insurance claims. This 17-month investigation involved extensive work by undercover officers, widespread surveillance and electronic eavesdropping. The press release on this case may be viewed here: (<http://manhattanda.org/press-release/da-vance-and-commissioner-kelly-announce-indictment-major-motorcycle-and-firearms-traf>). 10 defendants charged in this case have pleaded guilty to a variety of crimes, including enterprise corruption, criminal sale of firearms, insurance fraud and conspiracy. Three defendants were sentenced to state prison terms as high as three to nine years, and others were awaiting sentence as the year came to a close.

In addition to this major investigation, several defendants in unrelated cases were charged and pleaded guilty to falsely reporting their cars stolen and filing fraudulent insurance claims.

The Office was very active in 2012 investigating and prosecuting fraudulent vehicle-related documents. The Special Prosecutions Bureau worked with the Port Authority of NY and NJ in a lengthy investigation that led to the indictment of two defendants and two corporations, a truck dealership and a vehicle scrapper, for forging and falsifying insurance certificates filed with the Port in their applications to participate in the Truck Replacement Program. This federal and state funded program provides low interest loans to truckers who trade in their older, pollution-spewing trucks and purchase

new, “greener” vehicles. Truck dealers and scrappers applying to participate in this potentially lucrative program must meet the Port Authority’s stringent insurance coverage requirements. These defendants not only lied about their insurance and falsified the certificates, but also bribed undercover Port Authority investigators to remove the false documents from their application files when they were discovered. The press release on this case may be viewed here: (<http://manhattanda.org/press-release/defendants-indicted-bribery-and-falsifying-records-port-authority>). All of the defendants had pleaded guilty by the end of the year and are expected to pay financial penalties totaling over \$75,000 before being sentenced in 2013.

A long-term investigation conducted by the DMV, the NYS Inspector General's Office and DANY's Public Integrity Unit led to the arrest of a DMV employee, charged with providing valid NYS licenses to people who presented forged out-of-state licenses in the names of others as required documentation for the issuance of the new, valid licenses. The employee's crimes allowed the impostors to obtain valid licenses bearing their photos in the names of other people, surely facilitating further fraud schemes. The rogue employee charged thousands of dollars for his “services” and provided a license to at least one deported felon who had returned to the U.S. illegally. This case is moving toward trial in 2013. (<http://manhattanda.org/press-release/dmv-employee-indicted-issuing-fraudulent-driver-licences>)

Trial Division assistants handled dozens of fraudulent document cases, many of which arose from routine car stops by NYPD patrol officers. Others were arrested while driving stolen cars and many while committing credit card fraud, identity theft and other offenses. In several cases, car stops led to the recovery of multiple forged documents including licenses, insurance cards, vehicle registrations, titles, sales receipts, inspection stickers, VIN plates, license plates, NYPD parking plaques and credentials, credit cards, skimming devices and checks. Guns and drugs were also recovered in some cases. As always, many of the false documents, particularly driver's licenses, were used to commit other financial crimes. A large number of these cases were resolved with guilty pleas to the top charges and resulted in state prison sentences.

While the number of vehicles reported stolen continued its yearly decline, consistent with the remarkable pattern that began over a decade ago, motor vehicle theft remains a problem in Manhattan, as do vehicle break-ins motivated by the desire to steal equipment and property from inside the vehicle. Although there were slightly fewer misdemeanor arrests for vehicle theft in 2012 as compared to 2011, there was a notable increase in the number of felony arrests – 288 felony arrests for vehicle theft-related crimes in 2012 compared to 220 in 2011. This past year's efforts have netted several statistical improvements over last year's performance. For instance, there were 110 fewer vehicles reported stolen in 2012 than in 2011. In 2012, there were 34 more felony convictions and 54 more felony arrests prosecuted. Statistics indicate that there were also advances in the investigation of motor vehicle insurance fraud-related cases. In 2012, there were 41 more indictments, 68 more felony arrests, 45 more felony convictions, 88 more sentences, and 4 more warrants than in 2011. The number of misdemeanor convictions remained somewhat constant, with 70 compared to 68 in 2011, but the number of felony arrests prosecuted increased significantly, with 71 more prosecutions taking place in 2012 than in 2011.

## Section III: Quantitative Measures

### District Attorney of New York County MVTIF Year End Performance Measures

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	n/a	Indictments	93
Misdemeanor Arrests Prosecuted	293	Misdemeanor Convictions	140
Felony Arrests Prosecuted	258	Felony Convictions	128
Confidential Informants Developed*	n/a	Warrants Issued	n/a
Number of MVT Cases Taken to Trial	31	Number of MVT Cases Plea Bargained**	321

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	17	Indictments	121
Misdemeanor Arrests Prosecuted	160	Misdemeanor Convictions	70
Felony Arrests Prosecuted	273	Felony Convictions	117
Confidential Informants Developed*	1	Warrants Issued	6
Number of MVIF Cases Taken to Trial	22	Number of MVIF Cases Plea Bargained**	303
Amount of Funds (Restitution) Provided to the Insurance Industry		<b>\$1,540,836.47***</b>	

\*Full Data Not Available due to case disbursement

\*\*Not all pleas are reduced pleas

\*\*\*In addition, \$5Million ordered to be paid in the future

### **Queens County Office of the District Attorney**

The Queens District Attorney's Office (QDA) Specialized Auto Crime and Insurance Fraud Unit is responsible for handling auto crime and insurance fraud-related investigations and prosecutions in Queens County. The unit is comprised of assistant district attorneys and investigators with specific experience and expertise in motor vehicle theft and insurance fraud who continue to be assigned to investigate and prosecute these matters, with a focus on long-term investigative efforts, sting operations and the handling of specially selected trial matters that target organized motor vehicle theft and insurance fraud activity.

During 2012, five assistant district attorneys were assigned to the grant program, including the chief of the Auto Crime and Insurance Fraud Unit, the deputy bureau chief of the Organized Crime and Rackets Bureau and three other assistant district attorneys. In addition, four investigators were also assigned to the program during this period. Assigned staff engage in ongoing gathering and analysis of crime patterns, intelligence data and emerging patterns in the community, and utilize a full range of investigative techniques, including intensive physical surveillance, use of informants and undercover operatives, sting operations and sophisticated surveillance and investigative techniques, such as search warrants, wiretapping or other electronic eavesdropping and surveillance. A major emphasis in both investigations and prosecutions of organized auto crime and insurance fraud matters continues to be on building enterprise corruption cases to ensure, to the extent possible, that the organized foundations of the crime activity are uprooted and to obtain maximum sentencing when possible. In

addition, assigned prosecutors aggressively address individual prosecutions in the county and target them for strong dispositions and sentences, particularly because of the often-found linkage of individual prosecutions to an overall pattern of criminal activity.

## **Notable Cases**

In 2012, QDA's Specialized Auto Crime and Insurance Fraud Unit handled 51 new cases (32 motor vehicle theft-related and 19 insurance fraud-related) and 76 dispositions (45 motor vehicle theft-related and 31 insurance fraud-related), including 26 felony pleas (22 motor vehicle theft-related and four insurance fraud-related), 12 state prison sentences, 10 city jail sentences, and one probationary sentence.

Over the past several years, there has also been a large number of insurance fraud prosecutions and successful dispositions in this area by the specialized unit. In 2012, nine cases were disposed of by the unit in which the defendant specifically pled guilty to the crime of insurance fraud. In addition, a great deal of effort was spent on following up on any licensed professionals found to be involved in insurance fraud schemes to ensure that they were dealt with administratively as well by their respective licensing agencies.

The following outlines successful investigative and prosecutorial efforts in both the auto crime and insurance fraud areas in 2012:

- **Sales Tax Fraud:** As a result of this investigation that concluded in December 2012, a Woodside, Queens used car dealership and its husband and wife owners were charged in connection with their operation of the dealership. The defendants allegedly stole more than \$728,844 in state and local sales taxes that they collected from buyers but did not forward to the state Department of Taxation and Finance. In addition, a Queens County grand jury has returned an indictment charging the dealership's former finance manager with allegedly defrauding 23 car buyers out of a total of more than \$115,000 in cash through a phony refinance scheme. Charges remain pending at this time.
- **Scrap Metal:** As a result of this investigation that concluded in September 2012, two men and a woman were charged with allegedly taking 32 vehicles that had been stolen off the streets of Queens County and elsewhere to a Queens scrapyards where they were to be sold as scrap metal and crushed. Most of the vehicles were Ford Econoline vans for which the defendants were allegedly paid \$600 to \$700 per vehicle. Charges remain pending at this time.
- **Inspection Sticker Mill:** As a result of this investigation that concluded in July 2012, the manager of a Jamaica, Queens auto shop was charged with allegedly using "dummy" vehicles to illegally issue state-mandated

inspection stickers for approximately 30 vehicles which, in fact, had never been inspected. The defendant received a jail/fine disposition on the case.

- Chop Shop:** As a result of this investigation that concluded in April 2012, a Far Rockaway man was charged with criminal possession of stolen property in the third degree and other charges for allegedly running a fully operational chop shop in his backyard. According to the criminal complaint, undercover police officers allegedly purchased a transmission and an engine for a Honda Civic from the defendant. Police executed a search warrant at the defendant's home, where they observed a 2010 two-door Honda Civic without an engine, a transmission, front bumper or doors. The vehicle identification number of the items purchased by the undercover officers matched the vehicle identification numbers of the parts found at the location. All of the parts were then matched to a 2010 Honda Civic which was reported stolen on November 20, 2010. Charges remain pending at this time.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
* Investigations Initiated	6	Indictments	54
Misdemeanor Arrests Prosecuted	534	Misdemeanor Convictions	579
Felony Arrests Prosecuted	417	Felony Convictions	123
* Confidential Informants Developed	12	* Warrants Issued	35
Number of MVT Cases Taken to Trial	10	Number of MVT Cases Plea Bargained	702

\* Please note that these statistics reflect the activity of our Specialized Auto Crime/Insurance Fraud Unit while the remaining statistics reflect office-wide activity on motor vehicle theft and insurance fraud cases that have been reviewed and handled by designated senior staff and include the 51 new cases (32 motor vehicle theft-related and 19 insurance fraud-related), 76 dispositions (45 motor vehicle theft-related and 31 insurance fraud related), 26 felony pleas (22 motor vehicle theft-related and 4 insurance fraud-related), 12 state prison sentences, 10 city jail sentences, and one probationary sentence that were handled by the Specialized Auto Crime/Insurance Fraud Unit and discussed in the narrative above. As per reported Specialized Auto Crime/Insurance Fraud Unit statistics, the unit handled six new investigations, developed 12 confidential informants and issued 35 search warrants relating to motor vehicle theft activity.

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
* Investigations Initiated	3	Indictments	1
Misdemeanor Arrests Prosecuted	0	Misdemeanor Convictions	49
Felony Arrests Prosecuted	19	Felony Convictions	4
* Confidential Informants Developed	3	* Warrants Issued	0
Number of MVIF Cases Taken to Trial	0	Number of MVIF Cases Plea Bargained	53
* Amount of Funds (Restitution) Provided to the Insurance Industry		\$129,959	

\* Please note that these statistics reflect the activity of our Specialized Auto Crime/Insurance Fraud Unit while the remaining statistics reflect office-wide activity on motor vehicle theft and insurance fraud cases that have been reviewed and handled by designated senior staff and include the 51 new cases (32 motor vehicle theft-related and 19 insurance fraud-related), 76 dispositions (45 motor vehicle theft-related and 31 insurance fraud related), 26 felony pleas (22 motor vehicle theft-related and 4 insurance fraud-related), 12 state prison sentences, 10 city jail sentences, and one probationary sentence that were handled by the Specialized Auto Crime/Insurance Fraud Unit and discussed in the narrative above. As per reported Specialized Auto Crime/Insurance Fraud Unit statistics, the unit handled three new investigations, developed three confidential informants, issued zero search warrants relating to insurance fraud activity and returned \$129,959 in restitution to the insurance industry.

## **Richmond County Office of the District Attorney**

The Richmond County District Attorney's (RCDA) specialized MVT and IF unit operated within three legal bureaus in 2012 - Investigations, Supreme Court and Criminal Court - as well as the Detective Investigators Squad. The strategic principles that guided these MVT and IF initiatives were:

- Integrate specific outreach and information measures;
- Use the available operational analysis;
- Merge the knowledge and expertise of law enforcement; and,
- Involve prosecutors early in investigations to interview witnesses and victims and examine all of the evidence for effective prosecution.

In 2012, motor vehicle thefts and related crimes generally appeared to be random occurrences of presented opportunities. Apparent motives for vehicle theft were joyriding or transportation. However, these motives can only be verified by interviewing the apprehended defendants. Richmond County had 302 reported cases of grand larceny in the fourth degree in 2012. By the end of the year, there were 205 stolen vehicles recovered as reported to the senior detective investigator assigned to the program. Assistant district attorneys prosecuted 63 felonies and 127 misdemeanors, a combined effort of 190 vehicle theft- related cases. Most of these cases had multiple charges and some involved weapons and drugs.

For RCDA, grant-funded suspected motor vehicle insurance fraud activity in 2012 consisted of eight enhanced investigations with four indictments. Additionally there were nine felonies and six misdemeanor arrests prosecuted; the prosecutorial activities of these cases gained headline attention in the local newspaper.

There was no restitution made to insurance companies because the reported 2012 motor vehicle insurance fraud cases were investigated and suspects were arrested before claimants received payments.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<b><i>Performance Measure</i></b>	<b><i>Total</i></b>	<b><i>Performance Measure</i></b>	<b><i>Total</i></b>
Investigations Initiated	0	Indictments	3
Misdemeanor Arrests Prosecuted	127	Misdemeanor Convictions	22
Felony Arrests Prosecuted	63	Felony Convictions	24
Confidential Informants Developed	1	Warrants Issued	4
Number of MVT Cases Taken to Trial	0	Number of MVT Cases Plea Bargained	44

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	8	Indictments	4
Misdemeanor Arrests Prosecuted	6	Misdemeanor Convictions	1
Felony Arrests Prosecuted	9	Felony Convictions	1
Confidential Informants Developed	0	Warrants Issued	1
Number of MVIF Cases Taken to Trial	0	Number of MVIF Cases Plea Bargained	6
Amount of Funds (Restitution) Provided to the Insurance Industry			\$0

### ***New York City Police Department – Auto Crime Division***

The NYPD Auto Crime Division was established in 1980 and is part of the Organized Crime Control Bureau of the New York City Police Department. The Auto Crime Division is a citywide investigative unit whose efforts are directed primarily at chop shops, auto salvage yards, organized theft rings and auto theft export. The Division also actively investigates insurance fraud and closely monitors businesses associated with the automotive industry.

In 2012, there were 8,020 reported auto thefts in New York City. That is a 13 percent decrease compared to 2011. The two-year decrease is 21.5 percent, the eleven-year decrease is 72.7 percent, and the nineteen-year decrease is 92.7 percent.

Various trends were observed regarding stolen vehicles in 2012. Perpetrators still used contacts in the automotive industry to have duplicate sets of coded keys produced, older vehicles were being stolen for scrap, insurance fraud was committed by individuals falsely reporting vehicles stolen, motorcycles were stolen to be stripped and exported and fraudulent credit cards and driver licenses were used to rent vehicles and then export these rented vehicles out of the country. As an ongoing measure, the Auto Crime Division also continues to review reports of stolen vehicles for possible insurance fraud indicators.

The Auto Crime Division works in the same areas that the police precincts patrol and investigates all forms of auto-related theft. The Auto Crime Division utilizes several different strategies to combat auto crime. These include: sting operations; mobile surveillance; Get Legit or Quit Operations (GLQ); Multi-Agency Response Community Hot Spots Operations (MARCH); the deployment of license plate readers; analysis of complaint reports for the purpose of investigating insurance fraud; development of confidential informants; search warrants; debriefing of suspects arrested for grand larceny of an auto; training utilizing new techniques such as the processing of DNA from recovered stolen vehicles to identify suspects and joint efforts with surrounding police agencies to combat auto theft.

During the period of January 1, 2012 through December 31, 2012, several cases were investigated and brought to completion by the Auto Crime Division. The following are highlights of some of these operations.

On June 27, 2012, the takedown of a case began, culminating a year-long investigation into a group believed to be tagging and exporting stolen vehicles. The case involved an organized group of subjects that were actively involved in the thefts of late model vehicles throughout NYC. Vehicle identification numbers were then altered and fraudulent documents/titles produced. These vehicles were then sold to other subjects who were exporting the vehicles out of the country in shipping containers, or selling them to other subjects all along the Eastern Seaboard. Subjects include but are not limited to employees of car dealerships and licensed locksmiths. The investigation consisted of numerous eavesdropping warrants obtained on subjects' cell phones, several covert surveillance cameras installed at various locations, the installation/use of GPS tracking devices and intense physical surveillance on the subjects. A Queens grand jury returned a true bill to indict the subjects on charges of enterprise corruption and criminal possession of stolen property charges. The Auto Crime Division commenced a takedown operation for this investigation and all 14 subjects were taken into custody. This investigation disclosed the subjects were responsible for a total of 108 Toyota / Lexus vehicles reported stolen from New York City with a value of approximately \$5 million.

On October 12, 2012, the takedown of an 18-month investigation was commenced by investigators assigned to the New York City Police Department's Auto Crime Division. This case was initiated to investigate criminal activity regarding the theft and ultimate export of motorcycles from New York County to various Caribbean islands. The subjects were responsible for the thefts of more than 360 motorcycles throughout the Tri-State area, with 300 thefts from the confines of New York City resulting in over \$2.5 million in losses. During the course of the investigation, 52 stolen motorcycles were seized, valued at over \$364,000. Of the 52 motorcycles seized, 48 stolen motorcycles were seized in the confines of New York City and four dismantled motorcycles were seized from the Port of Newark, New Jersey. There were a total of 33 arrest warrants issued, 37 controlled undercover buys for 42 motorcycles which included 17 firearms and three vehicles. 10 eavesdrop warrants were obtained, 17 GPS warrants were issued and three search warrants were executed that produced the seizure of six motorcycles. A bait motorcycle was utilized for the investigation and three surveillance cameras were used on stash locations to bring the case to closure.

On October 25, 2012, the takedown of a case was commenced that involved a four-month investigation which focused on a group scrapping Ford Econoline Vans. A shop inspection was conducted at a recycling facility in Queens for the purpose of inspecting business records which are required to be maintained on a daily basis. As a result of this inspection, it was determined that several vehicles which were listed in the Police Book were previously reported as stolen. These Police Books are required to be maintained by a business, licensed as a vehicle dismantler, by the New York State Department of Motor Vehicles. A second records check was then conducted to determine if the management of the recycling facility was following correct business practices and procedures as a state licensed facility.

During this second check, it was revealed that several stolen Ford Econoline vans had been scrapped at this location using a New York State Motor Vehicle

form MV35. This form is used to transfer ownership of a vehicle to a dismantler or scrap processor without a title. The person submitting an MV35 form as proof of ownership must complete, sign and attach a copy of their photo identification to the form to complete the process. During the course of the investigation, it was determined that a team of individuals was bringing stolen Ford Econolines to this scrap yard to be sold as scrap. The use of the National Motor Vehicle Title Information System (NMVTIS) was used to track additional thefts and video has been obtained at some locations. *Leads Online* checks were also conducted on subjects to determine if property from stolen vans was being sold to secondhand merchandise dealers. The subjects stole 33 Ford Econoline Vans and were paid \$ 600 - \$700 per transaction for each vehicle brought to be scrapped. Subjects in the case were charged with enterprise corruption and consecutive felony grand larceny auto counts, including criminal possession of stolen property and falsifying business records.

During 2012, the Auto Crime Division conducted several MARCH operations along with a citywide Grand Larceny Auto Initiative operation. These operations targeted specific areas and involved several different agencies, including the NYC Department of Buildings, Department of Environmental Conservation, ASPCA, FDNY, Traffic Control Division, as well as other units of the NYPD such as the Auto Larceny Units and Borough Task Forces. The Auto Crime Division led these MARCH operations around the Willets Point area in Queens and Hunts Point area in the Bronx. The operations resulted in the arrest of 69 subjects and the seizure of 14 tow trucks. A total of 139 summonses were issued, 61 *Get Legit or Quit* (GLQ) inspections were conducted and 259 tow trucks were stopped and inspected, resulting in the issuance of six summonses.

Also in 2012, Auto Crime Division Special Projects Module initiated an investigation into a 2008 Honda Accord that was burned and recovered in Brooklyn that was being investigated for insurance fraud. The investigation was a multi-agency investigation which revealed that the owner of the vehicle conspired with subjects of the case to intentionally commit insurance fraud and cause the destruction of the vehicle, valued at \$26,000. The result of the case revealed that the owner of the vehicle intentionally reported the car stolen and burned to commit insurance fraud. Subjects were arrested and charged by the Queens Rackets Bureau with insurance fraud, arson, reckless endangerment, grand larceny in the fourth degree, false statement and falsifying business records.

The Auto Crime School offers those in law enforcement the most current training in auto theft and insurance fraud training. The course Fundamentals of Auto Theft is accredited by the Commission on Accreditation for Law Enforcement (CALEA) and certified by New York State Division of Criminal Justice Services for two college credits taught by instructors in the Auto Crime Division. The division conducted 14 different classes during the course of the year, instructing approximately 350 students. Due to the increased sophistication of both auto manufacturers and criminals, instructors regularly attend meetings of the Motor Vehicle Theft and Insurance Fraud Program International Association of Auto Theft Investigators (IAATI) and New York

Anti -Car Theft & Fraud Association (NYACT) , as well as other topical events. As trends in auto theft become more sophisticated, the division attempts to advance training on current issues to keep pace.

<b>New York City Police Department Auto Crime Division</b>			
<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	36	Reported MV Thefts	8,020
Misdemeanor Arrests	97	Recovered Stolen MVs	2,180
Felony Arrests	470	Value of Recovered Stolen MVs	\$15,137,500
Confidential Informants Developed	46	Number of "Owner Give-Ups" Identified	0

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	36	Motor Vehicle Accidents Responded To	19
Misdemeanor Arrests	97	Number of Accident Claims Cancelled Due to Law Enforcement Investigation Initiation	29
Felony Arrests	470		
Confidential Informants Developed	46		

### **New York City Police Department – Auto Larceny Units**

The mission of the Auto Larceny Units is to function as key support units to the Auto Crime Division as part of the overall NYPD strategy to reduce auto theft and insurance fraud in New York City. The units are deployed and respond according to conditions in the boroughs in which they work. They assist in intelligence gathering and in enforcement operations as directed. In addition to working with the Auto Crime Division and the Fraudulent Accident Investigation Squad, they liaison with precinct auto larceny teams, other surrounding counties in New York State and insurance industry representatives, and keep their respective District Attorneys' Offices abreast of arrest activity.

The Auto Larceny Units employ a variety of strategies to combat auto theft. They use mobile license plate readers (LPR's), prisoner debriefings, recidivist and parolee visits and review complaint reports for stolen vehicles. They utilize online databases such as the National Insurance Crime Bureau (NICB) and Carfax to gain as much information as possible regarding auto theft trends. Members of the Auto Larceny Units continually visit and conduct inspections of scrap yards, motor vehicle repair shops and used glass and parts businesses on a regular basis to discourage the buying and selling of stolen vehicle parts. The Auto Larceny Units also conduct frequent tow truck inspections to discourage the theft of motor vehicles through the use of a tow truck.

In 2012 Hondas, Toyotas and Nissans were again the most frequently stolen vehicles in New York City. These vehicles are often chopped up and used for their

parts, or higher-end vehicles are retagged and shipped overseas. Ford and Dodge vehicles also were frequent targets. Another trend in auto theft continues to be Ford Econoline vans. These vans are being used as passenger or “dollar” vans with the highest usage in Queens. These vans have many interchangeable parts for several model years. Also, these vans are being stolen and sold for scrap due to the amount of metal they contain. In the past year, there has also been a spike in the theft of rims and tires throughout the city. These include both high-end aftermarket rims as well as stock rims which can be interchanged with other models.

In addition to the Ford Econoline, other widely stolen vans include the Dodge Caravan, Chrysler Town and Country and Plymouth Voyager, which are essentially the same vehicle. The skill level to steal these vehicles is relatively low and these vehicles often seem to be stolen to commit other crimes. On several occasions, the Auto Larceny Units have recovered this type of stolen mini-van with stolen motorcycles concealed inside. The motorcycles themselves are stolen both with the intent to be used intact or for their parts.

A trend that covers a wide range of vehicles are instances where the owner has left the vehicle running with the key in the ignition. These opportunities, whether the vehicle is in someone’s driveway or in front of a corner store, are readily exploited by opportunistic criminals looking for easy transportation. In some cases, these cars are recovered relatively intact, while others are not recovered at all. Other vehicles are stolen when an individual breaks into the vehicle with the intention of stealing the vehicle’s contents and discovers a spare key or “valet” key in the vehicle. Once the key is discovered, the perpetrator takes and utilizes the vehicle.

Auto Larceny Units continue to coordinate their efforts with the Auto Crime Division and Fraudulent Accident Investigation Squad (FAIS) within the NYPD as well as outside agencies to share information regarding auto theft and prevention strategies. During 2012, members of the Auto Larceny Units attended various training seminars such as Carfax training, criminal investigation course, decoy training and evidence collection training. Funding from the grant program was utilized as overtime expenditures to allow for additional hours of Auto Larceny Unit patrol and short-term investigations. Auto Larceny Units conduct targeted car stops in an effort to combat auto theft. These stops focus on the most frequently stolen vehicles within each borough.

The Bronx Auto Larceny Unit patrols areas that have a high incidence of vehicle theft and locations where stolen vehicles or the remnants of stolen vehicles have been recovered. Auto Larceny Unit members patrol these targeted locations in vehicles equipped with the Remington Plate Reader and Lo-Jack .While on patrol, all unit members have photo packages of known repeat offenders of auto-related crimes listing their last known address, the areas in which they are known to operate and their most recent picture law enforcement has of them. Officers remain vigilant for these recidivists during vehicle stops. Stolen vehicles are recovered through interviews of witnesses and perpetrators and through canvasses of various areas for video surveillance.

The Patrol Borough Queens South Auto Larceny Unit is tasked with patrol duties which focus on vehicle-related crimes in the precincts that comprise Patrol Borough Queens South. The Auto Larceny Unit performs patrol duties with vehicles equipped with Lo-Jack units, mobile digital computers and one vehicle that is equipped with a license plate reader to detect and deter vehicle-related crimes. Crime analysis determines the deployment of patrols in order to respond to the current crime trends. While on patrol, car stops of vehicles identified as frequently stolen are conducted for traffic infractions and for any vehicle displaying indicators of being stolen. Tow trucks are targeted for enforcement in an effort to deter their use as a tool in vehicle theft. Stolen vehicles located in the field are recovered. The unit also routinely conducts license inspections of repair shops and tow yards in an effort to deprive a possible revenue source for vehicle thieves. The New York City Police Department refers to these inspections as GLQs or Get Legit or Quit operations. In an effort to gain criminal intelligence and a better understanding of the criminal motivation behind the thefts of different kinds of vehicles, the PBQS ALU is notified of individuals arrested for vehicle theft and responds to debrief them.

The Queens North Auto Larceny Unit made 46 arrests for grand larceny in the fourth degree during 2012. It also conducted 7,248 targeted car stops pertaining to the most stolen vehicles. During the third quarter of 2012, QNALU obtained four GPS warrants in connection with a dealership burglary where six BMWs were reported stolen. This investigation is ongoing. The unit worked with the Auto Crime Division and the Connecticut State Police in regard to these warrants.

The Staten Island Auto Larceny Unit used grant funds during 2012 to conduct extensive crime analysis to determine patterns and trends with respect to stolen and recovered motor vehicles. The analysis led to 21 arrests for grand larceny in the fourth degree. During 2012, 303 vehicles were reported stolen in Patrol Borough Staten Island. Of the 303 vehicles stolen, 151 vehicles were recovered for a 50 percent recovery rate.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	1200	Reported MV Thefts	7719
Misdemeanor Arrests	193	Recovered Stolen MVs	417
Felony Arrests	424	Value of Recovered Stolen MVs	\$2,545,209
Confidential Informants Developed	0	Number of "Owner Give-Ups" Identified	0

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	0	Motor Vehicle Accidents Responded To	0
Misdemeanor Arrests	0	Number of Accident Claims Cancelled	0
Felony Arrests	0	Due to Law Enforcement Investigation	
Confidential Informants Developed	0	Initiation	

## ***New York City Police Department – Fraudulent Accident Investigation Squad***

The New York City Police Department's Fraudulent Accident Investigation Squad and the Joint Organized Crime Task Force are part of the Organized Crime Investigation Division, which falls under the Organized Crime Control Bureau. FAIS/JOCTF are designed to specifically address all aspects of no-fault insurance fraud within the five boroughs of New York City. FAIS/JOCTF duties include investigation of no-fault insurance fraud/medical mills by utilizing undercover officers as well as confidential informants. FAIS/JOCTF conducts surveillance on runners, participants, staged accidents and makes arrests within and outside New York City. The units confer with the New York State Insurance Fraud Bureau, NICB and various insurance carriers' special investigative units. FAIS maintains contact with Precinct Highway Safety Units. They also conduct mandatory roll call training and attend DCJS workshops/training. FAIS/JOCTF strategies include arrests, obtaining confidential informants, infiltrating criminal enterprises through undercover operations, obtaining search, arrest and eavesdropping warrants and gathering and sharing intelligence with other law enforcement agencies and the insurance industry.

### **Case Highlights:**

During the period of January 1, 2012 through December 31, 2012, numerous cases were investigated and brought to completion by the FAIS and JOCTF. The following are highlights of some of these operations.

- On March 12, 2012, FAIS arrested 19 people on 26 counts of insurance fraud and grand larceny. These perpetrators participated in this scheme as runners and/or participants. Operation "Crash for Cash" is an investigation into a Kings County medical clinic in the confines of the 73<sup>rd</sup> Precinct. This clinic paid runners who orchestrated, caused and staged motor vehicle accidents for profit. Currently active, this investigation is focused in the confines of the 73<sup>rd</sup>, 75<sup>th</sup>, 67<sup>th</sup> and 69<sup>th</sup> precincts in Kings County. The assigned investigator has debriefed a registered confidential informant who revealed several accidents that were staged or created. This staged accident ring was also altering New York City Police accident reports to further the crime of insurance fraud. The ring would stage an accident and then alter the accident report by adding and deleting passengers in the vehicles. These added passengers/participants were then paid by the runner to seek medical treatment in various clinics throughout Kings County.
- In July 2012, FAIS began working with the Manhattan D.A's Office Economic Crimes/Rackets, DFS, NICB and representatives of several insurance companies in an attempt to identify fraudulent claims in an investigation called "Operation Taxi Driver." This investigation is focused on subjects that are allegedly engaged in organized schemes to commit insurance fraud through staged accidents and health care fraud.

FAIS commenced an undercover operation into a suspect medical clinic. A confidential informant introduced an undercover officer to an individual involved with the clinic under the pretense that the undercover was involved in a car accident. FAIS has conducted a total of 23 undercover operations into the medical clinic. The undercover has seen a medical doctor, acupuncturist, physical therapist, psychologist and chiropractor for the minor injuries he allegedly suffered. He has also gone for an MRI and has received unnecessary durable medical equipment from the medical clinic. During the month of October, information provided by FAIS to the Manhattan District Attorney established probable cause to write an eavesdropping warrant on the cellular phones of two subjects at the medical clinic. One subject is a manager at the clinic who has paid a subject of this investigation to have an undercover officer seek treatment at that location. Based on information revealed on wiretap, the subject is also getting paid by a lawyer to refer patients to his law firm. FAIS is continuing surveillance on the subject and location. A pole camera for surveillance is being monitored.

It was discovered that one of the primary targets of this investigation paid an undercover officer using counterfeit \$100 bills. The counterfeiting was part of an active Secret Service investigation. That same subject also communicated to a confidential informant that he was looking to sell two firearms. FAIS immediately notified the Firearms Investigation Unit to assist in this investigation. FIU conducted an undercover operation to purchase a .22 caliber automatic weapon from the subject. While discussing the purchase of a second firearm, the subject solicited the undercover to murder someone. Pursuant to this investigation, the subject's target was identified as someone that he paid \$1,500 to treat at a medical clinic, but the target reneged. The subject's threat to kill this target was repeated on several occasions to the FIU undercover and FAIS confidential informant. A meeting to purchase the murder weapon and the exchange of cash for the murder for hire was scheduled for Wednesday, August 29, 2012. On that day, when the purchase was made of a 9mm automatic firearm, the subject instructed the undercover that the firearm was to be used to commit the murder for hire. FAIS, in conjunction with the Firearms Investigation Unit, arrested the subject without further incident. FAIS has deemed this a long-term case which is ongoing.

- On October 4, 2012, Health Care Fraud Task Force (HCFTF) /JOCTF arrested 24 people. Through the use of confidential sources, the HCFTF initiated a case regarding a large-scale no-fault insurance fraud scheme to bill insurance companies for medical services and equipment that were not provided, were unnecessary or were not related to a legitimate accident. This scheme is being facilitated through corrupt doctors, runners and clinic personnel. It is anticipated that following numerous proffers, enhancement and follow up arrests will occur.
- In November, 2012, HCFTF/JOCTF, along with AUSAs from the Southern District, met to discuss the opening of another major case involving three runners and numerous no-fault clinics spread throughout Queens and Brooklyn. The scheme involves historical staged and caused accidents with the participants

being filtered to the above mentioned unscrupulous clinics. Preliminary arrests have been discussed, with the intention of cultivating informants as well as the use of eavesdropping and video devices. Still in its preliminary stages, this case looks to yield many strong indictments involving accident participants, runners, medical facility workers and the medical providers as well.

- FAIS had identified seven accidents (five involve U-Haul) tied or linked to the co-operator in this investigation. FAIS has identified 19 subjects and has compiled the preliminary target list through analysis of phone records and interviews. Two fraudulent accidents involving U- Haul trucks striking MTA buses are the focus. The assigned detective interviewed the participants and obtained confessions from the participants implicating themselves in this scheme to defraud various insurance companies. Arrests were scheduled for early January 2013.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	N/A	Reported MV Thefts	N/A
Misdemeanor Arrests	N/A	Recovered Stolen MVs	N/A
Felony Arrests	N/A	Value of Recovered Stolen MVs	N/A
Confidential Informants Developed	N/A		

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	48	Motor Vehicle Accidents Responded To	56
Misdemeanor Arrests	N/A		
Felony Arrests	163		
Confidential Informants Developed	7		

### **The Bureau of Fire Investigation (BFI)**

*Law enforcement Division of the New York City Fire Department (FDNY)*

The Bureau of Fire Investigation (BFI) is the law enforcement division of the New York City Fire Department (FDNY). The BFI is responsible for the investigation of incidents of fire, arson and arson-related crimes including motor vehicle fires in all five counties of New York City. Fire marshals in the Bureau of Fire Investigation possess expertise in both forensic fire scene examination and arson-for-profit criminal investigation. All members of the BFI are sworn police officers as per New York State Criminal Procedure Law.

The investigative activity of fire marshals includes: forensic examination of a fire/crime scene; identifying, collecting and processing evidence; interviewing witnesses and victims; interrogating suspects; effecting summary arrests; providing expert testimony; preparing subpoenas; evaluating documents, insurance policies and bank records; applying for and executing search and arrest warrants; developing sources of information; deploying and controlling confidential informants; conducting electronic surveillance; working undercover and preparing investigative case reports.

Each year, more than 50 firefighters are seriously injured while operating at motor vehicle fires. In 2003, the BFI established a dedicated unit to address motor vehicle fires, identified herein as the Auto Fraud Squad (AFS). The primary mission of the AFS is the detection of motor vehicle arson and fraud by fire, with a focus on owner give-ups and torch-for-hire operations. The AFS consists of five fire marshal investigators and one supervisor.

The primary challenge today in the investigation of motor vehicle arson and insurance fraud is the skilled offender. As a result of ongoing efforts to combat motor vehicle fraud, the typical offender has become more skillful and more prepared for the issues that arise during an investigation. The skilled offender is ready for the investigative interview, for the alibi questions, the time line questions and accounting for the car keys, whereas years ago, many arrests resulted simply from the filing of a false theft report - the classic "the times are bad" arrest. In plain language, many vehicle owners made the common mistake of reporting a vehicle theft time that investigators determined was in conflict with the actual time of the arson. Another common mistake an offender made in the past was when answering the investigative question "where were the car keys at the time the vehicle was stolen?" Often this led to proof of a "key-job" and another case closed by arrest and another insurance claim denied. Today, in an effort to cover-up the key-job scenario, the skilled offender will report that the car was stolen while it was running (e.g., "I left the car running and ran into the store for a just a minute. It was gone when I came back").

With funding from the 2012 grant, FDNY BFI was able to meet the challenges presented by the skilled offender. With this funding, AFS fire marshals had extra staffing hours available to remain on duty for seamless, continued investigations and arrest processing. With this extra time to develop cases, they were able to implement tactics to recover physical evidence associated not only with the arson but also evidence supporting the staged theft and the intended fraud. They utilized interview and interrogation techniques and made the most of today's electronic environment by developing an expertise in the recovery of security camera digital evidence. To augment undercover operations and "torch-for-hire" investigations, the AFS has specialized in developing electronic evidence and has full access to upgraded electronic body wire equipment and the support of the BFI Tech Services Unit.

## **2012 Case Reviews**

The following investigation summaries present an excellent snapshot of the daily activities of the Auto Fraud Squad.

**Case Review #1:** Land Rover, \$52,000 insurance claim, Torch-for-Hire scenario, two arrests.

For the members of the AFS, most mornings start the same: pre-screen and profile all motor vehicle fire activity occurring on the night shift to identify priorities for response. On this morning, fire marshals keyed in on a 2009 Land Rover valued at \$52,000. Preliminary investigation determined the vehicle burned at 2 a.m. in an isolated area of Queens County a short distance from the owner's residence. These

factors are common indicators of arson fraud. Fire marshals responded to the scene of the fire and collected, documented and processed evidence of both arson and fraud. It was noted that there was no apparent evidence of theft; it was also determined that this incident would be classified as a key-job since the vehicle will only start with a designated transponder key.

Fire marshals conducted a tactical interview of the vehicle owner using a three-pronged strategy: collecting the vehicle keys that he still possessed, addressing his finances and ability to afford a monthly car payment of \$800 then locking him into a possibly false alibi for the date and time of the fire. When confronted with the conflicting issues, the vehicle owner made incriminating admissions, then confessed that when he could no longer manage the monthly payment, he went to a Land Rover dealership located in Nassau County in an attempt to return the vehicle. The dealer representative refused to negotiate the return and instead, offered to torch the vehicle for a fee of \$2,000.

Fire marshals initiated an undercover electronic surveillance operation to both identify the torch-for-hire and gather the necessary evidence for an arrest and prosecution. Fire marshals developed the vehicle owner as a confidential informant and had him make numerous tape recorded cell phone calls to the dealer representative, now known as the torch-for-hire, to arrange a meeting in a Nassau County parking lot. Fire marshals from the FDNY Technical Services Unit fitted the vehicle owner with an electronic body wire concealed under his clothing and sent plainclothes fire marshals in unmarked "soft" cars into the area of the operation. With teams of fire marshals listening nearby, the vehicle owner successfully engaged the torch-for-hire in a detailed conversation centered on the arson and fraud of the \$52,000 Land Rover. A short time later, Fire marshals arrested the torch-for-hire. This multi-jurisdictional investigation is ongoing. Fire marshals are continuing the investigation jointly with the Office of the Nassau County District Attorney. The insurance company denied the insurance claim filed on the Land Rover for the amount of \$52,000.

**Case Review #2:** BMW, \$39,000 insurance claim, key-job scenario, one arrest.

Fire marshals responded to a reported fire in a 2009 BMW valued at \$39,000. The forensic fire scene examination determined the fire was intentionally set and accelerated with the use of a flammable liquid. Samples were recovered and sent for lab analysis. Examination of the steering column and ignition mechanism showed no damage that would indicate auto theft.

A conference with the vehicle manufacturer determined that a specific key was needed to start the vehicle. Fire marshals coordinated with the NYPD and ultimately determined that the vehicle was reported stolen from in front of the owner's residence and that the vehicle was torched in a remote location.

Fire marshals launched an expanded crime scene canvass of both the area of the staged theft and the arson scene, recovering significant evidence at both scenes. At the staged theft scene, fire marshals located a security camera on a neighbor's property and utilized the FDNY Technical Services Unit for an advanced digital recovery

download using specialized training and equipment. The recovered evidence proved the staged theft theory. Just one hour before the fire/arson, there is an extended period of on-camera activity at the owner's residence that includes the vehicle owner and torched vehicle shown leaving the residence with the owner's second vehicle of record (Town & Country van) following.

Fire marshals also located a security camera in the area of the motor vehicle arson, The FDNY Technical Services Unit performed an advanced digital download and recovered evidence that shows the Town & Country van circling the area as the subject vehicle ignites in a ball of fire. Fire marshals entered the vehicle owner into SAFETnet and used their subpoena power to prepare and serve subpoenas for cell phone records, residential phone records, business phone records and bank mortgage records.

A fixed surveillance was set up in the area of the vehicle owner's residence. As a result of the surveillance, a number of suspected co-conspirators were identified, and an associated business entity was identified. It was also determined that at the time of the fire/arson, the vehicle owner was planning to leave the country and was attempting to sell the house - a strong motive for a vehicle arson/fraud. Fire marshals worked with the NYS Dept of Financial Services and NYPD to recover documentary evidence including: the sworn Theft Affidavit, the Report of Theft Complaint form, the sworn Proof of Loss Statement.

During an investigative interview with fire marshals, the vehicle owner made incriminating admissions. The vehicle owner was placed under arrest and a formal complaint was filed with the Queens Office of the District Attorney, with the ADA assigned to the vertical prosecution of motor vehicle fraud. The prosecution of the vehicle owner is on schedule. The insurance company denied the insurance claim filed on the 2009 BMW for the amount of \$39,000.

**Case Review #3:** Chevy Impala, \$15,000 insurance claim, owner give-up scenario, one arrest.

Fire marshals responded to the scene of a vehicle fire in a 2008 Chevy, registered in Connecticut and valued at \$15,000 and determined the fire was intentionally set using a flammable liquid. The examination of the steering column showed no damage indicative of auto theft. A canvas of the area produced no leads. Fire marshals entered the vehicle owner into SAFETnet.

Investigation determined the vehicle owner was in the US Navy. Fire marshals conferred with the US Naval Investigative Service (NCIS) and determined that the vehicle owner was being transferred from Groton, Connecticut to Norfolk, Virginia in expectation of immediate deployment to the Middle East. During a skillful investigative interview of the vehicle owner, fire marshals determined that an associate of the vehicle owner offered to dispose of the vehicle in exchange for sex. The vehicle owner refused to identify her co-conspirator. Fire marshals are awaiting subpoenaed cell phone records in an effort to identify the torch. The insurance company denied the \$15,000 insurance claim.

The designated strategy and action plan has proven to be a success. This success exemplifies maximized multi-agency cooperative efforts as well as adherence to the NYS DCJS Statewide Plan of Operation for the Interdiction of Motor Vehicle Insurance Fraud & Related Crimes.

Below is a snapshot specific to Motor Vehicle Arson and Fraud by Fire.

<b>2012 Grant Funded Motor Vehicle Arson Fraud Activity: Snapshot</b>			
<b><i>Performance Measure</i></b>	<b><i>Total</i></b>	<b><i>Performance Measure</i></b>	<b><i>Total</i></b>
MV Fires in NYC 5 Counties	2816		
Investigations Initiated by AFS	680	Misdemeanor Charges Filed	69
Value of Fire Insurance Claims Denied or Withdrawn	\$837,700.00	Felony Charges Filed	61
Number of Owner Give-Ups	57	Total Arrests	63

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<b><i>Performance Measure</i></b>	<b><i>Total</i></b>	<b><i>Performance Measure</i></b>	<b><i>Total</i></b>
Investigations Initiated	n/a	Reported MV Thefts	n/a
Misdemeanor Arrests	n/a	Recovered Stolen MVs	n/a
Felony Arrests	n/a	Value of Recovered Stolen MVs	n/a
Confidential Informants Developed	n/a	Number of "Owner Give-Ups" Identified	n/a

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<b><i>Performance Measure</i></b>	<b><i>Total</i></b>	<b><i>Performance Measure</i></b>	<b><i>Total</i></b>
Investigations Initiated	680	Motor Vehicle Accidents Responded To	n/a
Misdemeanor Arrests	13	Number of Accident or Claims Cancelled Due to Law Enforcement Investigation Initiation	47
Felony Arrests	50		
Confidential Informants Developed	5		



## ***New York City Suburban Region***

Hempstead Village Police Department  
Nassau County Office of the District  
Attorney  
Nassau County Police Department  
Suffolk County Office of the District  
Attorney  
Suffolk County Police Department  
Westchester County Office of the District  
Attorney  
Yonkers City Police Department

### **Hempstead Village Police Department**

The Hempstead Police Department's Traffic Safety Unit has six officers and investigators dedicated to investigating all vehicle thefts occurring within the village. To aid in their investigations, the unit also has three ELSAG license plate readers as well as a strategically placed video camera system. The camera system contains multiple cameras that are placed in "hot spot" areas and monitored on a daily basis. The overall objective is to detect and reduce auto theft and fraud. In 2012, there was an 11 percent reduction in theft. A three-year analysis indicates an 18 percent reduction in auto thefts.

The beginning of the first quarter of 2012 was eventful. As seen in the previous year, Hondas and Nissans seem to be the vehicles of choice for vehicle thefts and theft of vehicle parts. There was a one-month period when dealership keys were stolen and car thefts from that dealership were rampant. One subject from the area was arrested. During the investigation, master keys for Honda and Nissan vehicles were found on the defendant, who was also found to be involved in auto stripping of motors and transmissions. The investigation revealed additional stolen motors and transmissions at the defendant's residence. A female informant was developed and several other sites were identified as places of dismantling.

Also in the first quarter, there was a period of vehicle theft by licensed tow car operators. The majority of the thefts were older vehicles that were towed away from local residences and abandoned properties. The vehicles were sold for salvage value. Nassau County Auto Squad was notified and began an investigation of auto scrap and dismantling facilities. The high price of scrap steel was a prime motivator.

There was an 11 percent decline in the auto theft rate during the second quarter. There were 63 investigations initiated, 25 vehicle thefts and four felony arrests. The ELSAG plate reader was in use for 268 hours and read 28,325 plates. In addition, this period showed an excessive amount of complaints regarding accident tows and body shop steering. Information was developed through an informant that a local auto body shop was chasing accidents within Hempstead's jurisdiction. The informant also indicated that the shop was enhancing damages as well as steering accident victims to a certain medical professional. Their activity brought a large increase in collision repairs to the shop. It was later learned that the chasers were being paid 15 percent of the total

repair estimate as a finder's fee. Hempstead investigators began to monitor the shop's activity and the informant's information appeared to be true. The investigation continued into the next quarter. At the April MVTIF meeting in Albany, NICB offered assistance in running a sting operation. The offer was accepted, however, further evidence needed to be collected and complainants who were willing to testify had to be identified. There is a temporary suspension of this investigation, which will continue when further activity is observed.

Third quarter statistics indicated a continued downward trend in auto thefts. When compared to the third quarter of 2011, there was a 32 percent reduction in thefts. During the quarter, there were 39 investigations initiated, 30 auto thefts and three felony arrests. The ELSAG plate reader was in use 115 times and read 14,337 plates. The one notable event that occurred during this quarter was the larceny of auto parts. What made this larceny so special was the mindset of the thieves. Gaining entry to the fenced yard was relatively easy. Once inside, the thieves encountered a yard dog. The dog's throat was cut and it was found dead the next day by the owner. The thieves got away with \$2,500 worth of chrome auto rims.

The final quarter of 2012 was the most eventful. The end of October brought a devastating hurricane that destroyed one of the plate readers. A nearby tree fell and crushed the car roof and camera system. One ELSAG plate reader remains functional. The month of November saw a spike in thefts, with 13 vehicles stolen in one week.

In the early part of December, three violent home invasions occurred in Hempstead and the bordering community of Garden City. One subject was responsible for all three incidents. The subject entered the peoples' homes, tied them up and stole cash and jewelry. In two of the homes, shots were fired at the residents. In one case, the subject raped one of the occupants. In all three instances, the owners' cars were stolen. The cars were recovered in an industrial area of Hempstead. The second vehicle recovery was near the first so the area was put under surveillance. When the third home invasion occurred, the owner's stolen vehicle was spotted in the area under surveillance. Hempstead and Nassau County Police arrested a subject who was positively identified and charged in all three robbery/burglary/rape cases.

December was also busy regarding auto theft. Hempstead Police stopped a 2013 Nissan Sentra with switched plates. When Hempstead Nissan dealership was contacted, they checked their inventory and discovered seven additional 2013 vehicles stolen from their inventory. There were also an additional 23 vehicles stolen from lease returns. Hempstead Police arrested one adult and two juveniles regarding the thefts. Subsequent investigation identified a security guard at Hempstead Nissan's Garden City storage lot who had given keys to individuals for unauthorized usage. In one particular instance, one of the stolen vehicles was being followed by Nassau County Police Bureau of Special Operations. The incident turned into a car pursuit involving an auto accident and shots fired. Two subjects were apprehended and the third subject fled on foot. Approximately 50 police officers conducted an intense search by foot and helicopter. The third subject was found hiding inside a van three hundred yards from the accident scene.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	129	Reported MV Thefts	129
Misdemeanor Arrests	2	Recovered Stolen MVs	140
Felony Arrests	7	Value of Recovered Stolen MVs	470,888
Confidential Informants Developed	2	Number of "Owner Give-Ups" Identified	0

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	1	Motor Vehicle Accidents Responded To	2260
Misdemeanor Arrests	0	Number of Accident Claims Cancelled Due to Law Enforcement Investigation Initiation	0
Felony Arrests	0		
Confidential Informants Developed	1		

**Nassau County Office of the District Attorney**

The Nassau County District Attorney's Office's Auto Theft and Fraud Unit was created in 2008 to enhance the approach to the investigation and prosecution of motor vehicle theft and motor vehicle-related insurance fraud cases.

There were 86 motor vehicle-related felony arrests and 63 misdemeanor arrests prosecuted in 2012, and 25 indictments, 63 felony convictions and 37 misdemeanor convictions. As a result, restitution was ordered totaling \$ 130,000.

A number of cases originating in prior years had further activity in 2012. One auto larceny investigation which resulted in a felony arrest involved the theft of at least three classic 1930s cars. The defendant was hired to restore the cars, but instead sold them without the owner's knowledge. The defendant concealed the thefts by substituting shells of similar model cars which he kept partially hidden under tarps. The shells were kept in a hard to access area of the defendant's garage, thus preventing the owner from examining them and delaying discovery of the thefts. That defendant was convicted upon a plea of guilty and is awaiting sentence.

One long term investigation concluded in 2012 involved the unauthorized access and sale of confidential patient information from a local hospital for the ultimate purpose of committing no-fault insurance fraud. The investigation included multiple search warrants, paper patients, undercover operatives and cloning of computers. Two individuals have been arrested, convicted and sentenced. The investigation was conducted with the assistance of the NYS Insurance Frauds Bureau and NICB.

In another insurance fraud investigation, an auto body repair shop and its owner were indicted for submitting false documents in support of a fraudulent insurance claim. The shop was also charged with possessing a forged DMV document allegedly signed

by a person who died about five months before the date of the signature. This case was taken to trial and the defendant was acquitted.

A no-fault investigation initiated in late 2011 involves a chiropractor who treated a patient approximately three times, but submitted no-fault billing to the insurance company for more than 50 treatment visits, including some which were supposedly conducted while the patient was on vacation in Puerto Rico. Other patients are being sought to provide additional information.

The Unit has been working with the Suffolk County District Attorney's Office regarding an investigation into auto theft that has affected both counties. The subject was selling automobiles to people without proper title and selling the titles to others. An arrest was made and the subject was convicted of grand larceny in the second degree and sentenced in 2012.

Also, members of the Unit met with members of the NYPD regarding a group of individuals who had been arrested in both Nassau and Queens counties for stealing older motor vehicles and selling them for scrap. Each of those defendants has pled guilty and been sentenced.

In 2012, the unit began to shift its focus to prosecution of more insurance fraud cases. In particular, there were a number of allegations regarding staged accidents, some of which involved innocent bystanders. Many of these accidents result in the claimants seeking treatment at facilities located in Queens or Brooklyn. Priority is being given to these cases because these crimes represent a danger to the citizens of Nassau County, not to mention substantial fraud committed on the insurance industry.

In one case, the subjects each operated a U-Haul truck to intentionally strike a Chevrolet operated by unnamed co-conspirators. After the car was sufficiently damaged, the subjects called the police, filed accident reports and submitted claims for no-fault benefits. One subject also drove the vehicle when the other subject failed to cause sufficient damage to the Chevrolet. Both subjects made statements admitting to participating in a staged accident.

In another case, a subject was driving a U-haul truck with a second subject looking for a car to strike with their vehicle. Upon observing a vehicle operated by an innocent complainant, the subjects struck the complainant's vehicle. The complainant's 10-year-old daughter suffered a cut lip.

An additional investigation has been commenced into three auto accidents, which appear to have been staged, all occurring over four days in February. Each accident involved individuals who were either related or who live near each other in Brooklyn. A civil suit involving each of these accidents was filed against Nassau County by the same attorney on the same date. The Nassau County intersection in question was missing a stop sign at the time of the accidents. A member of the plaintiff's law firm was recently indicted by the U.S. Attorney for no-fault-related fraud and other charges. One of the subjects lives near the scene of the three accidents in Nassau.

The Unit has started an additional investigation into a group of individuals suspected of staging accidents in different locations in Nassau County. Participants then submitted claims for no-fault insurance benefits. All were treated at facilities in Brooklyn. Two of the victims' insurance companies, Allstate and GEICO, have offices in Nassau County. In at least one incident an innocent driver was struck by subjects.

The Unit has also started an investigation with the assistance of NICB into a medical provider that is believed to be engaging in no-fault fraud. Patients involved in accidents were treated to various types of medical procedures, including physical therapy, acupuncture, chiropractic work and psychotherapy. The subject facility is believed to be engaging in upcoding and billing for services not rendered. Based upon interviews with patients, at least some of these accidents are believed to have been intentionally caused by individuals associated with the provider. It has yet to be determined if any of the individuals involved in the above accidents went to this facility.

In addition to the above matters, it is anticipated that there will be a large number of fraudulent insurance claims arising out of the fallout from Hurricane Sandy. The Unit is taking steps to prepare for the prosecution of these cases.

### Third Section

<b>2012 Grant-Funded Motor Vehicle Theft Activity: Snapshot</b>			
<b>Performance Measure</b>	<b>Total</b>	<b>Performance Measure</b>	<b>Total</b>
Investigations Initiated	0	Indictments	25
Misdemeanor Arrests Prosecuted	63	Misdemeanor Convictions	37
Felony Arrests Prosecuted	82	Felony Convictions	60
Confidential Informants Developed	0	Warrants Issued	0
Number of MVT Cases Taken to Trial	0	Number of MVT Cases Plea Bargained	65

<b>2012 Grant-Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<b>Performance Measure</b>	<b>Total</b>	<b>Performance Measure</b>	<b>Total</b>
Investigations Initiated	7	Indictments	0
Misdemeanor Arrests Prosecuted	0	Misdemeanor Convictions	0
Felony Arrests Prosecuted	4	Felony Convictions	3
Confidential Informants Developed	0	Warrants Issued	0
Number of MVT Cases Taken to Trial	1	Number of MVT Cases Plea Bargained	1

### Nassau County Police Department

In 2012, the Nassau County Police Department utilized NYS DCJS Motor Vehicle Theft and Insurance Fraud program funds to continue to run the Search Apprehension Vehicle Enforcement (SAVE) program. The SAVE Program is coordinated by the Nassau County Police Department Chief of Patrol's Office, in conjunction with the Department's Crimes Against Property (CAP) Squad's Vehicle Theft Section. The Nassau County Police Department continues to utilize MVTIF program grant funds to supplement normal investigative means by conducting numerous operations in order to prevent, deter and reduce the incidence of motor vehicle theft and insurance fraud.

This is accomplished by utilizing a twofold strategy: enforcement, mainly of motor vehicle theft, and investigations targeting motor vehicle insurance fraud.

An integral component of the SAVE program is centered on the review of incoming crime reports by police officers, CAP Squad detectives and their supervisors and precinct intelligence analysts. They monitor for suspicious activity, as well as for current crime data in order to identify patterns and trends in motor vehicle theft and related crimes. They establish 'hot spots' which are then actively targeted. The department has created extensive directives regarding the proper protocol to be followed when investigating and arresting those who commit these crimes, and continues to educate all personnel on these policies and procedures. SAVE-related topics are frequently discussed at regularly scheduled monthly precinct briefings, in which local crime patterns are evaluated. Furthermore, each precinct continues to develop the skill sets of its dedicated SAVE officers. These efforts and activities have resulted in an increased vigilance of these crimes countywide and have laid a solid foundation for the successful implementation of the program.

Motor vehicle theft enforcement is often conducted utilizing LPRs (license plate readers). For example, SAVE officers are directed to scan the railroad stations as frequently as possible with the LPRs, as these locations have been known as high activity sites for larceny of autos, as well as to scan those areas where stolen autos were recovered. At the end of a SAVE enforcement patrol, the officers provide an accounting of any actions taken, including arrests, VTL enforcement efforts and other activities.

During one LPR detail, 20 investigations were conducted, resulting in six impounds and the issuance of 45 summonses. In another investigation, officers stopped a vehicle with a Pennsylvania license plate that was obstructed. They then discovered that the PA plates and 'in-transit' temporary registration were forged, and that the driver was operating an auto with expired New York registration stickers. Another case arose when a police officer operating an LPR detail got a 'hit' on a parked stolen auto. The officer advised plainclothes officers, who conducted surveillance on the stolen auto. An individual entered and began to drive the auto, which was then stopped by the plainclothes detail. The driver eventually was charged with criminal possession of stolen property, as well as a number of unrelated charges.

The majority of insurance fraud investigations are conducted by the Nassau County Police Department Crimes Against Property, Auto Crimes Section. Among the investigations it conducted in 2012 were cases involved the recovery of a 2000 Ford Club Wagon, a 1995 Acura Integra, a 1996 Honda Civic, a 2002 Jaguar, a 2002 Corvette, 2012 Nissan Versa, a 2011 Cadillac Escalade and a 2012 Kawasaki motorcycle. Many of these cases ended with arrests, including criminal possession of stolen property in the third and fourth degrees, as well as grand larceny. The NCPD CAP Squad assisted the Suffolk County Auto Squad with the execution of a search warrant in Freeport, recovering 96 stolen rims and tires and additional stolen car parts. CAP Squad Detectives assisted a LoJack agent with the location and recovery of a stolen 2011 Suzuki motorcycle. In the case of a recovered 2009 Land Rover, the squad worked with the NYPD, a federal task force, insurance companies, attorneys and the

Gwinnet County Police Department in Georgia, where the car originated. They worked on a pattern of high-end auto thefts on the North Shore of Nassau County, as well as with Suffolk County Auto Squad Detectives concerning stolen car parts.

Since superstorm Sandy hit, CAP Squad detectives have worked very closely with NICB investigators looking into vehicles damaged by flood waters. Many issues arose due to “No Limits Towing”, which removed multiple cars from area roadways, leading to vehicles being falsely reported as stolen. They have also worked with IAA (Insurance Auto Auctions) and Coparts Auto Auctions in an effort to locate vehicles that may have been improperly reported as stolen but which were actually towed by the insurance companies. The detectives continually check databases such as NYSPIN, NMVTIS, and RIISNET to track these trends.

SAVE personnel, and the department as a whole, recognize that a key to the MVTIF program’s success is the countywide coordination and collaboration between the different precincts, the CAP Squad and numerous outside agencies. As such, the SAVE Unit, spearheaded by the CAP Squad, continues to develop its collaborations, both within and outside the NCPD. The department maintains strong relationships with the Suffolk County Police Auto Theft Squad, the NYPD Auto Crimes Division, the NYS Department of Motor Vehicles, the Department of Environmental Conservation and the National Insurance Crime Bureau. These relationships have been particularly effective in assisting SAVE members in identifying trends and patterns, especially those which are cross-jurisdictional.

Detectives from the CAP Squad have arranged with the Insurance Frauds Bureau of the State of New York Insurance Department to have insurance fraud cases which are not usually submitted to the police department be referred directly to the CAP Squad by the individual insurance companies. This will allow the NCPD to increase the amount of fraud investigations initiated by the department. These relationships will enable the SAVE Unit to maintain their awareness of the current trends and factor recognition of motor vehicle theft and insurance fraud. The squad will be able to launch collaborative investigations to maximize the strengths and abilities of all agencies involved and result in the most effective enforcement possible.

During 2012, the participating SAVE police precincts and the CAP Squad Vehicle Theft Section conducted a total of 418 motor vehicles theft and related crime investigations and another 19 investigations geared directly to motor vehicle insurance fraud. As a result of these investigations, a total of 114 motor vehicle theft and insurance fraud-related arrests (34 misdemeanors, 80 felonies) were made during 2012. As a result of the enhanced vigilance of department members, 251 stolen vehicles were recovered, along with an additional 100 stolen parts, valued at more than \$3.3 million.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i><b>Performance Measure</b></i>	<i><b>Total</b></i>	<i><b>Performance Measure</b></i>	<i><b>Total</b></i>
Investigations Initiated	418	Reported MV Thefts	690
Misdemeanor Arrests	32	Recovered Stolen MVs	251
Felony Arrests	78	Value of Recovered Stolen MVs	\$3,322,681.00
Confidential Informants Developed	0	Number of “Owner Give-Ups” Identified	0

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<b>Performance Measure</b>	<b>Total</b>	<b>Performance Measure</b>	<b>Total</b>
Investigations Initiated	19	Motor Vehicle Accidents Responded To	34,609
Misdemeanor Arrests	2	Number of Accident Claims Cancelled Due to Law Enforcement Investigation Initiation	0
Felony Arrests	2		
Confidential Informants Developed	0		

**Suffolk County Office of the District Attorney**

In 2002, the Insurance Crimes Bureau (ICB) was created in order to prioritize the need to combat insurance fraud and related crimes such as motor vehicle theft. Due to the recent increase in no-fault insurance fraud, the ICB was restructured and consolidated with the Tax Crimes and Labor Investigations units. One of the goals of the bureau, now known as the Labor, Insurance and Revenue Crimes Bureau (LIRCB), is to utilize different strategies to effectively investigate motor vehicle insurance fraud and other fraud-related offenses against governmental entities and private sector stakeholders in the insurance industry. LIRCB is supervised by a division chief, bureau chief and deputy bureau chief, and has eleven prosecutors who deal strictly with tax, labor and motor vehicle insurance fraud crimes. The LIRCB also has a team of investigators, including a senior detective investigator, three detective investigators, two Suffolk County Police Department (SCPD) detectives assigned to the Suffolk County District Attorney’s Office, a representative from the state Department of Financial Services and a supervising agent from the National Insurance Crimes Bureau (NICB). LIRCB is an agency that has implemented interagency cooperation directly into its formation and daily activities. LIRCB also has one clerk typist and one paralegal dedicated to MVTIF grant matters only. LIRCB also employs non-MVTIF clerical staff, investigators and prosecutors that are not reimbursed by the DCJS grant.

The LIRCB has allowed investigators and prosecutors to strengthen resources and knowledge and maintain an increased level of experience and expertise in these areas. Presently, LIRCB prosecutes all cases generated by its investigators related to insurance fraud and motor vehicle theft, as well as all cases in the county generated by the Vehicle Theft Section of the Suffolk County Police Department and the New York State Police. LIRCB is also in charge of an undercover operation involving a sting location where insurance “give-ups,” stolen motor vehicles, and stolen motorcycles are purchased where the seller believed the property would be disposed of by the detectives, working in an undercover capacity.

**Notable Cases**

The Suffolk County District Attorney’s Office successfully concluded numerous short-and long-term investigations and prosecutions in 2012. In one motor vehicle theft prosecution, the bureau went to trial against a defendant and ultimately obtained a misdemeanor conviction of petit larceny. The jury did not find that the stolen motor vehicle exceeded the monetary threshold, which was perplexing as the grand larceny

count was charged under Penal Law section 155.30(8), under which the larceny must be of a motor vehicle and exceed \$100 in value. The defendant was charged via indictment with grand larceny and offering a false instrument for filing for the theft of a 2001 Mitsubishi Galant that was taken to local recycling center and sold for scrap. The co-defendant, who filled out the MV-35 at the recycling facility, agreed to cooperate against the defendant and testified at the trial. Although the verdict was not as hoped, the defendant did receive a sentence of incarceration from the judge which hopefully will serve as a deterrent to this defendant and others in the tow industry not to steal motor vehicles for scrap.

In another successful motor vehicle theft investigation and prosecution, a defendant was arrested and indicted on six counts of grand larceny, scheme to defraud and other vehicle and traffic law charges for his criminal activities. The defendant owned a used car dealership and accepted payments in full for motor vehicles under the guise that he would sell the victim buyer a particular motor vehicle on his lot, or in some instances, that he would obtain a specific motor vehicle in a dealer swap. Since the defendant's initial indictment, an additional six people have come forward as victims of the scheme, which resulted in a subsequent indictment in December 2012 for six grand larceny charges and one count of scheme to defraud. Interestingly, this defendant was previously a registered confidential informant approximately 10 years ago and thought that his previous cooperation would award him a "pass" for his criminal activities.

The Suffolk County District Attorney's Office also had a successful year combatting motor vehicle insurance fraud. The office completed an investigation that involved four individuals and two corporations that were indicted for grand larceny, conspiracy, five counts of insurance fraud and five counts of falsifying business records. The group was involved in an ongoing insurance fraud scheme perpetrated upon a luxury commercial vehicle company by two appraisal companies contracted by the luxury bus company to appraise damages caused to the luxury motor vehicles in accidents. The appraisal companies and their employees would appraise the vehicles and fraudulently bill The Hartford Insurance Company for repairs that were unnecessary or not completed at a suspect repair facility. The initial referral came from the broker of the luxury bus company who was concerned about the high damage estimates the company was receiving, and ultimately, that The Hartford was paying. The investigation revealed that the repair orders that were billed included vehicle parts that were never installed on the luxury company's vehicles, and that the appraisers intentionally enhanced damage to those vehicles over what was actually inflicted in the accident. That was accomplished through the staging of photographs of the vehicles in order to perpetuate the fraudulent claims and support the appraised cost of repairs. Four suspect claims were investigated by LIRCB.

In one instance, the right tire on a 2009 International Coach bus transporting customers to a casino blew while traveling on Route 17 in upstate New York. There was minor damage sustained as a result. The vehicle was taken to a repair facility and the only charge was for approximately \$690 to replace the blown tire and scrap the old one. The appraisal company then prepared an estimate of repairs for the bus for \$53,496.02 and subsequently created a supplemental estimate for \$5,247.67 for body damage that the appraisal company claimed happened as a result of the blown tire.

Included within the estimate for repair was a tow bill in excess of \$2,000 which was clearly fraudulent, as the International Coach bus driver physically drove the bus to the repair facility and ultimately back downstate to the company's storage lot.

Another questionable claim involved a 2009 International Krystal Bus Lux. The bus was operating in the Boston area and sustained minor body damage on the right side after striking a guard rail. Since no passengers were on the bus at the time, another bus was sent to Boston the next morning to enable the driver to continue his tour with passengers, while the damaged bus was driven back to the bus company's yard in Suffolk County. An independent appraiser, contracted by The Hartford Insurance Company, appraised the damage to the bus at \$12,301.05. The suspect appraisal company appraised the damage at \$53,362.12, a difference of \$41,061.07 for the same accident claim. The bus was repaired by the suspect repair facility that was collaborating with the suspect appraiser and was paid directly by The Hartford Insurance Company in the amount of \$53,362.12. A post-repair inspection of the bus was performed by an expert utilized by LIRCB and revealed that despite the repair facility being paid for the removal and installation of right side glass and complete interior installation, the glass had been masked off with tape during the refinishing process and never removed as stated in the appraisal. The inspection also revealed other alleged work that was paid for but not performed.

At the conclusion of LIRCB's investigation into the four questionable claims, a search warrant was executed at three locations utilized by a suspect appraisal company and suspect repair facility. During the arrest of the four individuals, it was learned that they would take pictures and email data and contents over their cellular telephones. As such, a piggyback warrant was executed for the cell phones. The four individual defendants and two corporate defendant indictments are still pending.

Another successful investigation and prosecution conducted by LIRCB involved a defendant who made numerous claims with Nationwide Insurance Company for prescription reimbursement under his no-fault benefits, although he also sought reimbursement from his regular insurance company for medical expenses. Nationwide paid \$23,721.61 in reimbursements to the defendant before the scam was revealed. The defendant pled guilty to grand larceny and agreed to pay Nationwide restitution in full during his five-year probationary sentence.

An investigation conducted by LIRCB involved a chiropractor who billed numerous insurance companies under both no-fault and workers compensation patient benefits since the target chiropractor accepted both types of claims. The investigation ultimately revealed that the target chiropractor was billing for services not rendered. The investigation was generated by referrals from the New York State Insurance Fund (NYSIF) and Liberty Mutual Insurance Company. In order to conduct the investigation, LIRCB obtained a pretext policy from NYSIF and sent an undercover investigator to receive treatment from the chiropractor. The chiropractor ultimately billed for 15 office visits when the undercover only had 11. As a result of that ghost billing, LIRCB executed a search warrant at the chiropractor's office in September 2012 and determined that the chiropractor also fraudulently billed for another patient. The chiropractor's case is still pending.

As a result of the successful investigations and prosecutions in 2012, the Suffolk County District Attorney's Office recovered \$182,735.57 for victims of motor vehicle theft and \$1,725,662.92 for victims of motor vehicle insurance fraud.

Section 3:

<b>2012 Grant Funded Motor Vehicle Theft Activity: SCDAO Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	5	Indictments	63
Misdemeanor Arrests Prosecuted	39	Misdemeanor Convictions	47
Felony Arrests Prosecuted	238	Felony Convictions	39
Confidential Informants Developed	6	Warrants Issued	10
# of MVT Cases Taken To Trial	1	# of MVT Cases Plea Bargained	72

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: SCDAO Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	13	Indictments	37
Misdemeanor Arrests Prosecuted	4	Misdemeanor Convictions	27
Felony Arrests Prosecuted	87	Felony Convictions	6
Confidential Informants Developed	1	Warrants Issued	5
# of MVIF Cases Taken to Trial	0	# of MVIF Cases Plea Bargained	44
Amount of Funds (Restitution) Provided to the Insurance Industry		\$1,725,662.92	

**Suffolk County Police Department – Vehicle Theft Section**

The SCPD Vehicle Theft Section (VTS) consists of a detective lieutenant, a detective sergeant and seven detectives. The Vehicle Theft Section is part of the Major Crimes Bureau of the police department and reports to the chief of detectives. The Vehicle Theft Section has primary investigative responsibility for auto and marine theft rings, auto and marine insurance frauds, odometer frauds, vehicle dismantlers and investigations involving the disposal of junk and salvage vehicles.

There was a slight decrease in vehicle thefts in the Suffolk County Police District in 2012, with 1,252 vehicles reported stolen, 94 vehicles less than in 2011. The vehicle recovery rate for 2012 was 75.8 percent..

**ENFORCEMENT STRATEGIES**

**Honda Civic Theft**

The Honda Civic remains the most frequently stolen vehicle in the Suffolk County Police District. The VTS uses several proven strategies to combat this theft trend, including speed shop and car meet inspection, confidential informant cultivation and the debriefing of prisoners. During 2012, detectives received information from an informant

about three individuals who had been stealing and stripping Honda Civics and Acura Integras. With the help of the informant, the three were eventually caught while in the act of stripping a Honda. When the individuals were debriefed, they confessed to other thefts.

### **Internet Sales Listings**

Detectives regularly monitor eBay, Craigslist and other websites selling vehicles, VIN kits, fraudulent registrations and parts, which has resulted in the recovery of several stolen vehicles, vehicle parts and fraudulent motor vehicle documents. In one case, detectives discovered an eBay business selling salvaged motorcycle parts. Numerous motorcycles were discovered at the vendor's physical location that were in the process of being dismantled, and the vendor was found to be unregistered with regard to vehicle dismantling. A search warrant was obtained and resulted in the arrest of the two owners and the recovery of six stolen motorcycles.

In another case, detectives responded to a Craigslist ad offering a vehicle identification number (VIN) tag and title for sale. When detectives arrived at the location, the subject offered to sell a VIN tag, title and a lien release letter to a 1977 Chevrolet Corvette for \$400. The deal was agreed upon, at which time the subject went over to the 1977 Corvette, drilled out the rivets attaching the VIN plate to the vehicle and removed it. He advised the detectives that they could go on Craigslist or eBay to purchase the proper rivets to reinstall the VIN to a new vehicle. The subject was arrested and charged with forgery of a VIN, illegal possession of a VIN and for being an unregistered vehicle dismantler.

### **Scrap Processor/Vehicle Dismantler Review**

During 2012, detectives continued oversight of the scrap processor and vehicle dismantler industries. More than 60 percent of vehicles stolen in the Suffolk County Police District are greater than eight model years-old and as such may be disposed of at junkyards. Scrap and junk vehicle investigations have frequently resulted in the discovery of stolen vehicles and subsequent arrests for grand larceny, criminal possession of stolen property, offering a false instrument for filing and unregistered vehicle collection. Interviews of defendants involved in this type of crime have shown that many are addicted to drugs and/or alcohol and find stealing and scrapping vehicles a fast and easy way to earn money to feed their addiction. In one case, detectives arrested two subjects who had disposed of 33 vehicles at two different scrap processors during one month's time; 18 of these vehicles were reported stolen. This is not uncommon in Suffolk County; in 2011, two individuals stole and scrapped 22 vehicles in 20 days. In another case, detectives discovered that the owner of a vehicle had it scrapped, then reported it stolen and filed an insurance claim. The suspect was arrested and charged with grand larceny, -insurance fraud, offering a false instrument for filing and being an unregistered itinerant vehicle collector.

### **Joint Investigations**

During 2012, detectives conducted a joint investigation with Nassau County Police Department, NICB and NYS DMV. Detectives received information from a confidential informant concerning a fence residing in Freeport (Nassau County) who was purchasing recently stolen tires and wheels from Suffolk and Nassau County dealerships and selling them on eBay, Craigslist, and other websites. After conducting surveillance of the location, detectives were able to obtain a search warrant. Upon execution of the search warrant, detectives recovered 92 wheels and tires, three defaced airbags, five dashboards with public VINs attached, parts of a disassembled stolen Honda Civic, a disassembled Mercedes Benz, assorted tools, two computers and documentation of an illegal business from the basement of the house. The defendant was arrested and processed by Nassau County Auto Squad Detectives. He was charged with three counts of criminal possession of stolen property in the third and fourth degrees and illegal possession of a VIN.

Detectives routinely work with NYS DMV investigators regarding unregistered dealerships. The owners of a roadside used car lot were using the license of a used car dealer without his knowledge. Upon further investigation, it was learned that the two owners of the lot were running a scam in which a vehicle would be purchased from a used car dealer and paid for with a business check that would then have a stop payment put on it. The vehicle would then be sold to a customer using another dealer's information. Upon responding to the location, eight vehicles were seized along with the fictitious paperwork from prior car sales. The two owners were arrested.

### **Insurance Fraud Investigation**

Detectives continue to investigate a family involved in more than 120 separate insurance frauds. The case is finally coming to an end and numerous arrests are imminent. In one case, detectives received information from LoJack and the NYPD in reference to a 2003 Mercedes Benz CL55 AMG. The vehicle was in the driveway of a home in Brooklyn with a car cover on it. NYPD Auto Squad learned that the vehicle was reported stolen in Suffolk County and contacted the Vehicle Theft Section for assistance. Detectives responded to the location in Brooklyn and after interviewing the homeowner, discovered that the vehicle had been dropped off by its owner prior to the reported theft in order to commit an insurance fraud. The vehicle owner was arrested and charged with attempted insurance fraud in the third degree and falsely reporting an incident. The arrestee had no knowledge that his vehicle had LoJack and when it was reported stolen, the LoJack system automatically turned on, ruining his plans for a large insurance payout.

In a case currently being investigated, detectives are looking into a claim involving a \$160,000 high-end Audi sports car. The owner reported that on two separate occasions, he had parked his vehicle only to return to find both doors removed. The replacement doors to this vehicle cost \$40,000 each and have to be ordered directly from the manufacturer. An inquiry to Audi revealed that replacement doors for this vehicle had never been shipped to the United States. The vehicle has been recovered and upon inspection of both doors, it was discovered that the original doors are still on the vehicle. The subject will be arrested when he returns to New York.

2012 Grant Funded Motor Vehicle Theft Activity: Snapshot			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	401	Reported MV Thefts	1,252
Misdemeanor Arrests	45	Recovered Stolen MVs	949
Felony Arrests	254	Value of Recovered Stolen MVs	\$400,800
Confidential Informants Developed	0	Number of "Owner Give-Ups" Identified	1

2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	66	Motor Vehicle Accidents Responded To	
Misdemeanor Arrests	0	Number of Accident Claims Cancelled Due to Law Enforcement Investigation Initiation	5
Felony Arrests	15		
Confidential Informants Developed	1		

**Westchester County Office of the District Attorney**

The Westchester County District Attorney's Auto Crimes Unit was created in 1998 in response to a need for a centralized unit dedicated to the investigation and prosecution of auto theft and auto insurance fraud on a countywide level. Previously, law enforcement efforts to resolve those problems in Westchester County were uncoordinated and piecemeal at best. Arrests were usually limited to those made as a result of the initiative of individual police officers on patrol and occasionally in follow-up investigations. With the creation and subsequent expansion of the District Attorney's Auto Crimes Unit, a full-time investigative and prosecutorial unit consisting of two Assistant District Attorneys and a police investigator filled the void.

The statistics regarding auto crime in Westchester County reveal that through aggressive investigation and prosecution, the Westchester County Auto Crimes Unit has truly made a difference. Since the unit's creation, auto theft has been reduced by more than 80 percent between 1997 (4,130 steals) and 2011 (769 steals). The latest official statistics rank Westchester County ninth in the state, with 769 vehicles reported stolen in 2011, an uptick from the 657 reported stolen in 2010, but a reduction from 898 vehicles reported stolen in 2009. In fact, with the exception of 2009 and 2011, the number of steals has dropped significantly every year since the inception of the Unit in 1998.

During 2012, the Auto Crimes Unit (ACU) continued to focus on the southern portions of Westchester County which account for the majority of the county's auto crime. Early in the year, the ACU, working jointly with New York State Police (NYSP) and the Mount Vernon Police Department, investigated a chop shop in Mount Vernon. A search warrant was executed and a recently stolen BMW, which was in the process of having its stolen engine removed and placed in a different BMW, was recovered. The shop owner and the person removing the stolen engine were arrested and charged with criminal possession of stolen property in the third degree. Additionally, a BMW was

recovered that had been reported totaled in an arson in New Jersey. New Jersey authorities and the insurance company that had paid out on the claim were notified.

Also during the early portion of 2012, the ACU continued to assist the NYSP and the Queens District Attorney's Office on an eavesdropping investigation regarding auto theft exports from the New York metropolitan area, including from Westchester County. The ACU continued to work with the Yonkers Police Department regarding individuals involved in creating fraudulent auto-related paperwork. The Unit furthered current auto prosecutions and worked with Yonkers PD on the increased theft of motorcycles in the city. Some of these investigations entail the use of court orders to obtain cell site usage records of suspects' cellular telephones. Additionally, the ACU investigator assisted the NYSP and the Bedford Police Department concerning the investigation of an arson of a stolen vehicle from New Jersey. The ACU also assisted the NYSP on an investigation into a tractor trailer stolen in Mamaroneck and found in an I-87 rest area.

During 2012, the ACU continued to assist DMV investigators regarding the procurement, use and possession of fraudulent driver's licenses. The ACU continues to attempt to develop additional informants with our policy of holding all defendants "as charged" who have been arrested for felony auto theft where there is sufficient proof of guilt, and by looking at individuals arrested for other crimes who have a background involving automobiles from their work experiences.

In 2012, the ACU concluded several joint long-term investigations into motor vehicle-related insurance fraud. During the first quarter of 2012, the ACU continued its joint investigation with the NYSP, IFB and NICB into damage enhancement at auto body shops in Westchester County. Several search warrants were executed at the shops under investigation, one in Bedford and one in Mount Vernon. The owner of each shop was arrested and charged with committing felony insurance fraud and other related charges. Follow-up investigation uncovered that the Bedford shop had worked on several NYSP marked vehicles and charged for work that was never done. As a result, additional felony insurance fraud charges were filed against the shop owner. Additionally, the ACU concluded its joint medical mill investigation with the NYSP, IFB and NICB. As the mill's small Westchester operation had ceased and all investigative leads had been pursued and exhausted, the investigation resulted in no arrests. Finally, the ACU has been conducting an investigation into an alleged owner give-up of a vehicle in New Rochelle.

<b>Westchester County Office of the District Attorney: MVTIF Crime Statistics 2012</b>			
<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
Performance Measure	Total	Performance Measure	Total
Investigations Initiated	7	Indictments	3/ 10-SCI
Misdemeanor Arrests Prosecuted	9	Misdemeanor Convictions	34
Felony Arrests Prosecuted	70	Felony Convictions	9
Confidential Informants Developed	2	Warrants Issued	10
Number of MVT Cases Taken to Trial	2	Number of MVT Cases Plea Bargained	51

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	5	Indictments	0
Misdemeanor Arrests Prosecuted	0	Misdemeanor Convictions	1
Felony Arrests Prosecuted	4	Felony Convictions	0
Confidential Informants Developed	1	Warrants Issued	12
Number of MVIF Cases Taken to Trial	0	Number of MVIF Cases Plea Bargained	1
Amount of Funds (Restitution) Provided to the Insurance Industry		\$0	

## **Yonkers Police Department**

The Yonkers Police Department's Auto Crime Unit works out of the agency's Intelligence Unit. Due in part to the efforts of the Auto Crime Unit, the number of reported auto thefts in Yonkers hit a historic low of 244 in 2010. It rose slightly to 298 in 2011, but went back down again to 231 in 2012, the lowest point in more than thirty years and possibly ever. The number of thefts has decreased more than 90 percent since 1990.

During 2012, the Yonkers Police Department Auto Crime Unit began 135 auto theft and auto-related fraud investigations and continued several others from the previous year.

Throughout the years the department has been working on auto theft, the climate has changed in Yonkers, whose close proximity to New York City and easy access to highways had made it a prime target of car thieves. Thieves are now, as reported on blogs and through confidential informants, afraid to come to Yonkers, particularly with cars that have been pieced together with stolen parts or with an eye to steal and strip down a car. Numerous chop shops have been shut down during the past decade and have not returned to the area, at least not in permanent locations. Those that have set up shop are best described as fly-by-night operations and try locations under bridges or abandoned garages or lots. They are quickly arrested or forced to flee.

A current trend that has existed for several years is the theft of motorcycles and cars that get shipped through the Dominican Republic to other countries. This practice has recently started to spread through some western African countries and former Eastern Bloc countries. Another new trend is the theft of construction vehicles that ultimately end up in Haiti. Whole vehicles disappear from the street and end up there intact, no doubt to be utilized in rebuilding Port-au-Prince. The Yonkers Auto Crime Unit worked with several jurisdictions, particularly New York City and the State Police, on these kinds of cases in 2012.

Also continuing for several years now are fly-by-night operators who set up "dealerships" of used cars in various empty lots, collect money for cars, then flee with the cars. Sometimes the cars were previously stolen and the new "owner" loses the car. Investigations of high-end stolen cars are still on the increase. Real car dealerships are still being targeted by car thieves. It is suspected that one ring is responsible for the

theft of about 20 cars in 2012. This investigation continues, with five cars recovered and arrests pending. Arrests have been made in these kinds of crimes, which are very lucrative and relatively low-risk. By their nature, these operations are run by theft rings or those with connections to other criminals so it is easier for them to train and start-up businesses with new people when others are arrested. Since they are non-violent crimes, jail sentences also tend to be low. The Yonkers PD has arrested the same people more than once after they have served time. This kind of situation also occurs in fraud cases.

The current trends in auto-related fraud include multiple methods of perpetrating insurance fraud, such as falsely reporting a car stolen, staging accidents to feed medical mills or staging accidents or enhancing damage to vehicles by a body shop or owner and collecting insurance. These types of frauds have also not changed much over the last several years. In 2010, a major staged accident case was investigated with the FBI and U.S. Postal Service. This case continued into 2012, with nine arrests made in 2011 and 2012. Additional suspects remain under investigation.

Another group investigated by the Yonkers Auto Crime Unit would stage and file accident claims on the same cars over and over, collecting small sums each time. The suspects in these cases are almost always recent immigrants to the country. They take all the risks for their ring leaders, sometimes getting genuinely hurt in the staged accidents. Every person who reports a stolen auto in Yonkers is required to sign a sworn statement as to the veracity of the report. A Yonkers detective personally reviews all stolen auto reports and, on two occasions in 2012, insurance claims were withdrawn following interviews with the owners about their recovered, burned out cars. While no arrests were made in these cases due to lack of evidence, no insurance money was collected.

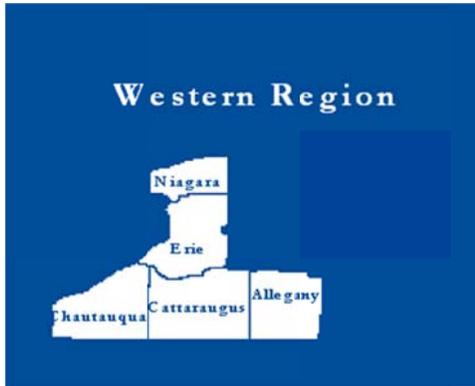
Other fraud trends involve numerous cases of fraudulent documents that were investigated by the Auto Theft Unit in 2012.. Cases of fake identification cards, bad checks, bad plates, bogus licenses and registrations and other counterfeit documents seemingly have no end in sight. Every year, new ways of producing and distributing these documents arise. The Internet is now used extensively in this kind of crime. Bogus dealer plates being sold and rented on Craigslist continues, particularly coming out of North Carolina, Delaware and, this year, New Jersey and Indiana. A Yonkers detective continues to instruct patrol officers and other detectives, repair shops and dealerships on how to detect fraudulent documents.

The Unit worked closely on cases with these agencies during 2012:

Putnam County Sheriff	Waterbury, CT PD
FBI	
DEA	New York State Police
U.S. Postal Service	Suffolk County PD
U.S. Customs	Delaware State PD
NICB	Nassau County PD
NYS IG	White Plains PD
NY Insurance Fraud Bureau	NYPD Auto Theft Unit
Dept. of Motor Vehicles	Westchester DA
Texas State Police	Ohio State Police
Miami, FL PD	
Bronx DA	

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	67	Reported MV Thefts	231
Misdemeanor Arrests	2	Recovered Stolen MVs	160
Felony Arrests	20	Value of Recovered Stolen MVs	174,864
Confidential Informants Developed	9	Number of "Owner Give-Ups" Identified	2

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	68	Motor Vehicle Accidents Responded To	3,876
Misdemeanor Arrests	4	Number of Accident Claims Cancelled Due to Law Enforcement Investigation Initiation	2
Felony Arrests	19		
Confidential Informants Developed	5		



## ***Western Region***

Buffalo City Police Department  
Cheektowaga Town Police Department  
Erie County Office of the District Attorney  
Niagara County Office of the District Attorney  
Niagara County Sheriff's Office  
Niagara Falls City Police Department

### **Buffalo City Police Department**

The Buffalo Police Department's auto theft detective assigned to working the grant recovered a total of \$586,368 in stolen vehicles and parts in 2012. There were eight misdemeanor arrests and 16 felony arrests for motor vehicle activity in addition to four misdemeanor arrests and eight felony arrests for insurance fraud. Preliminary data indicate that the number of recovered stolen motor vehicles was up by close to 5 percent and that there was a 0.49 percent decrease in the number of stolen vehicles.

Over the last two years, the BPD detective has worked the case of "DF", who was convicted of various crimes in relation to his automobile rental, repossession, storage and towing business. A second conviction for this suspect took place in August 2012, whereby he was sentenced to four years in prison for wire fraud and was ordered to pay \$630,000 in restitution. This sentence will be served following the three-and-a-half- to seven-year New York State sentence "DF" is currently serving following his conviction on charges of possession of a forged instrument and attempted grand larceny. The most recent sentencing is the result of an investigation by the Buffalo Police Department, the New York State Department of Motor Vehicles, the New York State Department of Taxation and Finance Criminal Investigations Division, the New York State Department of Financial Services Criminal Investigations Division and the Federal Bureau of Investigation.

Buffalo Police has continued with its efforts in combating insurance frauds by having all complainants interviewed concerning any vehicle fires. This year, Buffalo Police and Fire have been advised by many insurance companies that many complainants, after these intensive interviews, have either pulled their claims or admitted to falsely reporting the theft of their own vehicle. There was a 23.5 percent decrease in the number of incendiary auto fires (insurance fraud, revenge, intentional) in 2012.

Buffalo's auto theft detective worked a case originally investigated by the state Attorney General's Office of Consumer Affairs and subsequently referred to Buffalo PD. During the course of the investigation, it was determined that the suspect sold a 2001 Oldsmobile Aurora to three individuals, one of whom was paid by an insurance company after the vehicle was damaged in an accident. The complainant and another

individual had made cash deposits on this vehicle. The Oldsmobile was then located at an area auto parts yard. Statements were taken from complainants in the investigation and the suspect was charged with 155.30-1 (grand larceny in the fourth degree).

A business on Fillmore Ave. reported to police that after an internal investigation, it discovered a larceny of more than \$100,000 in construction equipment. The investigation was referred from Buffalo Police A District officers to the auto theft detective. During the course of the investigation, two employees were interviewed. Both employees admitted to actually removing more than \$200,000 in construction equipment from this company over a six-year period. The National Insurance Crime Bureau assisted in the identification of equipment, all of which was recovered. This case was reviewed by the Erie County District Attorney's Office. Charges are pending against one defendant (155.40: grand larceny in the second degree) and in October, the second defendant was arrested for 165.50 (criminal possession of stolen property in the third degree) after a grand jury indictment.

Another major case involved a "cloned" vehicle investigation. In January, the National Insurance Crime Bureau developed information about a cloned 2011 Acura TSX. Analysts for NICB examining CARCO pictures noted discrepancies in the front appearance of the vehicle identification number located on the Federal Certification Label. Investigators supplied Buffalo's Crime Analysis Center, housed in Buffalo Police headquarters, with the registration information and the center queried Buffalo's license plate reader database to locate the vehicle. Through that information, investigators set up surveillance at locations in Buffalo's C and E Districts. An additional address outside Buffalo was identified and New York State Police conducted surveillance at that location. In late March 2012, while conducting surveillance, investigators were able to photograph the vehicle, which eventually led to the determination that the car was a clone of an actual car in the state of Washington. A special agent from the NICB conducted a search of stolen 2011 Acuras. A match was found for a 2011 Acura TSX that was stolen in DeKalb, Georgia during an armed carjacking on August 12, 2011. Further information revealed that the stolen Georgia Acura was purchased and serviced at a dealership in Newport News, Virginia. In April, 2012, the vehicle was seized from a suspect by New York State Police, Buffalo Police and NICB.

On April 6, 2012, NICB identified an additional altered Federal Certification label photograph in a CARCO report for a 2011 Cadillac Escalade. The vehicle was registered with a dealer's assignment plate to an auto sales place in Buffalo. On April 30, after a week of surveillance, the vehicle was seized by Cheektowaga Police, Buffalo Police, New York State Police and NICB and identified as a 2008 Cadillac Escalade stolen in Plantation, Florida.

During these cloned vehicle investigations, some common leads were developed. A counterfeit Georgia title was used to obtain a New York title for the cloned 2011 Acura TSX. The 2008 Cadillac Escalade had a counterfeit VIN. The VIN was not manufactured by Cadillac and the check digit did not conform. At the time of seizure, the

alleged owner produced a Georgia title. The Georgia title was genuine, but was one of 12,000 blank Georgia titles stolen from the Georgia Department of Revenue in 2007.

The New York suspects had both the Acura and Cadillac vehicles safety inspected in New York as 2011 models. At the times of inspection, 2011 models were exempt from emission testing. Emission testing requires connection through the OBDII terminal, which scans the engine control module (ECM) for the proper vehicle identification number (VIN). If the actual 2010 Acura and 2008 Cadillac were connected for emission testing, the true VINs may have been discovered. During the NICB examination of both recovered vehicles, the true VINs were obtained from the ECMs.

Some insurance fraud investigations conducted in Buffalo included:

An Arden Street resident reported that his classic 1977 Buick Electra was taken from his residence. Acting upon a tip provided to the insurance carrier through NICB, investigators went to a location in another part of the city. An interview was conducted with the resident and permission was granted to search the garage at this location. The original complainant was then called to the scene regarding the recovery and admitted to investigators that he was attempting to collect insurance funds for his vehicle. The suspect explained that he had defaulted on a loan to a loan shark and needed the money to pay off his debt. Charges were filed for insurance fraud, attempted grand larceny and falsely reporting an incident. To date, investigators are trying to locate this subject with the assistance of New York State Police and the New York State Insurance Frauds Bureau.

In the city's Kaiser Town area, a resident reported that his vehicle was taken from in front of his residence early one morning after he went to retrieve his newly purchased laptop. An employee from Nationwide Insurance received a referral after a Carfax report indicated that the vehicle was scrapped at an area salvage yard, one week prior to the reported theft. Personnel from the scrap facility were interviewed by police. A cell phone number listed for the resident who reported this theft was given to the Buffalo Police auto theft detective by the scrap yard, which listed this resident as the owner who authorized the sale to the scrap yard. The resident was then interviewed and gave investigators an initial false statement. After being confronted with the scrap records, he admitted to selling his vehicle for scrap to collect insurance funds. The subject was charged with 176.20 (insurance fraud in the third degree); 155.35 (grand larceny in the third Degree); and 240.50-3 (falsely reporting an incident in the third degree). Other law enforcement agencies assisting with this investigation were the New York State Insurance Frauds Bureau, the National Insurance Crime Bureau and Nationwide Insurance Special Investigations Unit.

Buffalo's General Investigation Unit (GIU) detective worked some investigations with the Buffalo Fire Marshal's Office to look into 24 vehicle arsons that resulted in \$45,500 in damages. As a result of the various interview processes and investigation, three individuals were arrested.

**SECTION III – SNAPSHOT OF 2012: Chart of Performance Measures**

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot: Buffalo Police</b>			
<b><i>Performance Measure</i></b>	<b><i>Total</i></b>	<b><i>Performance Measure</i></b>	<b><i>Total</i></b>
Investigations Initiated	19	Reported MV Thefts	1,226*
Misdemeanor Arrests	8	Recovered Stolen MVs	959*
Felony Arrests	16	Value of Recovered Stolen MVs	\$8,740,443*
Confidential Informants Developed	1	Number of "Owner Give-Ups" Identified	6
*Based on Preliminary Information – December 2012 Report Not Due Out Until End of January – All improvements over last year's annual figures!			

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot: Buffalo Police</b>			
<b><i>Performance Measure</i></b>	<b><i>Total</i></b>	<b><i>Performance Measure</i></b>	<b><i>Total</i></b>
Investigations Initiated	51	Motor Vehicle Accidents Responded To	N/A
Misdemeanor Arrests	4	Number of Accident Claims Cancelled Due to Law Enforcement Investigation Initiation	N/A
Felony Arrests	8		
Confidential Informants Developed	1		

**Cheektowaga Town Police Department**

10 of the police department's 19 detectives are utilized to participate in the Motor Vehicle Theft & Insurance Fraud Program. However, only one is assigned to the department's Auto Theft Squad on a regular basis.

The efforts for this time period focused heavily on the investigation of auto theft, insurance fraud, and motorcycles, particularly those with switched Vehicle Identification Numbers (VINs). Field efforts consisted of a three-pronged approach:

- Surveillance of known or suspected chop shops in the Greater Buffalo area; surveillance of "hot spots" for motor vehicle thefts and larcenies, such as Walden Galleria and area strip plazas during the shopping season; and of areas where a pattern of motor vehicle thefts and larcenies was occurring.
- Collection of Evidence – Two detectives have received extensive training in fingerprint identification, photography, evidence processing and DNA recovery. The majority of their efforts while assigned to the grant are focused on processing evidence related to motor vehicle theft.
- Information sharing – The primary detective makes every effort to share information developed with other police agencies in the area as well as within the department. He accomplishes this through interacting and collaborating with agencies including: Buffalo Police Department's Auto Theft Squad; Erie County Sheriff's Office; New York State Police; Lancaster Police; Amherst Police; West Seneca Police; Erie County District Attorney's Office; New York State Insurance Fraud Bureau; New York State Department of Motor Vehicles; New York State Department of Homeland Security and Emergency Services; United States Border Patrol, National Insurance Crime Bureau and insurance representatives from Traveler's, Progressive, and Merchant's Mutual. The detective attends crime meetings on a regular basis including with representatives from the

agencies listed above. The grant also utilizes reports and analysis provided by a police officer assigned to the Erie County Crime Analysis Center.

The detectives assigned to the grant also devoted time to attending area festivals that are known to be a haven for stolen auto parts, vehicles and switched VINs. These venues included Dunn Tire Park Speedway (Lancaster); Shredd & Regan Cruise Night (North Tonawanda); Gus Macker Basketball Tournament, Juneteenth Festival and Italian Festival (Buffalo). The intelligence gathered at these events provided tangible information that could be passed on to area police agencies to take action.

Participation in the Unauthorized Use of a Vehicle Task Force is an integral part of the Department's overall plan. Information sharing with this group, coupled with continued networking with the Buffalo Police Department, is invaluable in keeping detectives informed regarding suspects and trends.

### **Motor Vehicle Theft & Insurance Fraud Activity for 2012**

- **January**
  - Two joint investigations with Traveler's Insurance Company led to the "victims" pulling their claims, saving payouts of \$12,000.00 and \$1,559.00
  - Assisted the NYS Department of Transportation (DOT) with the examination of three trailers
- **February**
  - Joint investigation with NICB led to the recovery of a stolen snowmobile trailer
  - Assisted the FBI and NYS Attorney General with the examination of 48 pieces of heavy equipment
  - Arrest for possessing a forged inspection sticker
  - Instructed police recruits on switched VINs
  - Attended the Motor Vehicle Theft Group meeting in Rochester
- **March**
  - Joint investigation with NYS DMV led to recovery of a stolen vehicle
  - Assisted the FBI with the examination of eight vehicles
  - Joint investigation with NYS DMV led to an arrest for a forged registration sticker
  - Trained patrol and detectives on switched motorcycle VIN indicators
- **April**
  - Attended the Statewide Advisory Work Group Meeting in Albany
  - Joint investigation with Buffalo PD of an auto parts shop in Cheektowaga led to recovery of a stolen engine
  - Joint investigation with Buffalo PD Auto Theft and NICB led to recovery of a cloned vehicle from Florida
- **May**
  - Instructed officers from the Kenmore Police Department on switched VINs on motorcycles
  - Attended the IAATI seminar in Lancaster, PA
  - Recovered a stolen ATV from Buffalo

- Vehicle stop led to and arrest for a forged VIN plate
- **June**
  - Attended the Gus Macker Tournament in Buffalo, leading to the examination of 31 vehicles and the identification of a cloned Hummer
  - Attendance at the Juneteenth Festival in Buffalo led to the examination of 23 cars, 34 motorcycles and 2 trailers; intelligence forwarded to Buffalo Auto Theft Squad for pertinent follow-up
  - Attendance at Cruise Night in North Tonawanda led to the examination of 67 cars, 102 motorcycles, and one boat; two motorcycles with switched VINs identified
- **July**
  - Assisted NYSP in Operation Side Saddle; led to examination of 12 motorcycles
  - Attendance at the Italian Festival in Buffalo led to the examination of 17 cars and 13 motorcycles
- **August**
  - Assisted patrol at a traffic checkpoint examining 88 cars and 23 motorcycles
  - Attendance at Dunn Tire Speedway in Lancaster led to the examination of 67 cars and 173 motorcycles; two switched VINs identified and intelligence provided to Tonawanda Police
  - Assisted in a joint traffic checkpoint with Buffalo PD and examined 181 cars and seven motorcycles
  - Joint investigation with NYS DOT examining three trailers
- **September**
  - Attendance at the Shredd & Regan Cruise Night in North Tonawanda led to the examination of 137 cars and 45 motorcycles
  - Attended Puerto Rican Festival in Buffalo; assisted Buffalo Auto Theft Squad in gaining intelligence on stolen vehicles and switched VINs
  - Instructed recruits at the Erie County Central Police Services Academy on Penal Law sections related to auto theft
- **October**
  - Assisted patrol in arrest for stolen trailer
  - Assisted Niagara County Sheriff's Office in attempting to recover stolen vehicles on Tuscarora Indian Reservation
- **November**
  - Joint investigation with NFTA Police and Hertz Rental regarding missing and/orstolen vehicles
  - Made an arrest for possession of a forged title
- **December**
  - Heavy concentration and surveillance in area shopping centers during holiday shopping season
  - Investigation of stolen vehicle led to recovery, saving a payout by Progressive Insurance Company of \$10,422
  - Joint investigation with Merchant's Mutual Insurance Company led to a claim denial and savings of \$38,400

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	76	Reported MV Thefts	92
Misdemeanor Arrests	18	Recovered Stolen MVs	27
Felony Arrests	18	Value of Recovered Stolen MVs	\$246,000.00
Confidential Informants Developed	1	Number of "Owner Give-ups" Identified	19

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	5	Motor Vehicle Accidents Responded To	21
Misdemeanor Arrests	0	Number of Accident Claims Cancelled Due to Law Enforcement Investigation Initiation	1
Felony Arrests	0		
Confidential Informants Developed	0		



**Cloned Vehicle from Florida**



**Forged VIN Plate**

**Erie County Office of the District Attorney**

The Motor Vehicle Theft and Insurance Fraud Unit is a unit of the Special Investigations Bureau of the Erie County District Attorney's Office. The unit is comprised of one assistant district attorney. The ADA works very closely with detectives from the Buffalo and Cheektowaga police departments. The ADA also meets with various law enforcement agencies throughout the area to collaborate on ongoing investigations. The ADA vertically prosecutes the more serious motor vehicle theft crimes as well as all of the insurance fraud cases in Erie County.

Owner give-ups are the most frequent type of MVTIF crime encountered by the office, a trend that continued in 2012. Also, convictions were obtained in two cases in which the owners committed the arsons personally.

In the first case, a woman was convicted of a attempted arson in the third degree and insurance fraud in the fourth degree. She was caught on the security video of a nearby business and seen parking her Jeep down the street, getting out along with another person and standing on each side of the vehicle as a huge fireball engulfed it. She then walked away from the fire and directly toward the security camera, thereby

providing an excellent photo to identify her from. An interesting aspect of this case is that the fraudulent insurance act element was established by a telephone interview of the defendant by the State Farm Special Investigations Unit, in which the defendant was advised at the outset that it would be used to create a written statement. This will become an increasingly significant issue, as some insurance companies have stopped using written affidavits of theft in favor of transcribed telephone interviews.

In another case, an individual tried to burn his van behind a building but fortunately, the fire was oxygen starved and put itself out without the need for the fire department to respond. It was discovered when a neighbor called the police because the van appeared to have been abandoned. The defendant pled to two E felonies: insurance fraud in the fourth degree and attempted grand larceny in the third degree.

Convictions for insurance fraud in the fifth degree and attempted grand larceny in the fourth degree were obtained against an individual who hid his pickup truck and snowplow, reported them stolen and filed an insurance claim. In addition to the convictions, the defendant paid \$6771.80 in restitution to Encompass Insurance Co. In another case, the owner paid a neighbor to scrap his car and then reported it stolen for the insurance. He pled to insurance fraud in the fifth degree. Convictions were also obtained for offering a false instrument for filing in the second degree and falsely reporting an incident in the third degree for cases in which the owners arranged for their cars to be taken but denied any knowledge that an arson would be committed.

Cases involving fraudulent documents continued to be an active area of prosecution. A man created a fraudulent lien release which he then used to sell his truck that he was behind on the payments for. He was indicted on counts of grand larceny in the third degree, criminal possession of a forged instrument in the second degree and offering a false instrument for filing in the first degree. The defendant pled to the entire indictment and made restitution of \$6089.23 to the credit union that held the lien.

The owner of a used car business falsified more than 100 MV-50 forms on car sales to show a wholesale transaction rather than retail. In so doing, the owner stole more than \$80,000 in sales tax and also possessed two counterfeit dealer license plates. He pled to two D felonies, criminal possession of a forged instrument in the second degree and grand larceny in the third degree. A Confession of Judgment for the amount of tax owed was issued against the defendant. This case was investigated in conjunction with the NYS Department of Taxation and Finance (DTF). This individual's brother, an attorney, was also convicted of a felony in 2012 and was disbarred as a result.

Another joint investigation with NYS DTF resulted in a plea to falsifying business records in the first degree and grand larceny in the third degree by the de facto owner of Chrome Motors, who convinced his girlfriend's elderly and infirm father to put the business in his name. The defendant then falsified the sale prices on MV-50s in order

to steal nearly \$40,000 in sales tax. A Confession of Judgment for the amount of sales tax owed was issued against him.

The office obtained a felony plea from the remaining defendant in a large scale investigation involving the forgery of NYS DOT Overweight Permits by a trucking company. This individual, who previously pled to the D felony of criminal possession of a forged instrument in the second degree in Erie and Niagara counties as a result of this investigation, provided information about how the permits were created. This information and a forensic analysis of the computers seized in the search warrant allowed the office to prove that a former employee was instrumental in creating the fraudulent permits. The employee pled to attempted criminal possession of a forged instrument in the second degree, an E felony.

Another successful prosecution involved the theft of heavy machinery from a scrap metal recycling business. The head of maintenance for the Buffalo location of the company took home various items, including a crane, forklift, paver and a trailer among other things. The defendant was indicted for criminal possession of stolen property in the third degree, a D felony, and pled guilty to the indictment. Another employee was doing the same thing, and heavy equipment was located at his home in Lockport in Niagara County. The second target also confessed and the matter was referred to the Niagara County District Attorney's Office for prosecution.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	30	Indictments	2
Misdemeanor Arrests Prosecuted	347	Misdemeanor Convictions	42
Felony Arrests Prosecuted	13	Felony Convictions	9
Confidential Informants Developed	1	Warrants Issued	4
Number of MVT Cases Taken to Trial	0	Number of MVT Cases Plea Bargained	51

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	14	Indictments	2
Misdemeanor Arrests Prosecuted	0	Misdemeanor Convictions	5
Felony Arrests Prosecuted	6	Felony Convictions	5
Confidential Informants Developed	0	Warrants Issued	2
Number of MVIF Cases Taken to Trial	0	Number of MVIF Cases Plea Bargained	10
Amount of Funds (Restitution) Provided to the Insurance Industry		\$9,383	

## **Niagara County Office of the District Attorney**

### **Niagara County District Attorney's Office**

The Niagara County District Attorney's Office has a specific unit dedicated to the investigation and prosecution of Motor Vehicle Theft and Insurance Fraud that consists of one full-time criminal investigator and one full-time assistant district attorney. The

District Attorney's Office also provides office space to the New York State Insurance Fraud Bureau for an investigator who works very closely with the District Attorney's Motor Vehicle Theft and Insurance Fraud Unit.

## **2012 Activity**

During 2012, some of the largest cases that the Niagara County District Attorney's Office was involved in are outlined below:

- An individual was arrested six times within a one-week period for breaking into vehicles within several jurisdictions. The DA's Motor Vehicle Theft and Insurance Fraud Prevention (MVTIFP) Unit was able to connect all of the cases and prosecute them together with a previous burglary arrest. The defendant agreed to a plea via superior court information to grand larceny in the fourth degree, an E felony, and auto stripping in the third degree, an A misdemeanor. Just prior to sentencing, the defendant fired his attorney and after several failed attempts to get the charges reduced, he went through with the plea and was sentenced as a second felony offender, receiving a sentence of one-and-a-third to three years at Willard Drug Treatment Center.
- A person was arrested following a ten-month investigation for switching VIN and license plate numbers on a Corvette and filing false instruments with the New York State Department of Motor Vehicles. This investigation involved multiple state agencies and law enforcement agencies in Nevada and Alabama. The vehicle had been presented and sold with a fraudulent replacement VIN plate as a high-end collector vehicle. The arrest of this individual was made ten days before the statute of limitations expired on a portion of the applicable charges. He was arrested on charges of grand larceny in the third degree, a D felony; possession of a forged instrument in the second degree, also a D felony; altering a VIN, removing a VIN from a motor vehicle and offering a false instrument for filing, all E felonies. He ultimately paid \$50,000 in restitution to the current owner and received an ACD. He had no prior criminal record. The victim approved of the resolution and was made whole.
- While employed at a junk yard, a defendant stole the title and VIN from a junked car and placed them on another vehicle he had stolen from the junk yard. He has a history of auto-related thefts and other crimes. After a multi-agency investigation, he was arrested and charged with five E felonies, two misdemeanors and seven VTL violations. He pled via superior court information to altering a VIN, an E felony, auto stripping in the third degree and unauthorized use of a vehicle, made \$2,700 restitution to his employer and was placed in a diversion program. He is facing four years in prison should he fail to complete his program.
- A man caught breaking into a vehicle was tied to seven other vehicle-related larcenies and criminal mischief. He was indicted on a charge of burglary in the

third degree, a D felony, and three misdemeanor charges of auto stripping in the third degree, criminal mischief and petit larceny. He pled to burglary in the third degree and auto stripping in the third degree and was placed in Drug Court. After several sanctions, absconding from the program for nine months and another vehicle larceny-related arrest, his drug counselors wanted to reinstate him to Drug Court. The District Attorney's Office objected and in November, he was sentenced to three- and-a- half to seven years in prison.

- Three individuals were found on the Tuscarora Indian Reservation stripping a stolen vehicle. All of the suspects fled, but one was apprehended. This individual has been developed into a confidential informant who wore a wire to obtain information from the other two suspects, one of whom is also being developed into a confidential informant. Other individuals are being targeted in this investigation.
- An individual who was one of the most prolific auto crime-related thieves in Niagara Falls was also responsible for a string of vehicle larcenies and home burglaries spanning the county, however, there was little physical evidence to prove this. He was finally caught after one of these break-ins and through investigations conducted by the District Attorney's MVTIFP Unit, all of the crimes were connected and he was prosecuted accordingly. He was arrested and charged with a total of 23 charges including multiple counts of burglary in the second degree burglary in the third degree, criminal mischief in the second degree grand larceny in the fourth degree and various other felonies, misdemeanors and VTL violations. He pled to burglary in the third degree and criminal possession of stolen property in the fourth degree and was sentenced to three-and-a-half to seven years in prison.
- A prolific motor vehicle-related thief in Lockport pled to burglary in the third degree and is facing three-and-a-a-half to seven years in state prison.
- A person who claimed physical injury from a car accident was receiving lost wages benefits upon his submittal of prescriptions obtained from his doctor each month stating "no work order". He would fax the prescription to the insurance company. After six months, he stopped going to the doctor and altered the prescriptions for the next five months. He went back to the doctor and received three more months of excuses and again proceeded to alter the prescriptions and submit them to receive lost wage benefits. He was charged with 11 counts of possession of a forged instrument in the second degree, a D felony, insurance fraud in the fourth degree and grand larceny in the fourth degree, both E felonies. He pled to one count of insurance fraud in the fourth degree, was ordered to pay \$14,969 in restitution to State Farm Insurance and was sentenced to five years probation.
- A woman conspired with her boyfriend to have her vehicle stolen and then burned. She filed an insurance claim for the theft of the vehicle which was

ultimately denied as a result of the investigation. Both parties were arrested. She was charged with insurance fraud in the third degree, grand larceny in the third degree, and offering a false instrument for filing, a D felony, E felony and an A Misdemeanor, respectively. She pled to attempted insurance fraud in the fourth degree and received a conditional discharge. Her boyfriend was charged with insurance fraud in the third degree, a D felony, and grand larceny in the third degree, an E felony. He pled to attempted insurance fraud in the third degree and was sentenced to five years probation.

- A defendant severely damaged his father’s vehicle in a motor vehicle accident, but fled the scene and reported the vehicle stolen. The father submitted a claim to the insurance company for the value of the vehicle but no payout was made due to the information obtained in the investigation. The defendant was arrested on a separate incident during this time for assault in the first degree and criminal possession of a weapon in the third degree, B and D felony charges. The insurance fraud case was used as leverage to help obtain a plea in the assault case. He pled to insurance fraud in the fifth degree in the first case and attempted assault in the first degree in the second case, and was facing five years in prison at sentencing.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	144	Indictments	13
Misdemeanor Arrests Prosecuted	131	Misdemeanor Convictions	73
Felony Arrests Prosecuted	126	Felony Convictions	6
Confidential Informants Developed	6	Warrants Issued	0
Number of MVT Cases Taken to Trial	1	Number of MVT Cases Plea Bargained	57

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	5	Indictments	2
Misdemeanor Arrests Prosecuted	2	Misdemeanor Convictions	8
Felony Arrests Prosecuted	40	Felony Convictions	3
Confidential Informants Developed	1	Warrants Issued	0
Number of MVIF Cases Taken to Trial	0	Number of MVIF Cases Plea Bargained	11
Amount of Funds (Restitution) Provided to the Insurance Industry			\$17,714.30

**Niagara County Office of the Sheriff**

The Niagara County Sheriff’s Office is the primary law enforcement agency in the county and is responsible for 12 townships and five villages. The office also supplements law enforcement agencies in the county’s three cities: Niagara Falls, Lockport, and North Tonawanda. An office-wide task force to deal with automobile theft and insurance fraud was restarted in 2006. The task force consists of supervisors, investigators and deputies who are trained in advanced methods of auto theft investigation, detection and intelligence gathering. The task force is an important part of the Sheriff’s Office as it works to reduce automobile theft and insurance fraud

countywide with intra-agency efforts, and by sharing resources and information with local and state agencies.

The Tuscarora Indian Reservation , fully contained in the Town of Lewiston, was the focal point of the two most important cases that the Sheriff's Office conducted in 2012. With the arrest and incarceration in 2011 of possibly the most prolific car thief that the reservation ever saw, investigators and deputies of the Stolen Vehicle Task Force concentrated on the other major outfit operating on the reservation.

Starting in January, the Niagara Falls Police Department advised investigators that they had a subject under arrest for possession of a stolen firearm. The subject cooperated and provided information on the person he bought it from on the reservation. In turn, that subject was arrested for burglarizing a residence and stealing 24 firearms. The burglar then provided information on individuals to whom he sold some of the guns. One of the parties who purchased a stolen gun was identified as a major auto stripper operating on the reservation. A search warrant was conducted on that person's automobile garage, hence "chop shop", by the Niagara County Sheriff's Office, with assistance from an agent of the National Insurance Crime Bureau. An altered Vehicle Identification Number (VIN) was located on an engine block at that premise. Charges were commenced on the individual for that offense, and the Bureau of Alcohol, Tobacco, and Firearms was brought in due to his connection with the stolen firearms. This individual was then further tied to actual thefts, due a second major case that started in March.

An observant deputy on patrol near the reservation noticed a speeding vehicle and attempted to stop it. The vehicle, a 1999 Chevrolet Tahoe, fit the profile of a highly sought after make for vehicle theft in Niagara County. The driver refused to stop and a chase ensued . The vehicle was reported stolen to Niagara Falls Police. The vehicle pulled into a densely wooded area off a trail on the reservation. The deputy then waited for sufficient backup officers to arrive and entered the woods. They observed three individuals in the act of dismantling the vehicle and were able to apprehend one suspect. The other two fled. The suspect later agreed to work as an informant for investigators and secured evidence against his two co-conspirators that led to arrests. One of the parties involved was the "chop shop" owner. The arrest of these three individuals cleared up a substantial amount of vehicle theft cases in Niagara Falls and the Lewiston area and directly led to a substantial drop in countywide vehicle thefts.

Two other notable cases of stolen vehicle recovery and arrests occurred in the town of Newfane in the fall. In the first, a woman was forcibly removed from her vehicle by an intoxicated male looking to buy drugs in the Newfane area. The vehicle was spotted and stopped soon after by a deputy in the city of Lockport. The suspect was charged with multiple felonies and misdemeanors. In the second, an alert deputy observed a vehicle with a broken driver's side window driving on a state roadway in a rainstorm. After the stop was made, the three males in the car could not explain whose vehicle they were operating and why the window was broken. A check of the registration and a phone call to the owner of the vehicle revealed that it had just been

stolen out of a driveway in Lockport. The three suspects were charged with two felonies each by the Sheriff's Office and follow-up investigation soon revealed that the three suspects had been committing larcenies from vehicles in the neighborhood where the vehicle was stolen. The Lockport Police Department handled that part of the investigation.

A higher amount of vehicle larceny activity occurred in the spring than the summer. Specifically, Newfane had the most activity during a two-week period in May. After an analysis of the crimes, targeted patrols were also assigned to the towns of Wheatfield, Cambria and Lockport. Arrests of individuals committing thefts from vehicles were made in Cambria and Lockport.

Finally, the Sheriff's Office continued to work with multiple other agencies in combating auto theft in 2012: National Insurance Crime Bureau, Niagara County District Attorney's Office, Niagara Falls Police, Lockport Police, Cheektowaga Police, Bureau of Indian Affairs and the Bureau of Alcohol, Tobacco, and Firearms.

<b>Niagara County Sheriff</b>			
<b>2012 Grant-Funded Motor Vehicle Theft Activity: Snapshot</b>			
<b>Performance Measure</b>	<b>Total</b>	<b>Performance Measure</b>	<b>Total</b>
Investigations initiated	76	Reported motor vehicle thefts	62
Misdemeanor arrests	9	Stolen vehicles recovered	35
Felony arrests	13	Value of vehicles recovered	\$167,190
Confidential Informants Developed	1	"Owners Give-Ups" Identified	4

<b>2012 Grant-Funded Motor Vehicle Fraud Activity: Snapshot</b>			
<b>Performance Measure</b>	<b>Total</b>	<b>Performance Measure</b>	<b>Total</b>
Investigations initiated	6	Motor vehicle accidents responded to	2391
Misdemeanor arrests	0	Accident Claims Cancelled due to Law Enforcement Action	1
Felony arrests	0		
Confidential Informants Developed	1		

## Niagara Falls City Police Department

The project is managed as a special operation under the direction of the captain of the Criminal Investigation Division. Emphasis is placed on investigations, follow-ups and insurance fraud cases. Currently, the Niagara Falls Police Department handles motor vehicle theft and insurance fraud cases in the following manner. Crime reports are generally taken by the Patrol Division and forwarded to the Criminal Investigation Division (CID), where they are reviewed by supervisors and assigned to a criminal investigator or to patrol division personnel for follow-up or continued investigation. Copies of the Auto-Theft / Insurance Fraud-related reports are then forwarded to the Police Planning/Computer Division for statistical analysis. This information is then forwarded to the Superintendent of Police and captain of CID for analysis to be used in the weekly supervisors' meeting attended by all division supervisors. The investigations are analyzed to predict crime pattern indicators and focus on auto theft, insurance fraud and false insurance claims. As the situation warrants, this agency operates surveillance in locations identified as high auto theft crime areas based on crime analysis data. Stings and undercover operations are then planned and scheduled as a result.

During 2012, grand larceny of a vehicle cases decreased 28 percent compared to 2011, but grand larceny of a vehicle arrests increased 50 percent. Unauthorized use of a motor vehicle cases declined 20 percent, but arrests were up 71 percent in 2012. Auto stripping cases decreased 17 percent, but arrests for auto stripping increased from three in 2011 to 34 in 2012. The NFPD MVTIF Unit has successfully utilized the grant funding to increase its ability to follow-up and investigate cases and make it possible to gather enough evidence to make arrests.

Investigators continue to pursue motor vehicle insurance fraud cases on a regular basis, working closely with NYS Insurance Fraud investigators and insurance company representatives to investigate suspected insurance fraud and false personal injury claims. During 2012, the NFPD MVTIF Unit was tasked with several investigations that resulted in 14 arrests.

On May 7, 2012, a citizen came to Niagara Falls Police Headquarters and made a report of auto theft. He said that on May 5 at about 11:30 p.m., his 2012 Jeep Cherokee had been stolen in Niagara Falls. He claimed that he had locked his vehicle keys inside the car. It was then learned that there had been an accident on May 6 at 1:48 a.m. involving this vehicle. A witness had observed the white Jeep traveling at a high rate of speed, drive off the road and strike a tree. The witness then saw the driver get out of the vehicle carrying a beer can. When told by the witness that he had called the police, the driver fled through nearby yards. Auto theft detectives interviewed the witness, who provided a physical description matching that of the owner. A photo array was assembled and shown to the witness, who positively identified the owner as the driver at the time of the accident. The owner was charged with filing a false report. After the initial arrest, the NYS Department of Financial Services assisted and obtained a statement from the insurance company, which states that the owner submitted an

insurance claim for \$21,783.29 for the accident that his allegedly stolen car was involved in. The owner was charged with insurance fraud.

On September 12, 2012, after a lengthy investigation by members of the NFPD MVTIF Unit, an arrest was made linking a suspect with at least 36 vehicle break-ins throughout the city but mostly in the downtown tourist section. This individual agreed to a plea due to an overwhelming amount of evidence and information gathered by the MVTIF unit investigators.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<b><i>Performance Measure</i></b>	<b><i>Total</i></b>	<b><i>Performance Measure</i></b>	<b><i>Total</i></b>
Investigations Initiated	170	Reported MV Thefts	189
Misdemeanor Arrests	47	Recovered Stolen MVs	114
Felony Arrests	25	Value of Recovered Stolen MVs	\$463,691
Confidential Informants Developed	9	Number of "Owner Give-Ups" Identified	17

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<b><i>Performance Measure</i></b>	<b><i>Total</i></b>	<b><i>Performance Measure</i></b>	<b><i>Total</i></b>
Investigations Initiated	15	Motor Vehicle Accidents Responded To	8
Misdemeanor Arrests	6	Number of Accident Claims Cancelled Due to Law Enforcement Investigation Initiation	4
Felony Arrests	7		
Confidential Informants Developed	9		

## Finger Lakes Region



## *Finger Lakes Region*

Monroe County Office of the District Attorney  
Monroe County Office of the Sheriff  
Rochester City Police Department

### **Monroe County Office of the District Attorney**

The Monroe County District Attorney's Office established a Motor Vehicle Theft and Insurance Fraud Bureau in mid-2004, under the supervision of the County Court Bureau Chief, now the Non-Violent Felony Bureau Chief. The majority of stolen vehicle and insurance fraud cases involving motor vehicles are assigned to this unit. Misdemeanor auto theft cases (unauthorized use of a vehicle in the third degree charges) continue to be prosecuted by various ADAs assigned to the local criminal courts in which such cases are adjudicated, but the members of the Motor Vehicle Theft and Insurance Fraud Prevention (MVTIFP) unit advise these ADAs on procedures and prosecution strategies, and intelligence gained as a result of misdemeanor prosecutions is provided to the unit to assist with its investigations.

The ADA assigned to the MVTIFP unit, after an initial screen by the Non-Violent Felony Bureau chief, fully evaluates all of the cases referred to the program by police agencies, advises police on procedures and meets with officers on a regular basis to discuss programmatic issues of mutual concern. The investigator assigned to the MVTIFP unit enhances the prosecution of cases by interviewing witnesses, evaluating evidence, serving subpoenas, checking defendant prior criminal histories to identify repeat offenders and working closely with police agency personnel assigned by their respective departments to investigate the target crimes. The Non-Violent Felony Bureau Chief advises and supervises both of the personnel assigned to the program, chairs meetings with NYS DMV and local representatives of the Insurance Frauds Bureau of the New York State Insurance Department and provides input in developing strategies and setting priorities for the program.

### **Current Trends and Statistics**

Due to the work of the MVTIFP unit and task force, there has been a marked decrease in the incidence of motor vehicle theft in Monroe County. In 2006, the number of motor vehicle thefts reported was 3,030; in 2011, there were 1,048 thefts reported, representing a 65 percent decrease.

The District Attorney's Office, in conjunction with the Auto Theft Task Force, continues to educate law enforcement agencies in Monroe County about the auto stripping statute in New York State Penal Law. Law enforcement agencies have been directed to also charge defendants with auto stripping when appropriate in cases of auto theft, as well as larcenies from vehicles, when damage to the vehicle is incurred. Since the auto stripping in the third degree conviction provides a predicate element for a felony auto stripping in the second degree prosecution, it would be sought by the ADA either through indictment or a plea offer.

The District Attorney's Office has requested that when law enforcement agencies in Monroe County are dealing with stolen auto cases, the driver be charged with unauthorized use of a vehicle (UUV) in the third degree in addition to the appropriate felony charge, ( criminal possession of stolen property in the second, third or fourth degree). Since the UUV in the third degree conviction provides a predicate element for a felony UUV in the second degree prosecution, it would be sought by the ADA through indictment or a plea offer.

During the late May and early June 2012, Monroe County experienced a rash of stolen autos, most of which were mid-1990s Honda Accords and Honda Civics. Approximately 40 of these vehicles were stolen from Rochester and suburban towns. Many of these vehicles were recovered, and those recovered had their catalytic converters removed. Additionally, two of the vehicles recovered had their engines removed, while a few others also had their stereo systems removed. It appeared that a ring of individuals was involved in these thefts, as witnesses indicated on one occasion that three stolen Honda vehicles were left on one street all at the same time, and that three different individuals drove the stolen vehicles to their final destination. It appeared that the main reason for stealing these vehicles was to remove the catalytic converters, which were worth a considerable amount of money when sold at salvage yards.

The Task Force was instrumental in solving what amounted to a cold case from five years earlier. In February 2012, a car was recovered on a property in an adjacent county. Through an investigation by the Task Force, the car was traced to an individual who had reported the car stolen. In 2007, the car had been stolen from the defendant, who reported it stolen and collected money from his insurance company. Subsequently, the defendant located his car. Instead of notifying authorities and the insurance company, the defendant hid the car out of the county. As a result of this investigation, the defendant pled guilty and was ordered to pay more than \$11,000 in restitution to his insurance company.

In August 2012, the Task Force was involved in an operation to investigate and prosecute an organized car theft ring in the town of Greece. The perpetrator had organized a group to drive through neighborhoods late at night testing car doors. When someone would find an unlocked car, they would search it for keys and other valuables. If keys were located in the car, they would steal the car and drive it to a designated

abandoned house in Rochester. At the house, everything of value would be stripped from the car, including vehicle components that they could be resold, and then the stripped car was disposed of. The leader of the gang and several of the perpetrators were apprehended. Guilty pleas were obtained from several gang members, and the prosecution of the leader of the gang is ongoing. Since their arrest, there has been a sharp decline in car thefts in Greece.

In late August 2012, as the result of another Task Force operation, three co-defendants were apprehended, responsible for more than a dozen car break-ins over a period of several months at a park in the town of Brighton. One of the defendants would act as a lookout, while the other two perpetrators would break car windows and steal purses, wallets and other valuables. They would then immediately take stolen credit cards to a local store to purchase expensive electronics and other goods before the cards could be reported as stolen. The electronics were then sold on the street. Each defendant was charged with multiple felonies, including grand larceny and criminal mischief. The MVTIF prosecutor was able to obtain plea agreements from each of the defendants that resulted in felony convictions, with the possibility of state prison sentences.

### **Monroe County MVTIFPP Operational Strategy**

The Auto Theft Task Force in Monroe County utilizes intelligence information to initiate investigations into chop shop locations, re-tagging operations and motor vehicle theft rings. The Task Force also utilizes collaborative investigative measures among its members. The District Attorney's MVTIFP Program in Monroe County also involves a coordinated effort with the Rochester Police Department, the Monroe County Sheriff's Office, the various town and village police departments and New York State Police in collecting and sharing intelligence on motor vehicle theft trends countywide. All of the local police agencies, along with the District Attorney's Office, already share a common offender database (the MoRIS system), thus further streamlining the sharing of information. All of the police agencies involved will also utilize SAFETNet. The district attorney investigator meets on a regular basis with police agencies to discuss issues of mutual concern. Beginning in 2004, the District Attorney's Office established a policy that severely restricts plea reductions in serious felony cases, and this policy has been extended to repeat offenders charged with the types of crimes targeted by this program.

The strategy used to combat auto insurance fraud utilizes the New York State Department of Financial Services Criminal Investigation Unit (CIU) as the primary source for insurance fraud cases. At each regular monthly Task Force meeting, new referrals received by the CIU are reviewed by those in attendance and assigned to investigators working under the grant. This close working relationship with CIU investigators has proven to be essential when conducting these investigations. CIU investigators have experience and knowledge about fraud investigations and are able to obtain necessary documents from insurance Special Investigation Units (SIUs) regarding the cases. Because the referrals come from insurance SIUs, some investigation has already been conducted. This allows the District Attorney's Office,

and the specific local law enforcement agency, to review the cases and determine which have the best solvability factors, thus insuring that time, money and effort will be expended wisely. This practice will remain part of the office strategy for enforcement in the area of insurance fraud investigations. Interagency collaboration will continue to be a cornerstone upon which the success of the program rests.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Sealed Investigations Initiated	1	Indictments	20
Misdemeanor Arrests Prosecuted	86	Misdemeanor Convictions	106
Felony Arrests Prosecuted	124	Felony Convictions	27
Confidential Informants Developed	0	Warrants Issued	0

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	0	Indictments	1
Misdemeanor Arrests Prosecuted	1	Misdemeanor Convictions	2
Felony Arrests Prosecuted	6	Felony Convictions	1
Confidential Informants Developed	0	Warrants Issued	0

**Monroe County Office of the Sheriff**

MVTIF grant funding enabled the Monroe County Sheriff’s Office (MCSO) to continue its involvement in the Monroe County Auto Theft and Insurance Fraud Task Force in 2012. The Task Force is comprised of the DA’s Office, Monroe County Sheriff’s Office, Rochester Police, New York State Police, state Insurance Fraud Bureau, and DMV.

**Arrest, Clearances, and Investigations in 2012**

The following cases are representative of the MCSO’s activities in 2012:

On February 7 at approximately 2:30 a.m., MCSO investigated a single vehicle accident. The road patrol initially arrested the driver for DWI. An MVTIF investigator looked into the incident and found the driver was a mechanic who had actually stolen the vehicle from the shop by using it without permission. Investigation revealed that the driver was on probation for a very similar incident. At the request of the district attorney’s office, the investigator submitted the UUV charges to the grand jury to accompany the previous related charges. The investigator also consulted with the insurance company and learned that the suspect submitted medical bills to them. He shared the results of the investigations with the insurance company, which stated that it would not cover the medical expenses based on the newly developed information. The insurance company said this investigation saved it from paying out tens of thousands of dollars for an inappropriate claim.

- On March 9, a suspect broke the driver's side door window of a parked vehicle worth \$36,735 and stole the vehicle. During that same time frame and in close proximity, there were larcenies from other parked vehicles. Later that same night, the stolen vehicle was found engulfed in flames on railroad tracks by a MCSO Deputy. A MVTIF member investigated this incident, and on May 16, filed charges against a suspect who was responsible for both the theft and arson of the vehicle.
- From July through September 2012, approximately 30 incidents occurred where windows were broken and purses stolen from vehicles left unattended in public parks across the county during the daytime hours. The suspects would immediately go to a retail store and fraudulently use stolen credit cards many times before the victims were even aware they were missing. An MVTIF investigator developed some leads and shared them with the road patrol during a roll call. After that information was shared, one of the patrol deputies, using the suspect description given to him, was able to make contact with people loitering in a public park. The deputy documented all of the information they provided including a vehicle description. By referring to recent surveillance video of a suspect using one of the victims' credit card and with the names the deputy provided him with, the MVTIF investigator was able to write a search warrant for one of the suspect's homes. During the search, he recovered numerous items belonging to several victims including a check book, ID, debit cards and more than 30 purses. The investigator interviewed the suspect, who gave him a voluntary statement and the name of a co-participant. Both parties were arrested. A few weeks later the suspects were released from custody pending their court proceedings. During that time, a vehicle parked at a public park was broken into and a gun taken. Members of the MVTIF had previously gathered a large amount of intelligence on "crews" who were doing such a thing and were able to track them down. After days of talking to the various suspects and running down leads, the MVTIF investigator was able to recover the gun from a home in Rochester. One of the suspects he had arrested earlier was responsible for this theft and was re-arrested.
- Sometime during the overnight hours from November 4 into November 5, eight acts of either auto stripping and/or larcenies were committed on vehicles parked in residential neighborhoods in Northeast Penfield and Webster. The following items were taken from the vehicles : automatic style rifle; ammunition; body armor; GPS units; compound hunting bow; binoculars; knife; computer; cash and credit cards; jewelry; power tools and cell phones. One of the vehicles was damaged in commission of the crimes. After an investigation and search warrants, the automatic rifle was recovered and an arrest was made.

### **Section Three: 2012 Grant Funded Motor Vehicle & Insurance Fraud Snapshot**

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i><b>Performance Measure</b></i>	<i><b>Total</b></i>	<i><b>Performance Measure</b></i>	<i><b>Total</b></i>
Investigations Initiated	125	Reported MV Thefts	125
Misdemeanor Arrests	19	Recovered Stolen MVs	101
Felony Arrests	3	Value of Recovered Stolen MVs	684,885
Confidential Informants Developed	1		

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i><b>Performance Measure</b></i>	<i><b>Total</b></i>	<i><b>Performance Measure</b></i>	<i><b>Total</b></i>
Investigations Initiated	0	Motor Vehicle Accidents Responded To	7,397
Misdemeanor Arrests	0		
Felony Arrests	0		
Confidential Informants Developed	0		

#### **Rochester City Police Department**

The Rochester Police Department's Auto Theft Unit is under the command of the Special Operations Division and is responsible for grant work relating to the Motor Vehicle Theft and Insurance Fraud Prevention (MVTIFP) grant. The Auto Theft Unit investigator coordinates investigations and motor vehicle-related crime initiatives utilizing personnel from various other divisions within the department.

The Auto Theft Unit investigator is assigned full time to a multi-agency Auto Crimes Task Force. The Task Force operates from within the Auto Theft Unit of the New York State Police Special Investigations Unit in Rochester. The Task Force also has investigators from the Monroe County District Attorney's Office, the state Department of Motor Vehicles Field Investigations Division and the state Department of Financial Services, Insurance Division- Criminal Investigations Unit.

Using grant funding, members were able to attend two MVTIFP Statewide Advisory Group Meetings, as well as the Northeast Chapter of the International Association of Auto Theft Investigators 40<sup>th</sup> Annual Training Seminar in 2012. On two occasions during the year, members provided auto theft training to the recruit class attending the Monroe Community College Public Safety Training Facility. The investigator assigned to the Auto Theft Task Force also presented training on scrap yards and stolen vehicle investigations at a New York Prosecutor's Training Institute (NYPTI) and New York Anti-Car Theft and Fraud Association (NYACT) training seminar held in October. As a result of grant funded investigations, members entered 59 motor vehicle theft and 13 insurance fraud targets into SAFETNet. Members attended 12 Auto Theft Task Force meetings throughout the year. The meetings are open to all local law enforcement agencies involved in motor vehicle-related investigations.

In 2012, Rochester experienced the same types of thefts as in past years. While theft for joyrides continues to slowly decline, there has been a sharp increase in the

number of vehicles stolen for scrap. Suspects in these crimes scout neighborhoods searching for vehicles that may not be frequently driven, are unregistered or possibly inoperable. They then contact scrap processors, which send out tow trucks to purchase the vehicle. The suspects wait nearby the location where the vehicle is located and meet the tow truck. They sign the necessary paperwork and, after being paid, direct the tow driver to the vehicle. Most times, the vehicles are towed from the owner's residence while he or she is not home.

Members conducted 30 investigations into vehicles stolen for scrap, resulting in 25 recoveries at local scrap processors and dismantlers. Many of the vehicles had already been crushed or severely damaged when located, so they are not included in the recovery value performance measure below. At the time of theft, these vehicles had an aggregate value of \$34,681. Two of the investigations were attempted thefts for scrap by suspects who were interrupted or apprehended in the act. In five of the cases, members were unable to locate the stolen vehicles. Those cases were investigated as having been stolen for scrap based on factors including tow truck involvement and the age or condition of the vehicle.

Between April and June, a pattern of thefts developed and approximately 40 Honda vehicles were stolen. Half of the thefts occurred in Rochester, with the rest in the surrounding towns in Monroe County. Most of the vehicles were recovered in the city with the catalytic convertors and occasionally the radios removed. At least two of the recovered vehicles had been completely stripped of engines, transmissions and major body parts. Auto Theft Task Force members worked with NICB and DMV to obtain engine and transmission numbers and subsequently transmitted NYSPIN teletypes for the stolen components.

The completely stripped vehicles were in close proximity to the residence of a suspect previously arrested by DMV and Task Force members for odometer rollback on a Honda and thefts of Honda parts from a local dismantler. Surveillance was conducted and during the investigation, a Honda owned by the target was towed for parking due to having switched plates and registration. An examination of the vehicle did not reveal any stolen parts but the odometer had been rolled back.

Surveillance video from overt and covert city cameras, private business cameras and school bus cameras was reviewed. At least five people are believed to be involved in this crime spree and a vehicle used to pick up suspects fleeing from stolen vehicles can be seen in the video. The same vehicle was observed on a gas station surveillance video where a suspect was seen using a credit card stolen from one of the Hondas. None of the videos were of good enough quality to read the license plate or allow identification of the suspects.

Members checked registration records for similar vehicles to no avail. After checking with car rental companies, members identified a local suspect who had rented a similar vehicle during the time period in question. Members also identified another possible suspect who sold more than 60 catalytic convertors to a single scrap yard

during the month of June, for which he was paid more than \$7,000. Both suspects have histories of vehicle thefts but there is not enough evidence at this time for an arrest. At the conclusion of this theft investigation, members will contact the NYS Department of Taxation and Finance for investigation into the scrapper.

During the investigation, one arrest was made when a suspect tried to sell a stolen Honda with the catalytic convertor missing to a scrap yard. Another stolen Honda that also had the catalytic convertor missing was found in the parking lot during the arrest. The thefts continued after his incarceration, and it is possible that he was not involved in the thefts or catalytic convertors being removed. He had no history at scrap yards and may have found the vehicles after they were dumped by the suspects.

As the investigation continued, a Honda Civic was recovered that was completely stripped of public identification, engine, interior and body parts. A license plate found nearby led members to believe the vehicle was a 1996 Honda Civic stolen in November 2011. After examination the Honda was found to be a 1995 Honda Civic stolen in 2005. Further examination showed that the vehicle had a valid inspection sticker still affixed that had been issued to a different 1995 Honda Civic stolen in May 2012.

The investigation revealed that shortly after the theft in 2005, the Honda was retagged and registered for approximately seven years. It was then stolen and reported under the false VIN in 2012. The most recent registrant was unaware of the VIN change. The recovery appears to be part of a Honda theft ring that emerged in the spring of 2012. The license plate found at the scene was for another Honda believed to be part of the pattern that is still not recovered.

The pattern of thefts virtually stopped by the end of June but members continue to monitor the activities of suspects that were developed with the hope of gaining enough evidence for an arrest.

Insurance fraud investigations varied in nature throughout the year. Members investigated 11 motor vehicle accidents as suspected insurance frauds. More than \$20,000 in claims were denied or dropped as a result of investigations initiated.

In one case, members investigated an accident where a 2011 Mustang struck a tree and the driver fled. The insured owner subsequently made several calls to his insurance company inquiring about coverage for damage under various scenarios. He initially told the company on the phone that the vehicle was stolen and then involved in an accident. Members learned through investigation that the insured had been at the scene of the accident and spoke with an officer. He told the officer that he allowed someone he owed money for drugs to take his vehicle and that person crashed it. When investigators confronted the insured with this information, he changed his story and said that he was driving and that he was injured during the accident. He said that he was afraid to tell the police officer at the accident scene that he was driving. He then submitted a written claim with his insurance company to this effect.

Investigators located two witnesses that had called 911 to report the accident. Although they could not identify the driver who fled, both agreed that the driver was African American. The insured is Caucasian. The insured was again confronted with this information and ultimately confessed that he had traded the vehicle for drugs. He was charged with insurance fraud in the third degree and his claim of more than \$10,000 was denied.

Members also investigated a suspected fraud involving a 2000 BMW 528 that was reported stolen. The vehicle was recovered at a dismantler after DMV investigators identified a stolen part from the vehicle during a salvage exam. The circumstances surrounding the theft were questionable but did not provide grounds for arrest. Members learned that the insured had provided his insurance company with a receipt for more than \$7,000 in customization that he had done to the vehicle prior to the theft. This included custom rims and headrest DVD players. The vehicle did not have any of these items upon recovery. The receipt for the installation of these items was from a garage that has been implicated in stolen vehicle cases and suspected frauds in the past. During this investigation, members received a tip from the National Insurance Crimes Bureau about another suspected enhanced damage fraud occurring at the garage. Members are continuing to investigate the garage and the BMW claim.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	62	Reported MV Thefts	541
Misdemeanor Arrests	8	Recovered Stolen MVs	38
Felony Arrests	22	Value of Recovered Stolen MVs	\$101,932
Confidential Informants Developed	0	Number of "Owner Give-Ups" Identified	2

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	20	Motor Vehicle Accidents Responded To	11
Misdemeanor Arrests	7	Number of Accident Claims Cancelled Due to Law Enforcement Investigation Initiation	6
Felony Arrests	3		
Confidential Informants Developed	0		

## Central Region



## Central Region

Syracuse City Police Department

### Syracuse City Police Department

Due to budget constraints, the Syracuse Police Department was forced to consolidate specialty units in 2012. Therefore, the Stolen Vehicle Unit was folded into the Crimes Against Property Section of the Criminal Investigations Division. The department continues to assign members to dedicated stolen vehicle patrols and follow-up investigations utilizing the MVTIF grant funds. While the Stolen Vehicle Section has been abolished, the record keeping and review of stolen vehicle investigations has taken a giant step forward, with the operations of the Onondaga Crime Analysis Center (OCAC), staffed by sworn law enforcement officers and civilian crime analysts, located within the Syracuse Police Department's building.

One crime analyst is partially dedicated to reviewing and mapping the stolen vehicle activity within the city of Syracuse. The analyst also tracks stolen vehicle activity throughout the county and looks for trends or commonalities in the stolen vehicles. When commonalities or possible trends are observed, the Criminal Investigations Division is notified and a detective is assigned. Additionally, the analyst will produce crime bulletins that are sent electronically to the entire department and to other law enforcement agencies throughout the county. Certain vehicle-related crimes are also tracked by the analyst, including tire, rim and battery larcenies. Due to crime analysis, a tire and rim theft ring was discovered (the thefts were occurring throughout the city and county and were not linked until after the analysis was completed).

During 2012, Syracuse experienced 346 incidents of actual motor vehicle theft. The vehicles reported stolen had a book value of \$1,922,328. The department recovered 244 vehicles, having a book value of \$1,469,411; leaving \$452,917 worth of stolen vehicles unrecovered. The department cleared 70 stolen vehicle cases (20%) through the arrest of 95 individuals, resulting in the filing of 112 Misdemeanor and 74 Felony charges. Additionally, the department recovered 42 stolen vehicles from outside agencies. The value of the outside agency recovered vehicles was \$305,310. The department made arrests in 10 (24%) of the outside agency recoveries, resulting in 12 individuals being charged with

21 misdemeanor and seven felony offenses. Outside agencies recovered 27 Syracuse stolen vehicles with a value of \$231,211. Three vehicles stolen during 2011 were recovered in 2012. Those vehicles had a book value of \$28,850. The total book value for all stolen vehicle recovered by the department was \$1,803,571.

The types of vehicles stolen within Syracuse were: 186 passenger vehicles, 66 sport utility vehicles, 52 vans (mini and full-size), 27 trucks and 15 motorcycles. The most frequently stolen vehicles were manufactured by General Motors (121 vehicles), Chrysler Corporation (61) and Ford (41). The remaining stolen vehicles were of various manufactures. The top five stolen vehicles, by make and model were: Dodge Caravan (13), Chevy Impala (9), Chevy Malibu (8), Honda Civic (8), Honda Accord (7) and Ford Explorer (7).

For many years, ignition bypass was the number one method of theft in Syracuse. In 2011, ignition bypass fell to fifth and to seventh in 2012. Once again, the most frequent method of theft was the use of keys (91 cases); followed by left running and unattended (43); domestic incidents (30); known suspect (19); burglary (19); vehicle was towed (16); ignition bypass (15); drug trade (8); rental (6); carjacking (5); arson (3) and forgery (1). There were 90 incidents of motor vehicle theft where the method of theft could not be determined. In the vast majority of the unknown method incidents the owner of the vehicle was still in possession of the keys.

During 2012, there were three utility trailers stolen and not recovered. These were metal trailers that were not secured and were possibly sold for scrap. Eight ATVs were stolen during 2012, and two were recovered unattended. No arrests were made in the trailer or ATV thefts.

As has been the case in the past, the majority of motor vehicle theft appears to be for transportation. Opportunistic thieves find vehicles running and use them until stopped by police or they run out of gas. Late in 2011 and continuing into the first quarter of 2012, 29 Chrysler/Jeep products were stolen from the Valley section of the city and in the town of Onondaga adjacent to Syracuse's southern border. Additionally, there were a number of Jeep theft attempts, through ignition bypass, in both areas. Four of the stolen Jeeps were recovered on Onondaga Nation land, as well as two license plates from other stolen Jeeps. (The Valley section of the city is within walking distance of the Onondaga Nation and the town of Onondaga surrounds the Onondaga Nation.) The four recovered Jeeps showed damage indicative of off-roading. The vehicles were located, at various times, by one of the Onondaga Nation's Chiefs (law enforcement is not allowed onto the Onondaga Nation without prior permission from an Onondaga Nation Chief), who notified the Onondaga County Sheriff's Office. The Jeep thefts stopped during the first quarter of 2012. Of the 29 stolen, only 10 were recovered during the year, and no arrests were made for the thefts.

Vehicles are still being stolen and then scrapped. During the year, there were numerous incidents of tow trucks being used to steal vehicles. During the first quarter alone there were six confirmed incidents of vehicles stolen through the use of a tow truck. For a brief period of time, in the area of one of the city's public housing complexes, vehicles left running

outside of convenience stores were being stolen. The INTEL Center sent out information on the thefts and the 911 Center was encouraged to dispatch a Point of Information when a victim called in one of these unattended thefts. As a result, a patrol officer, on his way to another call, observed a stolen vehicle on the back of a tow truck. The tow truck was stopped and the driver interviewed. The driver had purchased the vehicle from an individual who claimed to be the owner and who had provided a signed MV-35. However, everything about the MV-35 was fraudulent. The tow operator wasn't charged and the vehicle was returned to the owner. Throughout the year, stolen vehicles were recovered from tow operators who had accepted a fraudulent MV-35 on good faith. Only one tow operator was charged with committing a crime related to the purchase of a stolen vehicle.

With the large number of vehicles stolen through towing and other unknown methods, and the increase in stolen vehicles being scrapped, the department obtained access to the National Motor Vehicle Title Information System (NMVTIS). Through the use of NMVTIS, five stolen vehicles were found to have been sold to area scrap yards. Those vehicles were recovered prior to crushing and returned to their owners. Additionally, patrol officers were requested to stop tow trucks violating NYS DMV laws, including failure to have two rear signal/stop lights affixed to the towed vehicle. This allowed officers to identify the tow truck drivers and check the status of the towed vehicle.

In April, one of the OCAC analysts discovered that numerous tire and rim thefts happening throughout Onondaga County. The analyst notified the Criminal Investigations Division and a detective was assigned. Over the next three months, more than 89 incidents of tire and rim theft took place throughout Onondaga County, the majority of them happening in Syracuse. The investigation used intelligence gathered from the OCAC, Onondaga County Sheriff's Office (OCSO), and the NYS Attorney General's Office to identify possible suspects. Eventually, the Department installed covert cameras on the suspects' dwellings and obtained warrants to install GPS tracking on their vehicles. On July 27, the suspects drove their vehicle to Driver's Village, located in Cicero, NY. Unknown to the suspects, members of the SPD were following. The suspects were caught in the act of stealing tires, and in their attempt to escape, one of the suspects struck a detective with his pickup truck. The detective fired his service weapon and struck the pickup. The suspects escaped, but a short time later they were observed on a covert camera arriving at their residence. Detectives responded, recovered the suspect pickup with a bullet hole and took the suspects into custody. Eventually five individuals were arrested for the aforementioned tire and rim thefts. Charges included attempted aggravated assault, assault in the second degree, grand larceny in the third degree, conspiracy in the fourth degree and criminal possession of a weapon in the fourth degree. All of the defendants pleaded guilty to various charges and were sentenced to prison.

Another identified trend was the theft of commercial truck batteries. In November and December, the OCAC compiled a listing of over 87 stolen commercial batteries from throughout Onondaga County. This time, the majority of the thefts were outside of Syracuse. The town of Dewitt Police Department, through the OCAC, released photos of a larceny in progress at a trucking depot. This wasn't a battery theft, but the larceny took place from two secured tractor trailers. The photos were not of a high quality, however, the

vehicle used by the suspects was identifiable and once the photos were released a member of the SPD Warrant Squad located the suspect vehicle. The owner was identified and arrested for the aforementioned larceny. He was not charged with the battery thefts, however, since his arrest the commercial battery thefts stopped.

Members of the department attended/conducted 51 meetings with various law enforcement entities, including the Onondaga County District Attorney's Office, OCSO, NYSP, Geddes Police Department, Drug Enforcement Administration, US Marshalls, Dewitt PD and various other towns and village departments.

The department responded to 6,603 motor vehicle accidents during 2012, more than 200 less than in 2011. This reduction is probably due to the extremely mild, snow-free winter that Syracuse experienced.

Due to the lack of medical clinics in Syracuse and the fact that the department continues to investigate all accidents, resulting in documentation ranging from an exchange of information form to a full accident report, there was no insurance fraud identified by the SPD during 2012.

<b>Syracuse Police Department</b>			
<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<b>Performance Measure</b>	<b>Total</b>	<b>Performance Measure</b>	<b>Total</b>
Investigations Initiated	<b>340</b>	Reported MV Thefts	<b>362</b>
Misdemeanor Arrests	<b>112</b>	Recovered Stolen MVs	<b>244</b>
Felony Arrests	<b>74</b>	Value of Recovered Stolen MVs	<b>\$1,469,411</b>
Confidential Informants Developed	<b>0</b>	Number of "Owner Give-Ups" Identified	<b>0</b>

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<b>Performance Measure</b>	<b>Total</b>	<b>Performance Measure</b>	<b>Total</b>
Investigations Initiated	<b>0</b>	Motor Vehicle Accidents Responded To	<b>6,848</b>
Misdemeanor Arrests	<b>0</b>	Number of Accident Claims Cancelled	<b>0</b>
Felony Arrests	<b>0</b>	Due to Law Enforcement Investigation	
Confidential Informants Developed	<b>0</b>	Initiation	



## ***Capital District Region***

Albany City Police Department  
Albany County Office of the District Attorney

### **Albany City Police Department**

The Albany Police Department's (APD) Auto Crimes Task Force (ACTF) was created in 2003 and now consists of 26 members including patrol officers, detectives, sergeants and lieutenants. All of these individuals attended a four-day training in New York City in 2012. The ACTF operates out of APD's Criminal Investigation Unit under the supervision of the detective lieutenant and detective sergeant.

The ACTF's primary objective is to investigate all cases of auto thefts, unauthorized use of a motor vehicle and possible motor vehicle insurance fraud. The ACTF continues to work with state DMV, the Albany County District Attorney's Office and the New York Anti Car Theft and Fraud Association (NYACT) in an effort to reduce motor vehicle theft and insurance fraud-related crimes.

During 2012, the APD saw about a 3.5 percent decrease in stolen motor vehicles from 2011, with the number of incidents dropping from 202 to 195. APD's recovery rate for stolen vehicles was 92 percent in 2012. Most of the vehicles stolen were the result of vehicles left running and unattended or spare keys left in an unlocked vehicle. Less than 1 percent of vehicles recovered showed any damage to the steering column or ignition. Most of the recovered vehicles show no signs of forced entry. The top two locations for motor vehicle theft happen to be the areas where most calls for service are received, including assaults, robberies, drug sales/possessions and weapons possession. Additionally, a majority of the city's population live and work in these areas so vehicles are in abundance.

Just as APD experienced a decrease in motor vehicle theft, the number of unauthorized use of a motor vehicle incidents for 2012 was down by 3.5 percent (58 vs. 56 in 2011). The recovery rate for unauthorized use cases was 93 percent (52 of the 56 vehicles recovered). The areas for the highest reported incidents of unauthorized use of a motor vehicle were fairly similar to the locations of thefts. Most of these incidents

were due to domestic disputes or drug-addicted victims lending their vehicle out to obtain drugs from a third party or as a form of payment for drugs.

Two areas in the city of Albany have the highest incidence of theft: the West Hill area and the South End area. The areas of MV recoveries are almost identical to the reported theft locations. Vehicle theft in the city of Albany is more of a crime of convenience and most of the vehicles stolen in the city are not used in committing crimes. As in the prior three years, Albany is still experiencing a comparable number of thefts of non-working (abandoned/shell) vehicles parked in lots, yards and other properties which have not been maintained that are sold for scrap, as metal prices have remained high.

During 2012, the ACTF ran several details aimed at reducing thefts of motor vehicles and thefts from motor vehicles. In December, the ACTF ran a two-week informative detail, "Take Your Keys With You," to educate the public on the importance of not leaving their vehicles running unattended. This was followed by a two-week zero-tolerance enforcement phase. The ACTF ran several details to address the increasing incidence of theft from motor vehicles. The details were run during special public events, which bring more people and cars into the city. Detail locations were based upon information gathered from the Albany Crime Analysis Center. These operations were run in areas that had higher instances of vehicle theft, on specific days and times which were consistent with the commission of these crimes. The ACTF also ran a detail with state DMV investigators checking unregistered repair shops for stolen vehicles and vehicle parts.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<b><i>Performance Measure</i></b>	<b><i>Total</i></b>	<b><i>Performance Measure</i></b>	<b><i>Total</i></b>
Investigations Initiated	251	Reported MV Thefts	195
Misdemeanor Arrests	25	Recovered Stolen MVs	187
Felony Arrests	66	Value of Recovered Stolen MVs	\$1,721,382
Confidential Informants Developed	0		

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<b><i>Performance Measure</i></b>	<b><i>Total</i></b>	<b><i>Performance Measure</i></b>	<b><i>Total</i></b>
Investigations Initiated	0	Motor Vehicle Accidents Responded To	4,337
Misdemeanor Arrests	0		
Felony Arrests	0		
Confidential Informants Developed	0		

**Office of the Albany County District Attorney**

In response to the increase in motor vehicle theft and no-fault insurance fraud within Albany County, the Vehicular Crimes Bureau of the Office of the Albany County District Attorney created the Motor Vehicle Theft and Insurance Fraud Prevention Unit (MVTIFPU). This unit seeks to accomplish its goals by coordinating with law enforcement agencies in the areas of education, training, detection, investigation and prosecution of cases involving motor vehicle theft and no-fault insurance fraud. During 2012, two assistant district attorneys investigated and prosecuted all cases of motor vehicle theft and related motor vehicle crimes.

**Notable Cases:**

- On November 28, 2011, a woman parked her 2000 Chevy Tahoe in front of a building on Hackett Blvd. in the city of Albany. The victim left her keys and purse in the Tahoe and left the car unattended for 15 minutes. When she returned, her car had been stolen. The defendant attempted to use three of the victim's credit cards to rent a video game. On November 29, he was spotted driving the stolen Tahoe by the Colonie Police Department and pursued by the police. Colonie Police located the Tahoe, however, the defendant had fled. He was located a month later and confessed to stealing the Tahoe. He pled to one count of attempted criminal possession of stolen property in the third degree on April 6, 2012, and was sentenced to two to four years in state prison.
- On December 25, 2011, an individual was closing the store he works at on Central and North Lake Avenues in the city of Albany. He started his 1996 Nissan Maxima to warm it up and went back inside. When the victim came back, the car was gone. As the responding police officer was writing the incident report, the stolen car came into view of the officer, who got into his car and eventually pulled over the vehicle. The defendant was convicted of attempted criminal possession of stolen property in the fourth degree on February 9, 2012, and sentenced to one year in jail
- On November 17, 2011, a defendant was driving in the area of Clinton Avenue in the city of Albany under the influence of drugs and had in his possession several stolen credit cards. He crashed the vehicle, which was reported stolen, exited the vehicle and began to walk away, claiming he was not the driver. Witnesses who observed the crash informed Albany Police that the defendant was in fact driving the vehicle at the time of the crash. He was convicted of criminal possession of stolen property in the fourth degree on September 14, 2012, and sentenced to one-and-a-half to three years in prison.

- In 2009, a defendant was involved in a motor vehicle accident and suffered relatively minor injuries. In January 2010, he and a partner founded a towing and recovery business. In May 2010, the defendant filed a no-fault insurance application, seeking loss of wages which he claimed was a result of the accident. When his insurance company sent the necessary paperwork to verify his employment, he forged and falsified several letters that allowed him to receive loss of wages between December 2009 and March 2010. He was convicted of falsifying business records in the second degree on December 18, 2012, and sentenced to three years of probation supervision.

### **Inter-Agency Cooperation and Coordination:**

During 2012, both assistant district attorneys who worked on the MVTIF grant championed inter-agency cooperation and coordination as a means to effectively fight motor vehicle theft and insurance fraud. Working together with law enforcement, the New York State Department of Motor Vehicles, insurance companies, loss prevention departments, defense attorneys, judges and victims ensures that cases of motor vehicle theft and insurance fraud are thoroughly investigated and prosecuted.

- Conferences with law enforcement, DMV or loss prevention officers from rental car companies during 2012: **187**
- Conferences with judges and defense attorneys during 2012: **19**
- Conferences with witnesses during 2012: **6**
- Conferences with defense attorneys during 2012: **178**
- Conferences with victims during 2012: **43**

### **Trainings and Conferences Attended:**

The following trainings and conferences were attended:

- **April 25<sup>th</sup>, 26<sup>th</sup>**: Division of Criminal Justice Services Regional Auto Theft meeting, Syracuse, NY.
- **August 2<sup>nd</sup>, 3<sup>rd</sup>**: "Steal, Strip, Crash and Bum: Prosecuting Auto Crimes", hosted by New York Prosecutors Training Institute, Syracuse, NY.
- **October 11<sup>th</sup>**: New York Anti Car Theft and Fraud Association One Day Conference for SIU, Claims and Law Enforcement Personnel, Verona, NY.
- **October 22<sup>nd</sup>-25<sup>th</sup>**: Auto Crimes School, Rochester, NY.

<b>2012 Grant Funded Motor Vehicle Theft Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	0	Indictments	19
Misdemeanor Arrests Prosecuted	18	Misdemeanor Convictions	18
Felony Arrests Prosecuted	21	Felony Convictions	21
Confidential Informants Developed	0	Warrants Issued	1
Number of MVT Cases Taken to Trial	0	Number of MVT Cases Plea Bargained	39

<b>2012 Grant Funded Motor Vehicle Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Investigations Initiated	0	Indictments	3
Misdemeanor Arrests Prosecuted	3	Misdemeanor Convictions	3
Felony Arrests Prosecuted	0	Felony Convictions	0
Confidential Informants Developed	0	Warrants Issued	1
Number of MVIF Cases Taken to Trial	0	Number of MVIF Cases Plea Bargained	3
Amount of Funds (Restitution) Provided to the Insurance Industry		\$6,800	

### **New York Anti-Car Theft and Fraud Association**

The New York Anti Car Theft and Fraud Association, Inc. (NYACT) is a not-for-profit organization, with a mission to reduce auto crime and insurance fraud in New York State. To this end, NYACT offers educational and training programs for law enforcement and for insurance special investigative unit and claims personnel and also provides useful information to New York State consumers. In addition, NYACT sponsors and manages many events, meetings and campaigns in auto crime prevention and insurance fraud detection and investigation.

### **Strategies Utilized in Combating MVT and IF**

NYACT utilized the following strategies in combating motor vehicle theft and motor vehicle insurance fraud:

**Training and Education** – Recognizing that the most effective efforts for combating motor vehicle theft and motor insurance fraud come when both law enforcement and insurance investigation personnel are aware of the latest techniques and information, NYACT focused on providing innovative and hands-on training through its seminars, meetings and conferences. A total of 15 trainings were held in 2012, which are described later in this section.

**Technology for Greater Reach** – In 2012, NYACT launched its secure online training resource center and held a number of webinars showing how to best utilize the tools offered. The online training resource offers law enforcement greater and more flexible opportunities to garner extra training to become better in the fight against vehicle crime and insurance fraud.

Collaborative Planning – Recognizing that there is a wealth of knowledge and experience within NYACT’s membership and through affiliated agencies, the association taps into this professional community in joint planning of training seminars, for speakers and courses and in offering its organizational capabilities. This collaborative community includes auto crime experts, experienced law enforcement leaders and other knowledgeable professionals from the NYS Department of Financial Services Frauds Bureau, Attorney General’s Office, the FBI, DMV, NICB, Office of Medical Misconduct, NYPD Auto Crime, NYS State Police and NYS Prosecutors Training Institute (NYPTI).

Expanded and Improved Communication – NYACT continues to expand its communication outreach to law enforcement agencies and affiliate organizations across the state through a more robust web presence and greater electronic communications. Law enforcement feedback about online needs and interests was solicited at every training session. Recognizing that many law enforcement agencies were still utilizing facsimile technology in communicating with their personnel and other agencies, NYACT also used increased mailings to inform these agencies about NYACT training opportunities available to their staff.

Building Greater Connectivity and Networking – As an umbrella organization, NYACT, whose members include law enforcement, insurance carriers, the New York State Department of Financial Services Frauds Bureau, NYS Department of Motor Vehicles and many other state agency fraud units, creates an effective networking arena, a forum for sharing information, the opportunity for effective communications between agencies and a spirit of cooperation and helpfulness that runs deeply in all of the training programs. NYACT also cooperates with other not for profit organizations such as Northeast – International Association of Auto Theft Investigators (NEIAATI), New York State chapter of the International Association of Special Investigation Units (NYSSIU) and NYPTI – fostering strong networking relationships among the attendees.

This spirit of cooperation extends to the communications among law enforcement investigators, long after the program concludes, and in some cases, establishes strong connections of inter-agency cooperation for years to come. NYACT training classes offer attendees the ability to access many different agencies that they might not have had contact with during the normal course of duty. The NYACT training seminars have opened new information resources to law enforcement that will aid in their investigations of insurance fraud crimes and for many other crimes, as well as, in the sharing of information and expertise. NYACT uses the vast network of inter-agency communication opportunities to enhance its efforts.

### **Calendar Year 2012 MVT and IF Related Training/Education**

Throughout 2012, NYACT sought to provide a wide range of training opportunities—from primers to advanced training that reached across the state.

**February 14, 2012**

**Half-Day Training Seminar on Long Island – Travelers Insurance, Melville, NY**

This seminar offered helpful tips in the investigation and prosecution of vehicle crime and insurance fraud cases—as presented from the perspectives of a lawyer and law enforcement.

**April 17, 2012**

**Half-Day Training Seminar Upstate – Travelers Insurance, Latham, NY**

This seminar offered helpful tips in the investigation and prosecution of vehicle crime and insurance fraud cases—as presented from the perspectives of a lawyer and law enforcement.

**May 10, 2012**

**Joint NYACT-NYPTI Training Event – Metroplex, Brooklyn, NY**

This training opportunity offered very useful information and drew attendees from across the NYC/LI area.

**June 12, 2012**

**Half-Day Training Seminar Hudson Valley – Allstate Insurance, Beacon, NY**

This seminar offered helpful tips in the investigation and prosecution of vehicle crime and insurance fraud cases—as presented from the perspectives of a lawyer and law enforcement.

**August 1-2, 2012**

**Vehicle Arson Awareness Program (VAAP) Upstate – Clay Fire Department, Clay, NY**

Conducted in conjunction with NYS Office of Fire Prevention and Control and National Insurance Crime Bureau, this award-winning training program drew attendees from across Central NY.

**August 2-3, 2012**

**Prosecuting Auto Crime/NYPTI Summer College – Syracuse University, Syracuse, NY**

Conducted in conjunction with NYPTI, these courses offered valuable investigatory and prosecutorial insights for law enforcement personnel.

**August 30, 31 and September 4, 2012**

**NYACT Training Webinars – How to Utilize Our New Online Resources**

NYS law enforcement personnel were able to take advantage of these offerings in order to learn how to access and take advantage of NYACT's new training videos and resources.

**September 18, 2012**

**Half-Day Training Seminar Downstate – Travelers Insurance, Melville, NY**

Presentations by the Auto Insurance Fraud Unit of the NYS Attorney General's Office, forensic accountant and accident reconstruction specialists on improving the detection and investigation of vehicle crimes and fraud.

**October 3-4, 2012**

**Vehicle Arson Awareness Program (VAAP) Downstate – New York City Fire Department Academy, Randall's Island, NY**

Conducted in conjunction with NYS Office of Fire Prevention and Control and National Insurance Crime Bureau, this award-winning training program drew law enforcement and prosecutors from across the NYC/LI metro area.

**October 11, 2012**

**Joint One-Day Education Conference with NYSSIU – Turning Stone, Verona, NY**

This training opportunity offered very useful information and drew attendees from a wide swath of Upstate, along with other personnel from NYC/LI area.

**October 22-25, 2012**

**NYACT Auto Crime School & Joint NYACT-NYPTI Training Program – Monroe County Public Safety Facility, Verona, NY**

This four-day school, taught by an experienced NYPD detective, offered trainees a primer on the conduct of successful automobile crime investigations. The joint program with NYPTI offered additional insights into the prosecutions of automobile crime and fraud.

**November 9, 2012 (Postponed until 2013 due to aftermath of Hurricane Sandy)  
Heavy Equipment/Vehicle Theft Summit – Westchester County Police Academy, Valhalla, NY**

Planned in conjunction with NICB, NYS DMV, Suffolk County PD & Westchester County PD—offering insights to this specialized area of vehicle crime

**December 3, 2012 (Rescheduled from October 29, 2012 due to Hurricane Sandy)  
Annual State Education Conference – Cradle of Aviation Museum, Garden City, NY**

NYACT's largest training event of the year offered a wide range of useful, timely and practical training applying to the detection, prevention and prosecution of vehicle crime and insurance fraud.

## Section 4

<b>NYACT 2012 Grant Funded Motor Vehicle Theft &amp; Insurance Fraud Activity: Snapshot</b>			
<i>Performance Measure</i>	<i>Total</i>	<i>Performance Measure</i>	<i>Total</i>
Number of Seminars/Trainings/Conferences	15	Number of Webinar Trainings Produced	9
Number of Verified Attendees	798	Number of Verified Webinar Training Viewers	152
Number of Agencies Represented	248		
Number of MVT Articles Published	0	Number of MVIF Articles Published	0

### **New York Prosecutors Training Institute**

#### **New York Prosecutors Training Institute, Inc. (NYPTI)**

The New York Prosecutors Training Institute, Inc. (NYPTI), a not-for-profit corporation, was created in 1995 through a legislative grant to the District Attorneys Association of the State of New York (DAASNY). NYPTI's mission is to enrich the quality and efficiency of justice by providing comprehensive continuing legal education, training, advice and assistance to New York State's prosecutors. In 2012, NYPTI further supported and participated in New York's ongoing efforts to reduce motor vehicle theft and insurance fraud by providing specialized training, research and support to prosecutors and law enforcement agencies across New York State. As reflected in this annual report, NYPTI continued to devote its resources to New York's aggressive battle of the complex crimes that destructively increase the costs of insurance rates, doing business and general goods and services in New York State.

#### **Strategies Implemented**

With NYPTI's support, prosecutors were trained and equipped to dismantle crime rings and protect consumers from higher motor vehicle insurance costs. NYPTI's programs featured presentations from experienced members of the prosecutorial and law enforcement communities, in order to coordinate and enhance prosecutions of motor vehicle theft and insurance fraud. NYPTI also conducted state-of-the-art computer training which focused on using software to organize cases and enhance the trial presentation of complex motor vehicle theft and insurance fraud investigations.

NYPTI continued the momentum from its launch of Prosecutors' Encyclopedia (PE), a completely new approach to NYPTI's invaluable Brief Bank System. PE is an online application that combines the best features of the web into a one-stop resource for prosecutors. Developed under a separate grant, PE contains briefs, memos, transcripts, videos, black letter law, prosecutors' annotations, sample search warrants, motion responses and every published decision in the United States from 1970 to the present.

PE also makes streaming videos of expert witnesses' courtroom testimony available to prosecutors nationwide. PE features one of the most extensive and

substantive libraries of streaming videos for prosecutors. There are more than 1,100 videos of expert witnesses testifying, and these videos are carefully edited by NYPTI attorneys in order to show the most crucial portions of their testimony and maximize a busy prosecutor's time.

At its launch, PE already contained more articles than the English version of Wikipedia. Currently, PE contains more than 4.8 million articles, decisions and files. Over 1,000 of New York's prosecutors had created their own PE accounts and use the system. Nearly 5,000 prosecutors from all 50 states have also created accounts and are contributing to PE. New users continue to sign up every day, and with continued growth, PE will become an invaluable resource and directory for all prosecutors throughout the U.S.

The vast array of resources available on PE will shorten the learning curve for prosecutors new to the fight against motor vehicle theft and insurance fraud and will serve as another tool to increase the efficiency of investigations and prosecutions of motor vehicle theft and insurance fraud.

In addition, NYPTI continues to maintain and enhance CrimeTime Online, a web-based sentencing calculator that determines possible sentencing options available for New York State crimes based on a defendant's criminal history. NYPTI also operates Online CLE, through which prosecutors may create accounts and, from their own office desktop computers, view recordings of NYPTI's training programs at their convenience. The Prosecutors Case Management System (PCMS) is a comprehensive case tracking and management system used by 40 of the 62 counties in New York State. In addition to those services, NYPTI maintains a public website containing information about NYPTI, New York State District Attorneys and a list of resources available to prosecutors, at [www.nypti.org](http://www.nypti.org).

Finally, NYPTI continues to publish articles relating to motor vehicle theft and insurance fraud prosecutions in its quarterly magazine, *Empire State Prosecutor*, and provides updates and legal assistance to prosecutors as requested regarding motor vehicle theft and insurance fraud cases.

## **Calendar Year 2012 Activity**

### **Training**

In 2012, NYPTI conducted training on motor vehicle theft and insurance fraud investigation and prosecution for 120 prosecutors, members of law enforcement and representatives of the insurance industry. The training was performed in three separate programs.

NYPTI conducted the first training program with the New York AntiCar Theft and Fraud Association (NYACT) in Brooklyn on May 10, 2012. Hosted at the FDNY Auditorium in the MetroTech Center, the course offered a review and update of issues

involving both motor vehicle theft and insurance fraud to prosecutors, law enforcement and members of the insurance industry.

NYPTI's second training program was at its 14<sup>th</sup> Annual Summer College in Syracuse on August 3-4, 2012. This two-day course brought together prosecutors and members of the law enforcement community from around the state to discuss relevant issues in the areas of motor vehicle theft and insurance fraud. The design of the Summer College course fostered a group dynamic that encouraged participation by the attendees and interaction with the presenters.

NYPTI's third training program was in Rochester with NYACT on October 25, 2012. Hosted at the Monroe County Public Safety Training Facility, its focus was on the prosecutor and investigator perspectives of recent developments in motor vehicle theft and insurance fraud, with an emphasis on the tools available to combat these crimes.

NYPTI training programs provided attendees with high-quality presentations on relevant and substantive topics such as: technology and auto crime; medical mills and insurance fraud; issues that arise when prosecuting auto crimes; the origin and handling of salvage vehicles; inter-agency ethics; vehicle arson investigation; counterfeit identifications; prosecuting arson crimes; charging in auto crime cases; the investigation and prosecution of staged accidents; scrapyards and stolen vehicles from the investigator's perspective; scrapyards and stolen vehicles from the prosecutor's perspective; owner give-ups; wiretaps and gathering electronic evidence.

NYPTI distributed lecture outline materials to all attendees, either at each training or online, through PE and our online registration system.

NYPTI also recorded all of the training programs on May 10, August 3-4 and October 25, 2012, and all will be added to the NYPTI CLE online site, <http://cle.nypti.org>. Copies of the materials from each of the three courses are available upon request to prosecutors free of charge, and are available for direct download from PE.

### **Publications**

NYPTI continued to supplement its training efforts through the publication and distribution of its magazine, *Empire State Prosecutor*. In keeping with our continuing effort to "go green," the *Empire State Prosecutor* is now available entirely online. An article titled *3-D Laser Scanners*, written by NYPTI attorney David M. Cadalso, was published in the Spring 2012 edition. A second article written by Cadalso, titled *Auto Crime Review*, was published in the Summer 2012 edition.

### **Legal and Technical Assistance**

NYPTI further continued to support New York prosecutors by providing legal and technical assistance upon request and through the establishment and maintenance of

NYPTI's PE and Online CLE. In fact, almost 90 lectures are available to be viewed through NYPTI's Online CLE site in the categories of insurance fraud and auto crime alone. In 2012, more than 120 prosecutors viewed approximately 418 motor vehicle theft and insurance fraud-related lectures through Online CLE.

NYPTI continued to add material to PE throughout the year, including all of the motor vehicle theft and insurance fraud course material along with a feature making it easier to navigate pages falling within the MVTIF arena. Since its launch, NYPTI has provided PE demonstrations and training to prosecutors so that they may use it to their maximum advantage, and share their knowledge, insight and sample pleadings with other users across New York State. Through its training programs, publications and legal and technical assistance, NYPTI continues to assist in New York State's fight against motor vehicle theft and insurance fraud by educating prosecutors and members of law enforcement, and providing them tools to increase the efficiency and enhance the success of their investigations and prosecutions.

<b>New York Prosecutors Training Institute, Inc. ("NYPTI"): 2012 Grant Funded Motor Vehicle Theft &amp; Insurance Fraud Activity: Snapshot</b>			
<b>Performance Measure</b>	<b>Total</b>	<b>Performance Measure</b>	<b>Total</b>
Number of Seminars/Trainings/Conferences	3	Number of Webinar Trainings Produced	0
Number of Verified Attendees	120	Number of Verified Webinar Training Viewers	0
Number of Agencies Represented	46		
Number of MVT Articles Published	2	Number of MVIF Articles Published	2

# Appendix – 2012 Statistics

## Reported Incidents of Motor Vehicle Theft - 2012

Rank	COUNTY	MV Theft		Rank	COUNTY	MV Theft
1	Queens	2,715			Tompkins	40
2	Kings	2,680		33	Wayne	39
3	Bronx	1,649		34	Clinton	38
4	Erie	1,481		35	Cattaraugus	36
5	Suffolk	1,182		36	Putnam	33
6	Nassau	1,001		37	Genesee	32
7	Monroe	976		38	Madison	31
8	New York	834			Washington	31
9	Westchester	632		40	Herkimer	30
10	Onondaga	580			Jefferson*	30
11	Richmond	312		42	Franklin	26
12	Albany	262			Warren	26
13	Orange	239		44	Chenango	25
14	Niagara	226			Orleans	25
15	Oneida	193			Otsego	25
16	Schenectady	191		47	Montgomery	23
17	Dutchess	146		48	Cortland	20
18	Broome	141			Greene	20
19	Rensselaer	135		50	Allegany	19
20	Rockland	127		51	Delaware	18
21	Oswego	101		52	Wyoming	17
22	Chautauqua	85		53	Livingston	15
23	Ulster	78			Tioga	15
24	Saratoga	55		55	Essex	13
25	Steuben	54		56	Columbia	12
26	Cayuga	46			Schoharie	12
	Chemung	46		58	Lewis	11
28	Fulton	44		59	Seneca	9
29	Ontario	41			Schuyler	9
	Sullivan	41		61	Hamilton	4
31	St. Lawrence	40			Yates	4

\* Watertown City Police Department (Jefferson County) is excluded due to reporting problems.

As of 08/05/2013, 40 law enforcement agencies submitted less than 12 months of UCR motor vehicle theft reporting to DCJS.

## Motor Vehicle Insurance Fraud Suspected Incidents 2012

Rank	COUNTY	MV INSURANCE FRAUD	Rank	COUNTY	MV INSURANCE FRAUD
1	Kings	5,285		Jefferson	11
2	Queens	3,096		St. Lawrence	11
3	Bronx	3,085	34	Genesee	10
4	New York	2,308		Warren	10
5	Nassau	1,507	36	Cattaraugus	9
6	Suffolk	689		Oswego	9
7	Westchester	465		Wayne	9
8	Erie	376	39	Chemung	8
9	Richmond	349		Tompkins	8
10	Monroe	214	41	Cortland	7
11	Onondaga	124		Montgomery	7
12	Orange	122		Otsego	7
13	Albany	86		Washington	7
14	Rockland	84	45	Clinton	6
15	Dutchess	70		Franklin	6
16	Niagara	45		Herkimer	6
17	Oneida	43	48	Fulton	5
18	Broome	38		Madison	5
	Schenectady	38	50	Allegany	4
20	Ulster	35		Chenango	4
21	Rensselaer	28		Tioga	4
22	Sullivan	20		Wyoming	4
23	Saratoga	19	54	Columbia	3
24	Putnam	18		Essex	3
25	Steuben	16		Livingston	3
26	Greene	15		Schoharie	3
27	Ontario	13	58	Yates	2
28	Cayuga	12	59	Hamilton	1
	Chautauqua	12		Lewis	1
30	Delaware	11		Schuyler	1
	Orleans	11	62	Seneca	0