INSURANCE FRAUD BUREAU OF MASSACHUSETTS

August 1, 2026

The Clerk of the House of Representatives
State House
Boston, MA 02130

To the Clerk of the House of Representatives:

Pursuant to Massachusetts St. 1990, c.338; St. 1991, c.398, §99; St. 1996, c.427, §13; and St. 2002, c.279, §5, on behalf of the Insurance Fraud Bureau of Massachusetts (IFB), I hereby submit the IFB Semi-Annual Report to the Clerk of the House of Representatives. Enclosed is a copy of the May 2026 e-focusFraud publication. The IFB e-focusFrauds are published periodically and include court activity resulting from IFB investigation and case referrals to prosecution to fulfill semi-annual statutory reporting requirements.

This report should be forwarded to the Joint Committee on Insurance and the Joint Committee on Labor and Workforce Development. In summary, as of June 30, 2026, the IFB has received 106,707 referrals involving auto fraud, workers' compensation fraud and other insurance fraud since its inception. As a result of these referrals (many of which involve the same suspects), 25,255 case investigations were created and 4,965 cases have been referred to the Attorney General, District Attorney or United States Attorney for prosecution.

In all, 727 individuals have been indicted, and complaints have been filed against 4,096 other individuals. Court action has therefore been initiated against 4,823 separate individuals. To date, as a result of IFB investigation, 1,098 people have been convicted of insurance fraud crimes with an additional 1,359 individual prosecutions continued without a finding. IFB staff have aggressively pursued publicity through both print and electronic media to educate the public regarding Bureau progress.

Cordially,

Anthony M. DiPaolo
Executive Director

c: Attorney General Andrea Campbell
Senate Chair, Joint Committee on Labor & Workforce Development
House Chair, Joint Committee on Labor & Workforce Development
Senate Chair, Committee on Financial Services
House Chair, Committee on Financial Services
Michael Caljouw, Commissioner of Insurance

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e-focusFraud

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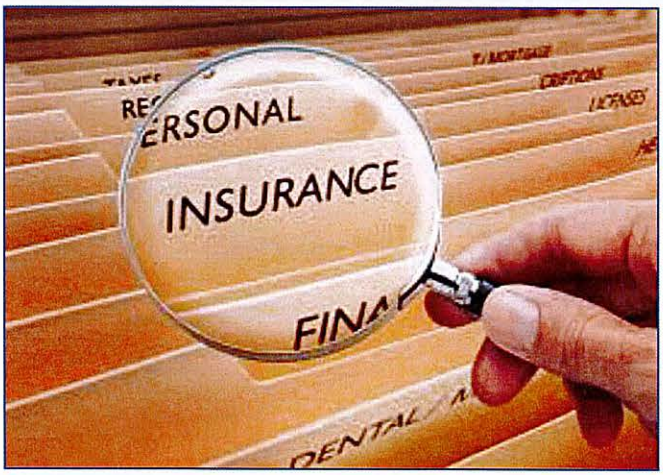

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Details contained in charging documents are allegations. Defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

e-focusFraud is published periodically throughout the year. News flashes on current press releases and news articles and updates on prosecution court activity are posted frequently on the IFB website.

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Provider Fraud

Case Update- Former Brookline Doctor Convicted of Health Care Fraud and Money Laundering

Brookline- A former Brookline Massachusetts physician was convicted following a 10-day jury trial in federal court in Boston of health care fraud, money laundering, tax evasion and conspiring to defraud the Internal Revenue Service (IRS).

Dr. Pankaj Merchia of Brookline, Massachusetts and Boca Raton, Florida was convicted on January 27, 2026 of one count of health care fraud, three counts of money laundering, two counts of tax evasion and one count of conspiracy to defraud the IRS. U.S. Senior District Court Judge Nathaniel M. Gorton scheduled sentencing for April 28, 2026. Merchia was indicted for money laundering and health care fraud in December 2022 and later charged for tax offenses in a superseding indictment, along with alleged co-conspirator Dr. Shona Pendse, in February 2023.

Investigation

Merchia perpetrated two distinct health care fraud schemes. First, Merchia billed former patients' insurance companies for monthly rentals of Continuous Positive Airway Pressure (CPAP) and Bilevel Positive Airway Pressure (BiPap) machines from 2017 to 2019, despite not having treated the patients since at least 2011. In some cases, the patients had returned the devices to him. Merchia used the proceeds of this fraud to purchase an expensive home in Brookline.

Additionally, Merchia defrauded another insurance company of over $390,000 by submitting claims for a CPAP machine provided to his brother. After he was told that the insurance carrier would not pay for treatment rendered by a family member, Merchia created a new medical business and submitted new claims so the company would pay. Merchia used the proceeds of this fraud to fund a wire transfer of $250,000 and to purchase at least $140,000 in securities.

Finally, from 2009 to 2019 Merchia did not report, or pay taxes on, over $6.5 million in income he earned from his medical businesses by falsely claiming that those businesses were owned by his co-conspirator. To defraud the IRS, Merchia fabricated a sham transaction in which he claimed to have sold his medical businesses to his co-conspirator in 2008. To ensure that his co-conspirator did not owe taxes, they claimed large amortization deductions, spread across many years, for the fabricated sale.

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Outcome

The charges of money laundering and health care fraud provide for a sentence of up to 10 years in prison, three years of supervised release and a fine of up to $250,000. The charges of tax evasion and conspiracy to defraud the IRS provide for a sentence of up to five years in prison, three years of supervised release and a fine of up to $250,000. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and statutes which govern the determination of a sentence in a criminal case.

United States Attorney Leah B. Foley; Thomas Demeo, Special Agent in Charge of the Internal Revenue Service Criminal Investigation, Boston Field Office; and Anthony M. DiPaolo, Executive Director of the Insurance Fraud Bureau of Massachusetts made the announcement. Assistant U.S. Attorney Neil J. Gallagher, Jr. of the Health Care Fraud Unit and Trial Attorney Ezra Spiro of the Department of Justice Criminal Division's Tax Section are prosecuting the case.

The details contained in the charging documents are allegations. The remaining defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

Case Update- Nurse Practitioner Prescribes Controlled Substances for Personal Use

Revere- A Revere man pleaded guilty on November 19, 2025 to twelve counts of registration and obtaining a drug by fraud and four counts of filing a false healthcare claim. He was sentenced to three years of probation.

The Revere man, who worked as a nurse practitioner, was involved in an illegitimate prescription scheme in the emergency department of a local hospital. Investigation revealed that the Revere man was issuing improper prescriptions for Adderall, Lorazepam and Amphetamine ER, many of which he would pick up himself.

Police began their investigation after being contacted by a pharmacist who became suspicious of the Revere man's prescription practices and patterns.

The investigation showed that the Revere man wrote numerous prescriptions of Clonazepam, Adderall, Dextroamphetamine, Androderm patches and injectable testosterone for a Boston man between February 2021 and June 2023, despite the fact that the Boston man was not his

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patient. The Revere man picked up many of the substances he prescribed for the Boston man himself. The Boston man then had the prescriptions billed to his personal health insurance.

Workers' Compensation Fraud

Waltham Man Indicted for Payroll Scheme

Waltham- A Waltham man was indicted on December 16, 2025, on eight counts of workers compensation insurance fraud and two counts of larceny over $1200. The Waltham man is alleged to have repeatedly underreported the payroll exposure of his Waltham carpentry company. To avoid paying higher premiums, he failed to report the company's roofing operations during annual workers compensation audits. He allegedly reported to auditors that the Waltham carpentry company only managed carpentry operations, when in fact the company primarily handled roofing contracting. Investigation further revealed that the company likely maintained a cash payroll as there were no subcontractors or casual laborers reported on audits; only W-2 employees. In addition, several certificates of insurance were issued on the Waltham carpentry company's policies, but the Waltham man's website only promoted roofing work. Further investigation found that the Waltham carpentry company's last workers' compensation policy was non-renewed and currently there is no coverage in place.

Southborough Woman Charged for Underreporting Employees

Southborough-The case against a Southborough woman was continued without a finding for eighteen months and she was ordered to pay $62,802 in restitution to The Hartford. The Southborough woman was charged with one count of workers compensation fraud and one count of larceny for her involvement underreporting employees and payroll of a Southborough construction company in a hidden payroll scheme. An audit of the business was conducted on April 2, 2019, for the policy period March 11, 2018, through March 11, 2019. The only employees reported as working at the Southborough construction company at that time were the owner, and the Southborough woman.

A workers' compensation claim was filed for an employee at the Southborough construction company, which occurred April 22, 2019. Investigation revealed that the employee had been an employee of the Southborough construction company since February 2, 2019. The employee was never disclosed to the insurer during the April 2, 2019 audit. Additionally, the Southborough construction company failed to report that the company maintained a Bank of America account used to pay undisclosed employees. During the 2018 to 2019 policy period,

the Southborough construction company employed twenty-five employees in addition to the owner and the Southborough woman. The unreported payroll was $534,320.

Webster Man Arraigned for Involvement in Issuing Phony Certificates of Insurance

Dudley- A Webster man was arraigned in Dudley District Court on three counts of Larceny. The Webster man worked as an insurance agent representing a subcontractor of a property management company and a painting company. The owner of a painting company, believed he had workers' compensation coverage until he was made aware by the property management company that the certificates of insurance (COIs) provided by the Webster man on his behalf, were fraudulent. The workers compensation insurance policy for the painting company was held with The Hartford Insurance Company and the workers compensation coverage for the property management company was held with Travelers Insurance Company. An audit by Travelers Insurance Company revealed that the COIs were invalid and that the coverage with the Hartford Insurance Company did not exist. Further investigation revealed that the Webster man had provided multiple fraudulent COIs to the property management company indicating that the painting company had active workers' compensation insurance when, in fact, coverage did not exist. The owner of the painting company had issued payments to the Webster man for workers' compensation insurance which was never bound for coverage. COIs provided by the Webster man indicated active workers compensation coverage for the 2017-2018 and 2018-2019 calendar years. In actuality, coverage had last been active in April 2016. The owner of the painting company indicated that he paid approximately $3,000 per year in premiums to the Webster man. As a result of the false COIs, the owner of the property management company paid an additional $1,623 in premiums for which she has not been reimbursed.

Further investigation revealed that another entity paid the Webster man for insurance premiums for which coverage was not bound. A real estate agency paid the Webster man a total of $18,105 for general liability coverage that was to encompass three policy years. The real estate agency was under the impression that coverage was active until a slip and fall claim was filed which revealed that no coverage was in place. The insurance carriers listed on the COIs confirmed that no coverage was in place.

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Automobile Insurance Fraud

Lawrence Man Sentenced to Probation for Phony Hit While Parked Claim

Lawrence- A Lawrence man was placed on pretrial probation for one year on charges of motor vehicle insurance fraud and attempt to commit a crime. He was ordered to pay $756 in restitution. The Lawrence man reported to Mapfre Insurance Company that on December 10, 2021, his 2014 Subaru Forester was hit while parked causing damage to the driver side and bottom of the doors. A forensic examination revealed that there are no bumpers on any typical car, minivan, pickup truck, or SUV low enough to strike the bottom of the Subaru doors. The yellow paint markings on the Subaru were thick and inconsistent with automotive paint. The paint found was consistent with paint used on an exterior pole, pole base, wall, or some other barrier. The damage was consistent with the Subaru striking a low yellow painted, fixed object and not from the Subaru coming into contact with another vehicle. The Lawrence man stated that he had no other accidents with the vehicle and denied the possibility that the vehicle had been involved in an accident while being operated.

Other Types of Insurance Fraud

Case Update- New Bedford Couple Pleads Guilty to Defrauding Clients of Over $750,000 in Connection with Their Insurance Business

New Bedford- On March 25, 2026 a married couple pleaded guilty to their involvement in a scheme to defraud individuals seeking insurance coverage through their business, BL Insurance Brokerage, LLC. Brendan Lawler and Lisa Lawler, both of New Bedford, Massachusetts, pleaded guilty to one count each of conspiracy to commit wire fraud.

Investigation

According to the charging document, from March 2023 through March 2024, the Lawlers solicited and collected insurance payments from their clients, which should have been paid to the clients' insurance providers. Instead of paying the insurance companies, the Lawlers pocketed their clients' payments and used the money for their own purposes. To conceal the theft of client funds and to keep their company afloat, the Lawlers used incoming client funds to pay outstanding balances due to other clients' insurers. The Lawlers also created and distributed certain insurance documents to the clients that indicated that the clients were insured. Through

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this scheme, the Lawlers defrauded at least fifty individuals or insurance providers and stole more than $750,000.

Outcome

The Lawlers sentencing is scheduled for July 22, 2026. The charges of wire fraud and conspiracy to commit wire fraud each provide for a sentence of up to 20 years in prison, three years of supervised release and a fine of up to $250,000, or twice the loss to the victim. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and statutes which govern the determination of a sentence in a criminal case.

North Adams Man Pleads Guilty to Setting House on Fire

North Adams- A North Adams man pleaded guilty and was sentenced to two to three years in state prison on charges of burning of a dwelling house, burning insured property with the intent to defraud, filing a fraudulent insurance claim, and conspiracy. The North Adams man reported to The Hartford Insurance Company that a fire occurred on May 17, 2023 at his condemned, eight-unit rental building. The fire was extinguished by 1:30 A.M. on May 18, 2023. The building was destroyed.

Investigation revealed the North Adams man made an offer to a man to start the fire for $10,000 in cash and an apartment rental. An additional witness confirmed that he saw the pair together in the days leading up to the fire. Additionally, witnesses confirmed that the man made comments taking responsibility for the fire; stating he would receive insurance proceeds for doing so.

The North Adams man stated he was at home at the time of the fire and was notified of the fire by his son-in-law. The owner of the building confirmed he secured the property at that time. The North Adams man admitted to being behind on insurance payments but kept the mortgage payments up to date. The owner of the building stated he had architects view the building and secured the appropriate permits for projects he intended to complete. The owner of the building confirmed the power was still on in the building in case he needed to use tools. Further investigation later revealed that the North Adams man did not secure any permits at the property.