



INSURANCE FRAUD BUREAU OF MASSACHUSETTS

February 1, 2025

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 IFB January 2025 e-focusFraud. The IFB e-focusFraud includes 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 December 31, 2024, the IFB has received 98,947 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), 24,097 case investigations were created and 4,768 cases have been referred to the Attorney General, District Attorney or United States Attorney for prosecution.

In all, 717 individuals have been indicted and complaints have been filed against 3,981 other individuals. Court action has therefore been initiated against 4,698 separate individuals. To date, as a result of IFB investigation, 1,076 people have been convicted of insurance fraud crimes with an additional 1,332 individual's 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,

A handwritten signature in blue ink, appearing to read "Anthony M. DiPaolo".

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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INSURANCE FRAUD BUREAU OF MASSACHUSETTS

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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.

<https://www.ifb.org>



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Provider Fraud

Florida Man Sentenced for Health Care Fraud Violations

Bedford- A Florida man was sentenced on December 20, 2024, in federal court in Boston in connection with a scheme to defraud insurance providers for physical therapy services that were not provided to patients.

Jeffrey MacEachron, a retired Air Force Colonel, and former Inspector General at Hanscom Air Force Base, was sentenced by U.S. District Court Judge Indira Talawani to three months in prison, to be followed by twenty-seven months of supervised release subject to home confinement. MacEachron was also ordered to pay \$335,098 in restitution and a \$5,500 fine. In July 2024, MacEachron pleaded guilty to an Information charging him with one count of health care fraud; aiding and abetting.

Unveiling the Scheme

MacEachron owned and managed PT4U, Inc., a business that operated physical therapy clinics in Bedford and Lexington, Mass. According to the charging documents, from 2013 through 2021:

- MacEachron caused insurance companies and TRICARE to reimburse PT4U for physical therapy services that were not actually performed. Specifically, MacEachron edited claim forms to add units of service beyond those actually performed and then submitted them to insurance companies and TRICARE for payment.

Behavioral Healthcare Company Executive Charged with Healthcare Fraud

Quincy- The Chief Executive Officer of Dana Group Associates, who is also the former Chief Operating Officer of Prime Behavioral Health, pleaded guilty on September 26, 2024 in connection with a scheme to defraud health care benefit programs by directing false billing for patient visits.

Miguel Saravia pleaded guilty to six counts of health care fraud. Sentencing is scheduled for March 2025.

Investigation

According to the charging documents, from approximately 2017 to 2023, Saravia directed a group of individuals with no billing or medical training to enter Current Procedural Terminology codes (CPT) for therapy services that were not provided and to upcode CPT codes used for psychotherapy visits. It is



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further alleged that Saravia submitted, or directed the submission of, false claims for treatment that was not provided or for more complex and expensive treatment than was provided.

Georgetown Woman Charged in Connection With Submitting Fraudulent Healthcare Claims

Georgetown- Complaints were issued against a Georgetown woman on November 4, 2024 on nineteen counts of filing a false health care claim, fifteen counts of larceny over \$1200, three counts of attempt to commit a crime, and one count of larceny under \$250. Since 2016, the woman was an American Family Life Assurance Company (Aflac) Insurance Producer. She allegedly submitted twenty-three false claim submissions for herself, her husband, her son, and daughter. The claim submissions started on or about January 15, 2018, and continued until approximately June 2, 2021. The claim submissions contained altered medical and prescription documents and false medical claims for services which were never rendered. These fraudulent claims resulted in \$12,020 in payments made by Aflac to the Georgetown woman. Investigation revealed that the woman filed the false claims in order to gain financial benefits from Aflac to which she was not entitled.

Health Care Fraud

Four Charged in \$1 Million Health Care Fraud Scheme

Boston- On September 5, 2024, one Massachusetts resident was indicted, and two Massachusetts residents and one New York resident have agreed to plead guilty, in connection with a scheme to defraud various health insurance companies by submitting fabricated claims seeking reimbursement for over \$1 million worth of bogus medical expenses, purportedly incurred during international travel.

Brendon Ashe of Dorchester, Darline Cobbler of Randolph, and Henry Ezeonyido of Brockton were charged in a complaint unsealed on July 11, 2024, with one count each of conspiracy to commit health care fraud. They each agreed to plead guilty. Ezeonyido was also charged with six counts of health care fraud.

Investigation

Defendants submitted health insurance claims involving:

- Expensive medical treatment that they received and paid for out-of-pocket while traveling overseas.



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- The claims submitted to four different insurance companies related to alleged traumatic injuries such as stabbings, hit-and-run car accidents, as well as gunshot wounds that the defendants suffered that required their hospitalization abroad.
- The complaint states that the defendants were in the United States when they claimed to be hospitalized in foreign countries. Some of the defendants received unrelated medical services in the United States at the same time they were hospitalized overseas.
- In support of these claims submitted to the insurance companies, the defendants provided fabricated records – including fake bank records purporting to show payment to the treating facilities, bogus medical records purporting to show the medical care provided, and falsified police reports describing the circumstances of shootings or stabbings.
- In some instances, the details of the claims submitted by or on behalf of the defendants and supporting documentation – including the dates of service, country where the alleged traumatic injuries occurred, and nature and circumstances of the alleged injuries are nearly identical to one another.
- As a result of these fraudulent claims, various health insurance companies were billed over \$1 million for services that were never rendered.

Prosecution Remarks on the Investigation:

“These defendants allegedly fabricated over \$1 million in insurance claims for injuries that never happened in a brazen abuse of our healthcare system. This kind of deceit is not only illegal, it victimizes every law-abiding person by diverting resources from those truly in need and driving up costs for everyone,” said Acting United States Attorney Joshua S. Levy. He continued, “health care fraud is a serious crime that erodes public trust and undermines the integrity of our healthcare system. Prosecuting health care fraud, in whatever permutation it takes, has always been and remains a top priority,” according to then United States Attorney Levy.

“...[T]he FBI charged six people whose guiding compass appears to have been greed. We believe they feigned injuries they never suffered and submitted bogus claims for medical treatment rendered in overseas hospitals they never set foot in, while most claimed to be victims of violent crimes that never actually took place,” said Jodi Cohen, Special Agent in Charge of the Federal Bureau of Investigation, Boston Division. “Unscrupulous schemes like the one we allege here drives up health care costs for all of us which is why the FBI, and our partners won’t hesitate to bring to justice anyone who perpetrates blatant and egregious fraud,” according to Cohen.

“These individuals allegedly lied and said they sustained injuries or illness and had to pay substantial healthcare costs while abroad for their medical needs. We allege that they then fraudulently requested their health insurance carriers to reimburse them for these fictitious costs, including by using the U.S.



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Mail. Postal inspectors will not let these schemes go unchecked and are committed to protecting the integrity of the U.S. Mail,” said Ketty Larco-Ward, Inspector in Charge of the United States Postal Inspection Service, Boston Division.

“The Insurance Fraud Bureau of Massachusetts is committed to combating this illegal activity through vigilant investigation and collaboration with our partners. Insurance fraud harms everyone and undermines trust in the insurance system and increases the cost of insurance,” said Anthony M. DiPaolo, Executive Director of the Massachusetts Insurance Fraud Bureau.

Workers’ Compensation Fraud

Massachusetts Businessman Sentenced to Million-Dollar Payroll Tax Fraud Scheme

Boston- A Dorchester man was sentenced to one year and a day in prison and three years of supervised release on December 10, 2024, after pleading guilty on September 11, 2024 to a multi-year tax fraud scheme in which he failed to pay employment taxes for his temporary employment agency. He was ordered to pay \$2,574,976 in restitution.

Det Tran pleaded guilty to two counts of failure to collect and pay over employment taxes.

Investigation

From at least 2018 through 2021, Tran owned and operated HTP Temp. Inc. (HTP), an agency that provided temporary workers for client businesses. During that time, Tran paid \$8 million in “off the books” cash wages to HTP employees. Through his concealment of these cash wages, Tran caused his accountant to prepare false quarterly filings to the IRS for HTP’s employee wages and tax withholdings between 2018 and 2021. As a result, Tran evaded more than \$2.1 million in employment taxes owed to the IRS.

Case Update- Worcester Area Man Sentenced on Mail Fraud and Employment Tax Charges

Worcester- Juliano Fernandes pleaded guilty to eleven counts of employment tax fraud, two counts of mail fraud, and two counts of making false statements to a federal agency. On December 18, 2024 he was sentenced to twelve months home confinement and five years’ probation. Fernandes was ordered to pay \$1,450,031 in restitution. Anderson Dos Santos pleaded guilty to four counts of filing a false tax return and was sentenced in May 2024 to three years’ probation.



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Fernandes exercised financial control over Force Corporation and AB Construction, both Massachusetts-based construction companies. Between 2015 and 2017, Fernandes willfully failed to account for and pay over employment taxes for these companies to the United States Internal Revenue Service. In addition, from approximately April 2013 through January 2017, Fernandes defrauded workers' compensation insurance companies by misrepresenting the number of employees at Force Corporation and AB Construction and the wages paid to the employees. In August 2017, Fernandes also made materially false statements to the U.S. Department of Labor regarding the value of property he owned in Lunenburg, Massachusetts and that he never had responsibility or control over the payroll of Force Corporation. These statements related to the Department of Labor's efforts to collect funds from Fernandes and his businesses concerning civil wage violations.

Dos Santos, who worked for AB Construction, signed, and filed individual tax returns for tax years 2013, 2014, 2016, and 2017, in which he materially underreported his income.

Case Update- Randolph Woman Sentenced in Connection with Payroll Tax Scheme

Quincy - A Randolph woman was sentenced to 18 months in prison and two years of supervised release. She was ordered to pay \$845,382 in restitution on charges of failure to collect and pay over taxes and mail fraud for her involvement in a payroll tax avoidance scheme.

On April 10, 2024 Lilian Giang was convicted on four counts of failure to collect and pay over taxes and one count of mail fraud for her involvement in a payroll tax avoidance scheme.

Previously, Giang was indicted by a federal grand jury for mail fraud and failure to collect and pay over taxes. Giang was released on conditions following an appearance in federal court in Boston on March 10, 2023 before U.S. District Court Magistrate Judge Donald L. Cabell.

According to court records, between 2015 and 2019, Giang owned and operated Able Temp Agency, a temporary employment agency in Quincy that served client companies in Massachusetts. The client companies paid Able Temp Agency for the temporary employees' work on an hourly basis. Giang deposited those payments into bank accounts in the name of Able Temp Agency that she controlled, and then paid the temporary employees through a combination of checks and cash. By using cash payments, Giang hid over \$3.2 million in payroll and avoided paying more than \$815,000 in required payroll taxes. Giang used her false payroll numbers to obtain worker's compensation insurance with Hartford Insurance Company at lower premium rates.



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Case Update- Owner of Staffing Agencies Pleaded Guilty in Connection with Scheme To Evade Insurance Premiums

Worcester— A Worcester woman pleaded guilty and was sentenced to two years' probation on charges of four counts of workers' compensation fraud and three counts of larceny over \$250. The woman was the owner and operator of two temporary staffing agencies in Worcester. Between 2014 and 2018, the Worcester woman provided false information or lied to insurance auditors during yearly audits regarding the size of her workforce at her two temporary staffing companies. She underreported payroll for the businesses by more than \$2 million. Through her misrepresentations, she defrauded Travelers and Atlantic Charter Insurance Companies of more than \$49,000 in insurance premiums.

Case Update- Owner of Construction Companies Sentenced to Prison on Tax and Mail Fraud

Dariusz Pietron was sentenced to 18 months in federal prison on three counts of failure to collect and pay over taxes and one count of mail fraud. He was ordered to pay \$1,351,856 in restitution.

Pietron pleaded guilty on May 14, 2024 on three counts of failure to collect and pay over taxes and one count of mail fraud. In 2014, Pietron reported that an employee from his company, TJM Carpentry, fell from a forklift basket during framing work, sustaining severe injuries to his back and ribs, resulting in paralysis. Investigation revealed the employee was employed by Eddy Construction, Inc., a subcontractor of TJM Carpentry Inc. The injured employee claimed to be under the control of TJM Carpentry's owner, Dariusz Pietron.

Further investigation revealed that TJM Carpentry utilized three main subcontractors for framing work: Edmilson Construction, Inc., Eddy Construction, Inc., and CON Construction, Inc. Payments totaling over \$2.7 million were traced to individuals linked to these subcontractors, all funded by TJM Carpentry.

TJM Carpentry ceased operations voluntarily in December 2016, with indications that the business continued under "Point Construction, Inc." Since July 2016, Point Construction was owned by Dariusz Pietron's wife. Both TJM Carpentry and Point Construction employed subcontractors as "shell" companies to evade tax responsibilities and insurance premiums.



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Automobile Fraud

Six Individuals Indicted in Auto Body Shop Scheme

Everett- Six individuals were indicted in a coordinated scheme involving an auto body shop and staged accidents. The Everett Auto Body Shop cashed property damage checks issued to them from insurance companies without completing repairs. A Chelsea man and a Saugus man, owners of the Everett Auto Body Shop, told a customer that some of the parts to repair his Hyundai were on backorder, causing a long delay in completing repairs. Investigation revealed the Everett Auto Body Shop did not have a business license in Everett. The owners were using insurance checks to pay people they owed instead of repairing vehicles. The individuals were indicted on the following criminal charges:

- Motor vehicle insurance fraud
- Identity fraud
- Larceny over \$1200
- Conspiracy to commit larceny over \$1200
- Common and notorious thief
- Receiving stolen goods
- Bribe Receiving by a Public Employee
- Solicitation or Receipt of Gifts by a Public Employee
- Receipt of Improper Compensation by a Public Employee
- Giving Unlawful Gifts to a Public Employee and
- Promising or Offering Improper Compensation to a Public Employee.

A customer reported that he brought his Hyundai to the Everett Auto Body Shop for repairs after he was in an accident. Further investigation revealed that the Everett Auto Body Shop kept his Hyundai for nearly a year, and repairs were never completed. The Everett Auto Body Shop received two insurance claim checks from Liberty Mutual Insurance Company for the repairs to the Hyundai.

The Everett Auto Body Shop was trying to get more money from customers by billing for repairs that were never made. A Revere man, also involved in the scheme, referred many clients to the Everett Auto Body Shop. He also told customers that they owed money and used insurance claim payments to pay debts rather than for car repairs. The owner from Chelsea had a customer's Chrysler intentionally totaled and



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advised him how to report the claim to his insurer. The customer received the full payment from the insurance carrier for the loss, however, he did not pay the Chelsea man for his involvement.

Charlestown Man Pleaded Guilty to Car Theft Scheme

Winthrop- A Charlestown man pleaded guilty to motor vehicle insurance fraud and received a house of corrections sentence of six months suspended and one year of probation. The Charlestown man reported to Plymouth Rock Assurance Corporation that on April 1, 2021 his 2013 Honda Accord was stolen from outside of his apartment. The investigation found that two claims were reported to Plymouth Rock Assurance Corp by adverse operators (one on May 20, 2021, and the other on June 4, 2021) involving the Honda. The two drivers involved in the auto accidents on May 20, 2021 and June 4, 2021 respectively, took down the Charlestown man's information after their accidents, and took photographs of the Honda and the Charlestown man's license. The Honda, after having been involved in these two accidents, was dropped off and subsequently towed for trespassing on June 16, 2021, with severe damage. Further investigation revealed that the Honda was never stolen, the Charlestown man was observed driving it as well as having been in two accidents with it, after he reported it stolen. Witnesses identified the Charlestown man as being involved in both accidents. The Charlestown man stated that he had not been in any accidents with the Honda for six to eight months. He also stated that the Honda was currently found and impounded.

Case Continued Without a Finding Against Springfield Man and Fraudulent Automobile Damage

Springfield- The case against a Springfield man was continued without a finding for three months on charges of motor vehicle insurance fraud and attempt to commit a crime. The Springfield man reported to Liberty Mutual Insurance Company that on July 23, 2021 his 2007 Saturn ION was flooded while parked. He stated that the vehicle had been caught in a flash flood and would not start. At the time of the loss, the Springfield man had an automobile insurance policy with effective dates of February 15, 2021, to February 15, 2022. This Policy did not include flood coverage. On July 19, 2021, the Springfield man added flood coverage. This new policy with flood coverage became effective on July 20, 2021. A forensic examination of the Saturn indicated that Saturn showed no evidence of recent flooding, although the engine had ingested water. The forensic report concluded for water to have entered the engine's air intake system the engine would have had to be running, or the entire engine compartment would have had to be submerged in water. Further investigation revealed that the Saturn was parked on the night of July 20, 2021, at approximately 8:00 PM and the Springfield man came out to the vehicle the next morning July 21, 2021, and not July 23, 2021 as he had previously reported.

Case Against Lynn Man Continued Without a Finding for One Year

Boston- A Lynn man admitted to sufficient facts and the case was continued without a finding for one year on a charge of motor vehicle insurance fraud. He was ordered to pay \$2,573 in restitution. A Saugus man



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reported to Bristol West Insurance Group that on September 1, 2021 he lost control of his 2015 Audi Q5 and slid into the Lynn man's 1998 Acura RL and a Peabody man's 2016 Mercedes C Class owned by a used car dealership. There were no witnesses to the reported incident and the police were not contacted. The Saugus man did not have collision coverage on his Audi at the time of loss. The Peabody man had his Mercedes towed to an auto body shop after the accident. Background information for the Peabody man produced evidence that he was using an alias. Investigation revealed an open investigation involving questionable accidents associated with the auto body shop. Further investigation revealed that the Lynn man filed the claim based on an accident script that the Peabody man gave him. The Lynn man never met the other parties listed on the claim. The Lynn man later confirmed that someone added more damage to his Acura after it was dropped off at the auto body shop and that the accident did not occur as reported.

Framingham Man Placed on Pre-Trial Probation for Fraudulent Automobile Property Claim

Boston- A Framingham man was placed on pre-trial probation for six months and ordered to pay \$10,710 in restitution on a charge of motor vehicle insurance fraud. The Framingham man is alleged to have reported to GEICO Insurance Company that on November 23, 2023 his bike was struck by a 2021 Hyundai Kona, causing damage to the bicycle. A man had stated over the phone, that he was a Medford woman's husband, and stated that the Medford woman was at fault for the accident. Investigation revealed that GEICO paid the Framingham man \$10,709.98 for this claim. Further investigation revealed that the Medford woman does not have a husband, the accident did not happen, and she did not report being at fault for the accident. The Framingham man had been the caller, identifying himself as the Medford woman's husband. Further investigation revealed that the Medford woman later identified the Framingham man as the salesperson that she bought a motor vehicle from at a car dealership. The Medford woman also identified the Framingham man as the same person who obtained her GEICO motor vehicle insurance policy.

Other Types of Insurance Fraud

Lawrence Man Pleads Guilty in Connection with Fraudulent Travel Claims

Lawrence- A Lawrence man pleaded guilty and the case was continued without a finding for two years on charges of filing a fraudulent insurance claim and larceny over \$1200. He was ordered to pay \$70,299 in restitution. The loss involved a Lawrence woman, a Lawrence man, and another man submitting claims to multiple insurance companies, while asserting to each company that the claims were not submitted to, nor paid, by any other insurance carrier.

Bank records dating from November 6, 2017 through April 24, 2019, indicated that, in addition to the \$166,251.00 in insurance payments, an additional \$24,941.00 in insurance checks were found to have



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been deposited into their accounts, bringing the total amount of insurance proceeds received to \$191,192.00. Checks drawn on these accounts, made payable to third parties, were deposited into Banco Multiple Santa Cruz, in Santo Domingo, the Dominican Republic. Investigation revealed the documents submitted were fraudulent payouts, totaling approximately \$166,251.00, to the Lawrence woman, the other man, and the Lawrence man, all using an address in Lawrence even though the Lawrence woman and the other man did not reside in Lawrence, Massachusetts at that time.

The Lawrence woman reported a loss and filed a claim while traveling in Guayaquil, Ecuador on November 15, 2017. During the investigation, it was discovered that the Lawrence woman had made the same claim with other travel insurance companies in an attempt to obtain multiple payments. The claims, using the Lawrence address, were being made for losses occurring in either South America, or the Dominican Republic. In addition, documents provided to the insurance companies by the claimants in support of their claims had been altered. Altered documents included a police report, medical records, and copies of bank checks that were made payable to medical providers and automobile repair shops.

Mattapan Man Reports Fraudulent Burglary

Fall River- The case against a Mattapan man was continued without a finding for eighteen months on charges of two counts of filing a fraudulent insurance claim and one count of larceny over \$1200. The Mattapan man was ordered to pay a \$90 victim witness fee and \$4,016 in restitution. The Mattapan man reported to Homesite Insurance Company that his apartment was burglarized on January 9, 2022, and several valuable items were stolen. The Mattapan man submitted several receipts for items that were stolen, including a photo of the damaged door of the residence. Investigation revealed that the Mattapan man and his girlfriend filed additional renters' insurance claims on December 17, 2021, and December 28, 2021, for a separate residence in Fall River. A renters insurance claim was submitted by the Mattapan man stating that his residence in Fall River had been burglarized on December 17, 2021. The Mattapan man reported several items of value had been stolen, and he submitted a photo of the damaged apartment door and a police report in support of the claim. A second renters insurance claim was submitted by his girlfriend, to Liberty Mutual Insurance Company, stating that her residence in Fall River had been burglarized on December 28, 2021. Investigation confirmed the photograph of the damaged door submitted by the Mattapan man from the January 9, 2022 claim was the same photo submitted by both the Mattapan man and his girlfriend in the December 28, 2021 claim. Investigation also confirmed that the police reports submitted in all the claims were fraudulent documents. Neither the Mattapan man, nor his girlfriend, ever resided at any of the addresses they listed in their claims. It was also confirmed that the receipts submitted in support of the claim as well as the photo of the damaged apartment door, were falsified and originated from various websites found on the internet.