



# Department of Investigation

## *Press Release*

Release #035-2000

### *ADOI Arrest City Sanitation Worker In Insurance Scam*

*- Sought \$11,000 In "Lost Wages" After Being Hit By Taxi*

**MONDAY, MAY 15, 2000** -- EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), today announced the felony arrest of LOUIS MALDARELLI, a City Department of Sanitation (DOS) employee, for trying to bilk a Manhattan insurance company out of more than \$11,000 by fraudulently claiming that he had been disabled after a taxicab struck him on a Queens street while he was collecting trash.

MALDARELLI is accused of filing a false claim for \$11,000 in "lost wages" with the American Transit Insurance Company (ATI), the taxi driver's insurance firm, alleging that the October 13, 1998, accident on 34th Street in Astoria had left him injured, unable to work, unpaid for 4 months, and destitute.

Commissioner Kuriansky said that DOI began an investigation in March 1999, after the New York State Insurance Department questioned certain documents MALDARELLI had submitted to the state agency to appeal ATI's rejection of his claim. The DOI investigation disclosed that MALDARELLI had not, in fact, lost any wages, because DOS provides unlimited sick and line-of-duty injury leave. Moreover, the investigation revealed that MALDARELLI had actually returned to work 3 weeks after the incident and had only sustained a broken finger.

To support his claim of "lost wages," MALDARELLI, in January 1999, allegedly submitted various false and forged documents to ATI, including an employer's wage verification report -- which indicated that he earned \$1,016 a week and had not returned to work since the accident -- and 3 bogus letters on DOS stationery -- which listed a nonexistent borough command (the Queens West Borough), contained the purported signature of a nonexistent DOS official, and fraudulently asserted that MALDARELLI had been disabled since the accident. If ATI had approved his claim, MALDARELLI would have collected 80 percent of the total wages he claimed he had lost, about \$11,000, between the date of the incident and the date ATI received his claim.

MALDARELLI, 36, of Queens, has been employed as a sanitation worker by DOS since March 5, 1990, and earns a base salary of \$44,000 a year. He has been suspended pending the outcome of the case. He was charged with Insurance Fraud in the Third Degree, a Class D felony, and Attempted Grand Larceny in the Third Degree, a Class E felony. If convicted, he faces up to 7 years in prison.

Commissioner Kuriansky expressed his sincere appreciation to DOS Commissioner Kevin P.

Farrell and his staff for their assistance and cooperation in the investigation.

The investigation was conducted by Edward Rothman, DOI's Inspector General for the Department of Sanitation, and members of his staff, including Confidential Investigator Marcia Korb.

The Office of Manhattan District Attorney Robert M. Morgenthau is prosecuting the case. Assistant District Attorney Patricia Braun of the District Attorney's Special Prosecutions Bureau is handling the matter.