



Department of Investigation

Press Release

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PRESS RELEASE

**67 NAMED IN LARGEST AUTOMOBILE ACCIDENT
FRAUD RING EVER CHARGED IN NEW YORK - POLICE
OFFICER CHARGED WITH FABRICATING ACCIDENT
REPORTS - OTHER DEFENDANTS INCLUDE MANAGER OF
MEDICAL CLINIC, SECOND POLICE OFFICER AND THREE
OTHER LAW ENFORCEMENT EMPLOYEES**

**RELATED CHARGES AGAINST ONE INDIVIDUAL INVOLVE
BRIBERY OF DEPARTMENT OF HEALTH EMPLOYEE**

ALAN VINEGRAD, United States Attorney for the Eastern District of New York, BARRY W. MAWN, Assistant Director-in-Charge, Federal Bureau of Investigation in New York, BERNARD B. KERIK, New York City Police Commissioner, GREGORY V. SERIO, Superintendent, New York State Department of Insurance, and EDWARD J. KURIANSKY, Commissioner, New York City Department of Investigation, today announced the filing of criminal charges against QUENTIN HAWKINS, also known as "Flint Hawkins," the leader of a ring operating in the Flatbush section of Brooklyn that either staged or fabricated at least 14 automobile accidents between February 1999 and July 2000, New York City Police Officer

RODNEY HAWKINS, who was assigned until recently to the 70th Precinct in Brooklyn, GARRI ZHIGUN, the manager of Pacific Medical Service Center in Brooklyn (now known as Essential Medical Center), and 64 other defendants for their participation in a large-scale insurance fraud ring that filed bogus bodily injury and medical treatment claims under no-fault insurance policies. Among the other participants were New York City Police Officer EDWIN DeLOATCH, who was until recently an instructor at the NYPD Police Academy Training Unit in Brooklyn, THERESA OKEH, a police officer with the Health and Hospitals Corporation, SONJIA WINLEY, an NYPD school safety officer assigned to the 69th Precinct in Brooklyn, and TAWANA WEST, a school crossing guard assigned to the 80th Precinct in Brooklyn. More than 250 agents of the FBI, NYPD, the New York City Department of Investigation, and the New York State Insurance Frauds Bureau were dispatched this morning at 6:00 a.m. to execute the arrests.

The charges are the result of a 15-month multi-agency investigation into automobile accident insurance fraud and bribery in the New York City area. Based on the evidence reviewed to date, the fraudulent claims in this case exceed \$1 million. The New York State Insurance Frauds Bureau estimates that fraudulent no-fault insurance claims resulting from staged accidents amount to tens of millions of dollars a year in New York State, and hundreds of millions of dollars nationwide. With an average annual auto insurance rate of \$960, due in large part to fraudulent insurance claims, New York has the second-highest rates in the nation. Only New Jersey, with an average rate of \$1,138, ranks higher.

According to the complaint, QUENTIN HAWKINS has by his own admission been staging accidents for more than twenty years. As a "front" for his staged accident business and other corrupt activities outlined in the complaint, including bribery of several city employees, HAWKINS held himself out to be a private investigator operating in Brooklyn and Manhattan.

The investigation leading to today's charges and arrests began in September 1998 with allegations of a different scheme. The parents of some children who tested positive for lead poisoning reported to the Department of Investigation that they were being approached by individuals claiming to be employed by the New York City Department of Health (DOH), who urged the parents to retain specified personal injury attorneys. An investigation of those allegations, including the results of a court-authorized wiretap, revealed that HAWKINS was bribing DOH employees to provide him with confidential information from the DOH computer regarding the results of City tests for lead poisoning in children (see page 7 below). The investigation also revealed HAWKINS's extensive leadership role in the much larger automobile accident fraud scheme.

The automobile accident fraud scheme charged today worked in two ways. In the first scenario, two cars generally driven by knowing participants in the scheme deliberately collided, and the drivers called the police who filed accident reports based on the false information provided to them. The complaint charges seven of these "staged accidents," and others are under investigation. In one such accident, claimed to have occurred on November 1, 1999, at the corner of Clarendon Road and East 39th Street in Brooklyn, RODNEY HAWKINS, a corrupt police officer from the 70th Precinct in Brooklyn, allowed his own car to be used. (RODNEY HAWKINS is not believed to be related to QUENTIN HAWKINS). There, two cars deliberately collided, but caused little damage. After inspecting the damage, the two drivers decided to collide again, and only then did they notify the police. QUENTIN HAWKINS and his co-conspirators referred in telephone conversations to these staged accidents as "movies," and the cars slated for participation in these "movies" as "cans."

In the second scenario, Police Officer RODNEY HAWKINS fabricated accident reports for QUENTIN HAWKINS in exchange for bribes. In these cases there is no evidence that the accidents were even staged. Seven accidents where RODNEY HAWKINS filed an accident report, involving a total of 37 people claiming to have been in the cars at the time of the "accidents," are charged in the complaint as having been fabricated for the purpose of fraud, and another four mentioned in the complaint are currently being investigated.

Integral to the success of the scheme was the participation of the supposed occupants of the cars involved in the fake accidents, 58 of whom are charged in today's complaint. In all but one case, these occupants refused

medical attention at the scene of the accident, but later claimed to have been injured in order to allow fraudulent billing to no-fault insurance carriers for "injuries" suffered. The "victims" of the accidents were recruited by QUENTIN HAWKINS and seven "lieutenants" charged in the complaint - RICARDO RODRIGUEZ, JEREMIAH JACKSON, RAKEESHA BAKER, also known as "Shampoo," RONDELL WOODSON, also known as "Bear," CHASTITY HAWKINS (QUENTIN HAWKINS's daughter), AUBREY HAWKINS (his son), and Police Officer DeLOATCH.

After the accidents were alleged to have taken place, the defendants charged in the complaint as having participated in fraudulent accidents - whether staged or fabricated - went to one of several medical clinics, which paid QUENTIN HAWKINS a cash fee per patient. The typical scenario involved HAWKINS sending all of the occupants in one car to one clinic, while all of those in the second car went to another clinic. The conspirators referred among themselves to the patients as "pineapples," and the clinics as "fruit stands," enabling them to discuss the delivery of pineapples to a fruit stand. GARRI ZHIGUN, the manager of one such clinic, Pacific Medical Service Center, now known as Essential Medical Center ("Pacific"), is charged in the complaint with complicity in HAWKINS's scheme. Many of the defendants charged in today's complaint sought "treatment" - ranging from chiropractic to acupuncture to psychiatry - at Pacific.

QUENTIN HAWKINS and his lieutenants instructed the passenger-defendants to claim soft tissue injury, which produces pain but no objective evidence. He required them to go to Pacific and other clinics for "therapy" for their injuries as often as possible, sometimes three or four times per week. The clinics, in turn, would prescribe additional forms of therapy for the "patients," including large amounts of durable medical equipment, and would bill the insurance carriers for the services and equipment. The multiple visits allowed the clinics to bill as much as possible per patient, typically between \$5,000 to \$25,000 per patient, up to the maximum of \$50,000 allowed under state no-fault insurance law, and gave the accident participants a better chance to obtain a fraudulent personal injury settlement of litigation after they retained lawyers. Some of the defendants were paid hundreds of dollars per accident by QUENTIN HAWKINS or his lieutenants, while others were promised the prospect of an insurance settlement at a later time for fraudulent "pain and suffering."

Much of the evidence leading to today's charges came from court-authorized electronic eavesdropping on the cellular telephone of QUENTIN HAWKINS between May 25, 2000 and July 21, 2000. For example, in one intercepted conversation, Police Officer DeLOATCH was overheard discussing a staged accident with QUENTIN HAWKINS. Referring to an accident staged by DeLOATCH on July 16, 2000 at the corner of Franklin Avenue and Crown Street in Brooklyn, DeLOATCH said, "Everything went well. We had six people total, including myself." In a subsequent conversation, QUENTIN HAWKINS was overheard complimenting DeLOATCH on the "creative" way that he had described the accident to the unwitting police officer who had responded to the scene following a 911 call. In still another conversation, HAWKINS told DeLOATCH that he had originally been wary about allowing him to participate in the fraud because he was a police officer:

I just have to feel a little more comfortable with you. . . . It's just that because you're this cop, I wonder if Eddie [Edwin DeLoatch] trying to get a Goddamn sergeant badge, a lieutenant badge and try to bust my whole operation. . . I'm been doin' this for a long time you know and I'm beginning to let outside people in my circle, you know, I just have to be cautious on who I select because I don't want -- just like no one will know what you about . . . I don't tell nobody who you are or whatever.

As alleged in the complaint, police officer THERESA OKEH of the Health and Hospitals Corporation, currently assigned to Coler-Goldwater Specialty Hospital on Roosevelt Island, staged an accident with QUENTIN HAWKINS on June 24, 2000, at Astoria Boulevard and 21st Street in Queens.⁽¹⁾ The day before the June 24 accident, OKEH told HAWKINS that she had put her hand on someone's car door, after which the car pulled away and "jerked" her hand. HAWKINS told her that would not be sufficient for a no-fault claim, and counseled her: "You gotta say he hit you. You gotta say he hit you." The next day, OKEH pulled out in front of an innocent driver, and then stopped short, causing that driver's car to hit her. She then sought treatment at a medical clinic affiliated with HAWKINS.

In the related charges announced today by Mr. VINEGRAD and COMMISSIONER KURIANSKY, QUENTIN HAWKINS was charged with paying more than \$10,000 in bribes over a three and one half year period to an employee of the New York City Department of Health. In exchange for cash payoffs, the employee revealed confidential information contained in the Department's computer regarding the results of City tests for lead poisoning in children. The information, which included the names and contact information of the children's parents and the level of lead in their blood, was extremely valuable to HAWKINS, who would then, on behalf of certain personal injury lawyers, solicit the parents of the children to hire the lawyers to file potentially lucrative personal injury lawsuits.

In addition to the fraud and bribery charges, QUENTIN HAWKINS is also charged with witness tampering, as a result of his attempts to influence the testimony of one of the confidential sources cited in the complaint.

If convicted of the conspiracy charges, the defendants face up to 5 years in prison and fines of up to \$250,000.⁽²⁾ If convicted of the bribery charges, QUENTIN HAWKINS faces up to 10 years in prison and a fine of up to \$250,000. If convicted of the witness tampering charges, QUENTIN HAWKINS faces up to 10 years in prison and a fine of up to \$250,000.

In announcing the automobile accident fraud charges and arrests, United States Attorney ALAN VINEGRAD thanked the agencies listed above, as well as the Offices of the Inspectors General for the New York City Housing Authority and the Health and Hospitals Corporation, and the NYPD Internal Affairs Bureau, which provided valuable assistance, and stated: "At a time when drivers in New York State are faced with the prospect of the highest insurance rates in the nation, these arrests signal the government's continuing commitment to hold accountable those who cause those rates to rise even further through their fraudulent conduct. The participation of several law enforcement officers in this criminal scheme is particularly reprehensible. I commend the extraordinary efforts of our law enforcement partners in this investigation. The message from these arrests should be clear: those who try to cheat the no-fault insurance system will be caught, prosecuted and punished."

FBI Assistant Director-in-Charge BARRY W. MAWN stated: "The court papers allege that Hawkins created the accidents. Where there were actual collisions, he arranged for the cars, the drivers and the passengers. He recruited his family members, his friends and his associates. In all cases, whether collisions occurred or not, he steered the so-called victims to specific medical facilities and he advised them as to what sorts of injuries to claim. It is our intent that these arrests will have both a deterrent effect on other staged auto accident swindlers and will serve notice that law enforcement and other investigative agencies are working together at the federal, state and local level to identify, apprehend and convict those responsible for committing such frauds."

NYC Police Commissioner BERNARD B. KERIK stated: "I commend the United States Attorney, FBI and the NYPD's Internal Affairs Bureau for uncovering a criminal scheme, which effects the insurance rates of every law abiding driver. This case demonstrates that whether you are a public official or private citizen, if you engage in insurance fraud, you are going to be exposed and prosecuted to the fullest extent of the law."

NYS Superintendent of Insurance GREGORY V. SERIO stated: "Cases of this kind prove that greed knows no bounds. These insurance crooks are estimated to have stolen approximately \$1 million and it is honest premium-paying consumers that end up paying the price through increased insurance costs. Today's arrests - the largest no-fault automobile accident fraud ring ever charged in New York State - send a clear message that you won't make money by defrauding the insurance system. The New York State Insurance Department is in the business of dismantling these fraud rings and, working with other law enforcement agencies, we will win our fight against insurance fraud."

In announcing the bribery charges, United States Attorney VINEGRAD stated: "The City of New York is entrusted with an important responsibility to gather information about children who have ingested toxic levels of lead, and to ensure that information is disseminated only to the children's families and their doctors.

Procurement of that confidential information through bribery of city employees for the purpose of filing personal injury lawsuits is reprehensible and will not be tolerated."

Commissioner EDWARD J. KURIANSKY, NYC Department of Investigation, stated:

"Hawkins allegedly bribed his way into the private health records of hundreds of lead-poisoned children in order to beat out other ambulance chasers in a cynical race to the courthouse steps. Fortunately, however, his scheme turned into a textbook example of the 'broken windows' theory successfully applied to white-collar crime. For the discovery of Hawkins' sideline racket trading in confidential Health Department data literally 'lead' to the disclosure and ultimate downfall of his much bigger racket in staged accidents and auto insurance fraud."

The defendants will appear later today before United States Magistrate Judge Steven M. Gold at the United States Courthouse in Brooklyn.

The government's case is being prosecuted by Assistant United States Attorneys Daniel R. Alonso and Catherine W.H. So.

(FOOTNOTES)

1. Even before the accident, QUENTIN HAWKINS and OKEH had a corrupt relationship wherein HAWKINS, to procure clients for personal injury lawyers, bribed OKEH to divulge confidential hospital information about patients, and to escort at least one attorney into a city hospital to meet an accident victim's family.
2. The charges contained in the complaint are merely accusations and the defendants are presumed innocent unless and until proven guilty.