



The City of New York  
Department of Investigation

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**DOI ARRESTS DEP OFFICER FOR ARSON AND INSURANCE FRAUD**  
***—DOI investigation leads to arrests on at least two other insurance fraud cases in upstate New York, one allegedly involved another member of law enforcement—***

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation (DOI), announced today the arrest of EDWARD KOWALIK, 32, an Environmental Police Officer for the New York City Department of Environmental Protection (DEP) in connection with an arson-and-insurance fraud scheme. KOWALIK is accused of paying an acquaintance to set fire to his truck, valued at an estimated \$40,000, to fraudulently collect the insurance money.

KOWALIK, of Grahamsville, N.Y., was charged Monday with Arson in the Third Degree, a class C felony, and Insurance Fraud in the Third Degree, a class D felony. He is being held in Sullivan County Jail on a \$50,000 bond. If convicted, he faces up to 15 years in prison.

WILLIAM KLOSS, an acquaintance of KOWALIK's, was also arrested Monday. KLOSS, 37, of Neversink, N.Y., was charged with Arson in the Fourth Degree, a class E felony, for allegedly setting fire to KOWALIK's pickup truck. He was released on a desk appearance ticket. If convicted, KLOSS faces up to four years in prison.

DOI Commissioner Gill Hearn said: "These individuals thought they could make some fast cash, but DOI investigators foiled their dangerous scheme. Our investigation didn't stop there and the hard work of DOI investigators, along with the New York State Police, led to the discovery of at least two more insurance fraud cases. As these allegations show, DOI aggressively pursues all leads in protecting the public."

On October 14, 2006, police responded to a pickup truck fire in Liberty, N.Y, on county Route 72 in Sullivan County. The truck belonged to KOWALIK but was being driven at the time by KLOSS, who told police the fire was the result of a mechanical malfunction that originated under the hood.

DOI investigators obtained information in December 2006 that KOWALIK allegedly arranged to have his pickup truck intentionally set on fire. DOI investigators notified State Farm Insurance Company, the insurer of the pickup truck. Based on information from DOI, State Farm completed a follow-up investigation and determined there was no mechanical failure and the fire appeared to be intentional. KOWALIK stood to gain at least \$36,000 from State Farm but the insurance company did not make a payment to KOWALIK. KLOSS told authorities KOWALIK paid him \$1,000.

The allegations uncovered by DOI led to a joint investigation between DOI, the Sullivan County District Attorney's Office and the New York State Police ("NYSP") Bureau of Criminal Investigation ("BCI").

The DOI investigation led to the resignation of former DEP Environmental Police Officer Michael Foster from his position as a Sergeant in the Fallsburg Police Department.

The DOI investigation also resulted in the discovery of at least two other insurance fraud cases that allegedly involved KLOSS, who New York State Police say intentionally wrecked cars for two other individuals so they could collect on the insurance money. According to the New York State Police, KLOSS staged an accident in March 2004 by driving a 1995 Toyota pickup truck owned by MICHAEL BROOKS into a tree. BROOKS, 51, of Jeffersonville, N.Y. received insurance money from the accident, was arrested Tuesday and is charged with Insurance Fraud in the Third Degree, a class D felony, according to the New York State Police. If convicted, BROOKS faces up to seven years in prison.

New York State Police said KLOSS allegedly wrecked a 1999 Jeep Grand Cherokee in January 2006, which allowed AMANDA COX, a corporal with the Sullivan County Sheriff's Office, to submit an insurance claim, in which she received an insurance payment. COX, 25, of Woodridge, was arrested Tuesday and is charged with Insurance Fraud in the Third Degree, a class D felony, and has been suspended from the Sheriff's Office, according to the New York State Police. If convicted, she faces up to seven years in prison.

New York State Police said additional charges are expected to be filed against KLOSS.

This investigation was conducted by DOI's Inspector General for DEP John B. Kantor, as well as members of his staff, including Deputy Inspector General Michael Carroll, Assistant Inspector General Michael Healy, Special Investigator Anna Wittman and by New York State Police BCI Senior Investigator Michael Orrego, Investigators Rick Sauer and Timothy Dowling. Sullivan County District Attorney Stephen F. Lungen is prosecuting.

Commissioner Gill Hearn thanked the State Farm Insurance Company, New York State Police, the Sullivan County District Attorney's Office and the DEP for contributing to this successful team effort.

Criminal complaints are accusations. Defendants are presumed innocent until proven guilty.

*DOI is one of the oldest law-enforcement agencies in the country. The agency investigates and refers for prosecution City employees and contractors engaged in corrupt or fraudulent activities or unethical conduct. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City.*

***Get the worms out of the Big Apple.  
To report someone ripping off the city, call DOI at (212) 825-5959.***