

CUOMO ANNOUNCES EIGHT MORE ARRESTS IN TAKEDOWN OF INSURANCE FRAUD RING WHICH INFILTRATED NEW YORK HOSPITALS

Hospital Employees Arrested as Part of Cuomo's Investigation into Bribery Scheme that Jeopardized Confidential Patient Information

Over 20 Individuals and Corporations Previously Arrested by Cuomo's Office During Initial Takedown

NEW YORK, NY (September 23, 2009) - Attorney General Andrew M. Cuomo today announced the arrest of eight individuals, seven of whom are hospital employees charged with receiving bribes in exchange for confidential patient information. The information was then allegedly used by others to lure patients into receiving unnecessary treatment and then submit over a million dollars in phony personal injury claims to insurance carriers. Today's arrests stem from Cuomo's ongoing investigation into allegations of bribery tactics being used at hospitals across New York to take advantage of the state's no-fault insurance laws. In July, the investigation led to the arrest of 12 individuals and 9 corporations ("the Levy Enterprise") across New York City, including two other hospital employees.

According to the felony charges filed this morning in Bronx Criminal Court, seven of the individuals arrested today were public hospital employees who accepted bribes to provide confidential patient information to members of the Levy Enterprise or to other individuals. The Levy Enterprise would then use the information to lure motor vehicle accident victims to corrupt medical clinics, where medical personnel would submit fraudulent claims for unnecessary medical treatment and the attorneys would file bodily injury lawsuits, all to turn a profit for themselves. Also arrested today along with the seven hospital employees was William Hamel, 45, an attorney at Dinkes and Schwitzer in Manhattan, who is charged with paying hospital employees for the confidential information and then using it to solicit clients.

"Today's arrests underscore the depth of this alleged criminal operation and the extent to which these individuals allegedly abused patient confidentiality and manipulated the system," said Attorney General Cuomo. "As our investigation into such breaches of patient privacy continues, we are committed to holding the individual perpetrators accountable and rooting out this level of corruption to protect patients across New York."

In July of this year, Cuomo announced the takedown of the Levy Enterprise - a web of healthcare providers, an attorney, corporations and other individuals that operated a complex criminal scheme, which illegally abused no-fault insurance and bilked patients and insurance carriers out of over one million dollars. According to the original 147-count indictment filed in Bronx Supreme Court on July 8, the operation was run by Daniel Levy, 32, of Queens. Levy was arrested in July along with one personal injury lawyer and numerous health care providers, including two medical doctors, three acupuncturists, and two chiropractors. Two other hospital employees were also arrested in July.

The following individuals were charged today in the second round of arrests stemming from Cuomo's investigation:

- William R. Hamel, 45, of Bethpage, NY, an attorney at Dinkes and Schwitzer
- Pradhudial Balkaran, 46, of Bronx, NY, a hospital employee at Lincoln Medical and Mental Health Center
- Franklin Martinez, 54, of Mamaroneck, NY, a hospital employee at Lincoln
- Vanessa Marte, 26, of New York, NY, a hospital employee at Lincoln
- Natasha Samuels, 27, of Bronx, NY, a hospital employee at Lincoln
- Benito Figueroa, 50, of Bronx, NY, a hospital employee at Lincoln
- Odalis Caraballo, 56, of Bronx, NY, a hospital employee at Lincoln
- Kenton Wright, 49, of Bronx, NY, a hospital employee at Jacobi Hospital

Martinez, Marte, Samuels, Figueroa, Caraballo and Wright are accused of working with the Levy Enterprise, while Hamel and Balkaran allegedly engaged with other, similar criminal operations.

Hamel is charged with Bribery in the Third Degree, in violation of Penal Law § 200.00, a class D felony. The seven hospital employees are charged with Bribe Receiving in the Third Degree, also a class D felony. The maximum sentence for a D felony is 2 1/3 to 7 years in prison. The hospital employees are also charged with Official Misconduct, a class A Misdemeanor carrying a maximum sentence of 1 year in jail.

The charges are merely accusations and all defendants are presumed innocent until and unless proven guilty.

The case is a result of a multi-agency investigation, including the Office of the New York City Health and Hospitals Corporation Inspector General and the New York City Department of Investigation. Cuomo thanked these agencies and also thanked the National Insurance Crime Bureau, Allstate Insurance Company, A.I.G, American Transit Insurance, GEICO Insurance, Liberty Mutual, and Metlife Auto and Home Insurance for their assistance in the investigation.

Rose Gill Hearn, Commissioner of the New York City Department of Investigation, said: "Undercover investigators from DOI and the state Attorney General's Office exposed this con game for what it was - as charged, professionals selling their integrity to exploit confidential patient information for personal gain. These arrests are part of the wide-ranging, complex insurance fraud investigation that has penetrated at least two City hospitals and resulted in an extensive indictment of more than a dozen individuals and corporations during the summer."

Alan D. Aviles, President of the Office of the New York City Health and Hospitals Corporation, said: "This strong and decisive action by the Attorney General to bring criminal charges against individual employees who allegedly acted against our interests and without our knowledge reinforces our zero tolerance policy related to the misuse and abuse of confidential patient information."

The case is being prosecuted by Assistant Attorneys General Peter Kolp, Joseph D'Arrigo and Jeff Minett and Special Assistant Attorney General Lisa Lee of the Auto Insurance Fraud Unit, under the supervision of Senior Investigative Counsel Nina Sas, Bureau Chief Gail Heatherly and Deputy Bureau Chief Felice Sontupe.