

Department of Justice

Acting United States Attorney Kathleen Mehlretter
Western District of New York

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CONTACT: Peggy Kelly McFarland
PHONE: (716) 843-5877
FAX: (716) 551-3051

MAN PLEADS GUILTY TO AUTO INSURANCE FRAUD

BUFFALO, N.Y.-- Cameron Deverteuil, 38, of Freeport, NY, pleaded guilty before U.S. District Judge William M. Skretny, to a felony charge of mail fraud, Acting U.S. Attorney Kathleen M. Mehlretter of the Western District of New York announced today. Mail fraud carries a maximum penalty of 20 years in prison, a fine of \$250,000, or both.

Assistant U.S. Attorney John E. Rogowski, who handled the case, stated that the defendant, who had been indicted along with another worker in his office, admitted his role in a "rate evasion" scheme to defraud insurance companies. In pleading guilty, the defendant admitted to counseling and assisted approximately 200 individuals, who resided in the New York City area, to obtain lower cost automobile insurance illegally by having the insurance customers fraudulently claim to be residents of Western New York. Automobile insurance premiums are based, in significant part, on the area in which the owner resides and garages the car to be insured. Premiums for automobile insurance are significantly higher for residents of the New York City area than for residents of Western New York. The defendant acknowledged that he provided New York City residents seeking automobile insurance with UPS Store addresses in Western New York that customers fraudulently claimed were their residences. The victim insurance companies, AIG and Progressive, sold these persons insurance policies based on Western New York rates rather than the truly applicable New York City rates. As a result of the scheme, the customers were undercharged a total \$541,685 in premiums than they should have paid. The case against the co-defendant, Kimberly Thomas, was adjourned until August 6, 2009.

The Indictment was the culmination of an investigation on the part of Special Agents of the United States Postal Inspections Service, under the direction of Randy Miskanic, Inspector in Charge of the Boston Division, the New York State Insurance Fraud Bureau, under the direction of Frank Orlando, Director, and the National Insurance Crime Bureau, under the direction of Joseph Wehrle.

Sentencing is scheduled for Oct. 22, 2009, at 9 am EST, in Buffalo, N.Y., in

front of U.S. District Judge William M. Skretny.