

NEWS

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Brooklyn Man Who Scammed Prudential
Sentenced to 24 Months in Federal Prison

(More)

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NEWARK – A Brooklyn man was sentenced today to 24 months in prison for recruiting others to participate in a life insurance scam which defrauded Prudential Insurance of more than \$500,000, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge Dennis M. Cavanaugh also ordered William McCullough, 32, to pay \$200,000 in restitution to Prudential.

McCullough pleaded guilty July 25, the day jury selection was to begin in his trial on a single-count Indictment charging him with mail fraud.

After his guilty plea, McCullough was remanded to the custody of the U.S. Marshal's Service. On July 10, Judge Cavanaugh had revoked McCullough's bail on the grounds that he had failed to comply with the conditions of 24-hour house arrest previously ordered by the Judge.

Starting in late 2000, McCullough and his stepfather, Michael Brant, recruited five others, all from Brooklyn, to serve as beneficiaries of decedents who were supposed former employees of AOL Time Warner, according to the Indictment. AOL Time Warner had a group life insurance policy for its employees insured through Prudential Insurance. None of the deceased were, in fact, ever employees of AOL Time Warner and none were insured through Prudential Insurance, said Assistant U.S. Attorney Robert Kirsch.

At the time of the scheme to defraud, Brant, 42, served as a claims examiner in Prudential's Group Life Insurance Division. In that capacity, he was responsible for processing and verifying life benefit claims arising from the death of employees of companies, such as AOL Time Warner.

McCullough recruited friends from his and Brant's Brooklyn neighborhood and had them provide death certificates for deceased relatives. McCullough admitted that he then gave the death certificates to Brant, who in turn processed the false claims through Prudential. All together, Prudential sent approximately \$515,000 to the phony beneficiaries, and the fraud proceeds were then split between McCullough, Brant and the recruits.

Brant pleaded guilty in October 2004, and is currently serving a 38-month federal prison sentence. He was also ordered to pay restitution in the amount of \$515, 368. Recruit Richard Bonaparte, 33, pleaded guilty to conspiracy and is serving a 15-month prison sentenced for his role.

Prudential Insurance, through a routine internal audit, uncovered the suspicious activities, referred the matter to federal law enforcement, and has been cooperating throughout the investigation.

Prudential Insurance, which has its headquarters in Newark, is a unit of Prudential Financial, Inc., which employs about 8,500 people in New Jersey and 39,000 worldwide.

U.S. Attorney Christie credited Postal Inspectors from the U.S. Postal Inspection Service, under the direction of Thomas Van de Merlen, Postal Inspector In Charge in Newark, for this successful investigation.

The case is being prosecuted by Assistant U.S. Attorneys Robert Kirsch and Adam Lurie.

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Defense Counsel:

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