

# “Operation Flames and Floods” gets 22 FL Homeowners Charged

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Earlier this week, we brought you the story of “Operation Leaky Pipes,” about a dozen Floridians who were intentionally damaging their homes with water damage in order to get the insurance payout. We have a new story that is not too much different, and this time it was dubbed “Operation Fires and Floods.”

Twenty-two Florida homeowners were charged in the fraud scheme that stole about \$7.6 million from insurance companies. The alleged criminals are all in trouble for either intentionally setting fires or causing flood damage in their homes, according to Miami-Dade State Attorney Katherine Fernandez Rundle and the [Miami Herald](#).

During a press conference, Fernandez Rundle said, “We’re here today to announce 22 arrests in what amounts to be another insurance scam that’s intended to take cash out of your wallets.”

Investigators were able to crack the ring led by public adjuster, Jorge Fausto Espinosa Sr., when authorities were tipped off by someone involved, who provided information in exchange for a lighter prison sentence.

Along with Fernandez Rundle’s team, Operation Flames and Floods was also investigated by the Florida Fire Marshall’s Office and Miami-Dade Police Department’s Economic Crimes and Arson Investigation Division.

Fernandez Rundle noted that Espinosa, 58, who owned and operated Nationwide Adjusters, worked with recruiters and “finders” to locate homeowners that were willing to let him burn their homes and then file a homeowner’s claim with insurance companies.

“These arrests and this case focused on the essential role of a public adjuster, who in this case is the key player in this scam,” Fernandez Rundle added.

Espinosa was charged with several offenses, including racketeering, grand theft, arson and forgery. He could face over 30 years in federal prison if he’s convicted.

The other 21 defendants in the case are: Alain Jose Murga, 43; Dario Martinez, 42; Argelio Menendez, 55; Damien Gonzalez, 39; Francisco Pineiro-Gonzalez, 38; Carolina Espinosa, 35; Jesus Gonzalez, Perez, 64; Daniel Perez, 43; Jesus Martinez, 51; Lazaro Rivera, 45; Anay Vina, 35; Abel Gutierrez, 43; Ernesto O’Reilly, 38; Felix Anthony Cabrera, 28; Pedro H. Lezcano, 68; Lazaro Delgado, 48; Liset Corrales, 37; Francisco Centurion, 71; Roberto Suarez, 46; Javier Lopez Rivero, 49 and Daney Perez, 47.

Jeff Atwater, Florida's Chief Financial Officer and Florida's Fire Marshall called the arrests "significant." He said, "The ring is now off the street. We are very, very excited about that."

According to Atwater, since November of 2006, Espinosa has allegedly staged 17 home fires and/or floods. Supposedly, he would meet with a homeowner, decide which would be more profitable, a fire or a flood, and then they would agree on a date. As a public adjuster, he would then file a claim with the insurance company, and, once they paid, get a 20%-30% cut.

In one case, the arrest affidavit details how Espinosa planned to set fire to a BMW in a garage, so that the house would also burn. Espinosa then put in a claim for over \$600,000. In yet another, Espinosa and another man loosened the master pipe in a master bathroom sink and let the water run freely; they also brought in a garden hose to send more water into the room. Espinosa then filed a claim for over \$100,000.

Atwater said they were able to get away with the fake claims because Espinosa purposely found people who used different insurance companies. They also were able to fool fire inspectors by not using fuel or other agents to start the fires.

Fernandez Rundle noted that schemes like this end up costing everyone in the long-run. She said, "These costs of fraud are passed on to all of us who purchase homeowners insurance."

And while busting this ring is a step forward in the fight against fraud, it is not a giant step. Atwater said they're still a long way off, stating, "Today what has occurred, Operation Flames and Flood, is another victory in the long battle against insurance fraud."