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31 arrested in organized insurance fraud scheme



Thirty-one people were arrested this week on charges of racketeering, arson and grand theft, stemming from a scheme that allegedly involved setting fires or causing floods in homes to bilk insurance companies. | STATE ATTORNEY'S OFFICE

Miami-Dade State Attorney Katherine Fernandez Rundle on Wednesday announced the arrests of 31 people charged with bilking insurance companies out of more than \$7 million by intentionally setting fires and causing floods in homes across the state.

Dubbed Operation Flames and Flood II, the state attorney's office, along with the Florida Fire Marshall's Office and Miami-Dade Police Department's Economic Crimes and Arson Investigation Division, took a closer look at Jorge Fausto Espinosa, 59, whom Rundle named as the ring leader of the organized fraud scheme.



Alba Vargas

“These arrests focus again on the essential role of a specific public adjuster, who is the key player in this organized scheme,” Fernandez Rundle said Wednesday at a news conference.

Espinosa, who owned and operated Nationwide Adjusters, was arrested in 2014 for allegedly working with recruiters and “finders” across the county to locate homeowners willing to allow him to set fires or flood their homes. The homeowners would then file a homeowner’s claim with insurance companies. At the time, 21 other people were also arrested in the scheme.

Espinosa, a public adjuster, was charged with racketeering, grand theft, arson and forgery. If convicted, he would serve more than 30 years in federal prison.

On Wednesday, Rundle said the second round of the operation focused on his business outside of Miami-Dade County, into Collier and Lee counties on the west coast of the state.

“Scams like these play a huge role in our exploding homeowners’ insurance rates,” Fernandez Rundle said.

Espinosa now faces additional charges of racketeering, arson and grand theft.

Police burst into Espinosa’s home early Wednesday in Southwest Miami-Dade and shot his Rotweiler, Espinosa’s attorney Howard Srebnick confirmed.

Srebnick called Wednesday’s arrest of his client an “abuse of power,” calling the allegations “old news.”

“He has been on house arrest for over a year fully complying with all conditions of bond set by the court,” he said, adding that his client has also had to use a wheelchair after a landscaping accident. “It is outrageous that police would shoot and kill a man’s dog when the police know that Mr. Espinosa has appeared in court repeatedly for over a year.”

Also charged in the scheme were: Erlis Chercoles, 43; Seth Horton, 26; Yaima Sanchez, 27; Ileana Sanchez, 47; Marianela Hernandez, 33; Joel Macineiras, 42; Argelio Menendez, 56; Jose

Menendez, 50; Manuel Lopez, 39; Roberto Leon, 41; Jose Pinero, 49; Francisco Pineiro Gonzalez, 39; Raudel Garcia, 42; Lourdes Sarmiento, 50; Maray Lopez, 41; Yaniel Alvarez, 33; Guenther Beer, 67; Barbara Diana Beer Rivero, 50; Alba Lucia Vargas, 37; Daniel Lopez Acevedo, 34; Nelson Fernandez, 39; Angel Lopez, 41; Fausto Marimon, 37; Yanelis Gil, 31; Jorge Antonio Pous, 43; Lisvan Say, 38; Camilo Avila, 46; Janet Alamo, 31; Roberto Suarez Medina, 47; and Servito Amado Morales, 43.

According to Fernandez Rundle, Espinosa managed to stage 20 fires and five floods between 2011 and 2013. Espinosa would be introduced to homeowners through a recruiter, meet with them and discuss whether a flood or fire was the best option, she said. He would then file fraudulent insurance claims, according to the arrest warrant.

“In this fraud, Public Adjuster Jorge Fausto Espinosa Sr. would be hired by policy holders to seriously damage the insured homes to collect from insurance companies,” Fernandez Rundle said.

The warrant details several instances where a fire or flood was set to get money. In one case, it said, Espinosa persuaded a Naples homeowner to allow him to set fire to her home because it would pay more than water damage. According to the warrant, on March 20, 2013, Espinosa went to a grocery store, bought a frying pan, lard and croquettes. Espinosa put half the lard in a frying pan and then used a paper towel to spread lard on the kitchen cabinets. He told the homeowner to wait a few days, cook croquettes and leave the stove on. But a temperature switch on the oven prevented the fire. Espinosa then returned, bought a new stove, installed it and told the homeowner the same thing.

This time it worked. An insurance company ended up paying nearly \$400,000.

Fernandez Rundle had a warning for anyone looking to bilk insurance companies: “Our investigation continues. Keep looking over your shoulder.”

Read more here:

<http://www.miamiherald.com/news/local/community/broward/article21530616.html#storylink=cpy>

HERALD TRIBUNE

2 in Sarasota arrested in insurance scam

By [Ian Cummings](#) --Published: Friday, May 22, 2015 at 2:46 p.m



SARASOTA COUNTY - Guenther Beer, 67, and Barbara Beer-Rivero, 50, were among more than 30 people caught this week in a second wave of arrests in a joint investigation that the Florida State Fire Marshal's Office and the Miami-Dade Police Department's Arson Unit have called "Operation Flames and Floods."

The investigation centered on a scheme in which Miami public adjuster Jorge Espinosa allegedly recruited homeowners to stage fire and water damage claims in homes to defraud insurance companies.

Beer and his wife, Beer-Rivero, were arrested Wednesday at their home in the 4700 block of Country Manor Drive. Both face charges including racketeering, conspiracy, arson and insurance fraud. They were in custody at the Sarasota County Jail on Friday with bond set at \$50,000.

An earlier round of arrests in February 2014 included Miami public adjuster Jorge Fausto Espinosa Sr., who was described as a ringleader of the scheme in statements by Florida's Chief Financial Officer Jeff Atwater.

Those arrests came after 13 homes were allegedly set on fire intentionally and five more reportedly showed staged water damage. The alleged fraud cost insurance carriers more than \$7 million.

Since then, investigators said they uncovered 25 more fraudulent claims tied to Espinosa, representing total losses of more than \$14 million.

Insurance companies affected by the case said fraud of the kind alleged here means increased rates for all policyholders.

The arrests in Sarasota County were carried out by the Sarasota County Sheriff's Office.

Other local agencies helped serve arrest warrants in Lee, Collier and Highlands counties.

Authorities asked anyone with information about suspected insurance fraud to call 1-800-378-0445. The Department of Financial Services has awarded \$365,000 to 63 people as part of its Anti-Fraud Reward Program.

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