

ARREST AFFIDAVIT

(Paraphrased: in the matter of Debs, Arko, ICC, Aqua Cap, et. al.)

According to an arrest affidavit submitted by Detective Jonathan Renfroe of the Florida Department of Financial Services, Division of Insurance Fraud, George Debs signed a Contract and Authorization for Claim Representation Agreement with ICC Public Adjusters, Inc. ICC Public Adjusters is owned and operated by Raul Enrique Rivero.

In September of October, 2011, ICC Public Adjusters submitted an insurance claim on behalf of George and Vivian Debs with Prepared Insurance Company, for an alleged water loss at their home in Miami. In September of October, 2011, ARKO Plumbing, owned and operated by Edward Joseph Jaremko, submitted a bill to Prepared Insurance Company in the amount of \$38,979.24 for the work at the Debs' residence.

On October 14, 2011, Aqua Cap, a water mitigation company owned and operated by Thais Carbonell, submitted to Prepared Insurance Company an invoice in the amount of \$5,358.16 for work they allegedly performed.

On November 21, 2012, as a part of a civil lawsuit initiated on behalf of George and Vivian Debs, George Debs answered questions under oath as part of a deposition. George Debs explained that on September 26, 2011, he woke up at around 6:50 or 7:00 and took a shower. He was in the shower maybe fifteen to twenty minutes and the water flow seemed normal and did not backup. Upon exiting the shower he saw water on the floor of the bathroom and throughout the house. As he walked through the house, he noticed water coming out of a second bathroom in the home, not yet reaching the hallway. His children alerted him to water coming up in the kitchen which appeared to be coming from underneath the cabinets. George Debs described it as "slow, rolling water." He said that upon noticing the water throughout the house, he went around turning stuff off and tried to mop up for about five minutes before he left the house to take the children to school. He also saw water on the floor of his garage which he described as "rolling" also, but attributed this to the angle of the garage floor.

George Debs testified that he returned home after dropping his children off at school. Upon returning he began to look for the cause of the water but was unable to, so he called a plumber. He looked in the paper and in the Yellow Pages for on and saw a name he recognized from signs he had seen in the neighborhood, "ARKO". Mr. Debs testified that he had not been told about ARKO before he called them, saying, "No. I had never dealt with him before."

George Debs indicated that approximately an hour after making this first phone call to ARKO, a man named Joe Jaremko arrived at his home, looked at the water on the floor, and called his workers to the Debs home. Joe Jaremko told him "You're going to have to dry this up or it's going to mess up everything." Mr. Jaremko recommended a water mitigation company named "Aqua Cap", owned and operated by his girlfriend.

In September, 2011, Aqua Cap was called in order for them to respond to the property and mitigate the damages. Representatives from Aqua Cap arrived at the house and began the water mitigation process by removing baseboards, drilling holes, setting up blowers, heaters, and other specialty equipment. An employee of ARKO and Aqua Cap, John Collucci, prepared an estimate using an estimating program called Xactimate. The Xactimate software is routinely used for restoration, repair, and remodeling. The estimate submitted to Prepared Insurance Company as part of this water loss claim was prepared using Xactimate.

George Debs explained that when ARKO employees arrived at his home one of them went on the roof while the other started looking around. When asked if the ARKO employees had started the repair process prior to Aqua Cap arriving, George Debs said, "I wouldn't call it repairs but they had started working already." When asked what the ARKO employees were doing, he replied, "they were like busting walls and going through the roof with a camera into the pipes and doing all sorts of stuff; they were mostly working in this bathroom." ARKO employees trenched the entire home removing all of the existing cast iron drain pipes, gutting at least one bathroom and knocking holes in the exterior walls to access plumbing for the kitchen area before the insurance company was notified. John Collucci then prepared an estimate detailing the work using Xactimate and submitted it as part of the water claim.

In order to investigate the testimony of George Debs, Prepared Insurance Company got his cell phone records from Verizon Wireless. These records showed a call from Mr. Jaremko to Mr. Debs a day before the alleged water loss, even though Mr. Debs claimed he did not know Mr. Jaremko then.

Legal representatives for Prepared Insurance Company retained the services of Mr. Daniel L. Regard, Managing Director of iDiscovery Solutions, Inc. Mr. Regard had a BS in Computer Science from the University of Southwestern Louisiana, a JD, an MBA, a Certificate in European Legal Practice from Tulane University, and other relevant qualifications. Mr. Regard was hired to forensically examine computers used to prepare documents submitted to Prepared Insurance Company by or on behalf of George and Vivian Debs.

Mr. Regard reviewed four forensic images and studied the Xactimate software. He reported that the software creates an Audit Trail for each of its project files, an internal record of all activities within a project, including creation time, access times, and import activity into the project. Every time an entry is recorded, a time and date stamp is recorded as well. Xactimate verifies the time and date of the computer when the software is booted up, and confirmed via the internet. If the times and dates do not match, the user will be locked out of the software until an Xactimate support representative can unlock the software remotely.

During this examination two files were located within the Xactimate software found in the computer. The project file created regarding the work performed by Aqua Cap relating to this water loss claim was created three days before the alleged water loss in September, 2011. This

file was a bill in the amount of \$5,358.16. The other file was for ARKO, and was created five days before the alleged loss. This file was a bill in the amount of \$40,479.24.

Total amount of the attempted fraud: \$117,886.84