

# SUN SENTINEL

## Heritage Insurance: ‘Mole’ helped contractor, attorney steal claims secrets

A “mole” fed trade secrets to a water damage contractor and an attorney to help them extract money from one of South Florida’s leading insurance companies, the insurer is charging in court.

Heritage Property & Casualty Insurance Co., which had 72,134 policies in the tri-county region at the end of June, is suing Hollywood-based contractor Titan Restoration and Lake Worth-based attorney Randall Shochet in separate actions filed in Pinellas County Circuit Court. Heritage is headquartered in Clearwater.

Both suits assert that an unknown employee inside Heritage — identified as “Jane Doe” — acted as a “mole” by disclosing confidential claims information about the company’s policyholders. The stolen information helped Titan steal damage restoration business from contractors in Heritage’s managed repair network and was used by Shochet to try to extort money out of Heritage, the suits allege.

Attorneys for Heritage and Titan, as well as Shochet himself, all declined to comment about the allegations when contacted by the Sun Sentinel.

Ely Levy, attorney for Titan Restoration and its owners, said by phone that his client “denies the allegations and intends to vigorously defend the case.”

Shochet said he would damage his case by commenting now.

The soap-opera-like cases arise from the insurance industry’s long-running battle with contractors and insurers over “assignment of benefits.”

Heritage and other insurers operating in Florida have complained for several years [about a so-called scheme](#) they say is driving up losses and forcing them to raise rates on nearly all customers in the region.

They say that water damage repair contractors, particularly in Miami-Dade and Broward counties, coerce policyholders into signing over benefits of their insurance claims as a condition of commencing work, then submit inflated invoices and file suit when insurers fail to pay.

The practice borders on fraud, insurers say, and is fueled by state laws enabling attorneys to file large numbers of suits and collect legal fees when insurers settle.

Heritage’s case against Titan Restoration includes claims Titan used “bribery and kickbacks” and submitted “falsified and inflated billing statements.”

The case file includes a March 22 deposition of a Titan customer service representative, Rossana Karina Cruz, who said that one of Titan's owners, Yitshak Levy, told her he was paying an "inside adjuster" at Heritage for information about new water damage claims by Heritage policyholders.

With the stolen information, Titan's employees reached out to policyholders and led them to believe they were sent by Heritage before the policyholders were contacted by companies in Heritage's managed repair network, the suit states.

In the deposition, Cruz said she told Yitshak Levy "from the very beginning that he was going to get in trouble."

Then one day in February, one of the Heritage policyholders caught on that something wasn't right, Cruz said.

On a phone call, the policyholder started demanding to know how Titan found out about her claim, Cruz said.

"She was almost screaming at me on the phone," Cruz said. "I got kind of scared because I didn't know how — what to say, you know."

Soon after the call, Cruz decided to quit her job at Titan and alert Heritage about what was happening, she said.

She also stated that Yitshak Levy regularly inflated the number of hours Titan's employees reported working at a policyholder's home before submitting them to insurance companies for reimbursement. "If he didn't agree with the hours, he would tell me, 'Add 10 more hours, add 15 more hours. Regardless, the insurance is not going to pay our invoice as it is anyway, so we'll fight it out later on,'" she said.

The company also repeatedly billed insurers for work the company did not actually do, Cruz said.

Theft of the trade secrets damaged Heritage in part by denying the company's subsidiary contractors the right to perform damage repairs, the suit states.

Heritage's suit against Randall Shochet accuses the Lake Worth attorney of obtaining "trade secrets, proprietary information, work product, and possibly other privileged communications" from "Jane Doe, a Heritage employee, who was under a duty to protect the confidentiality of the files."

In a March 15 mediation session with Heritage attorneys over a lawsuit unrelated to Titan, "Shochet announced that Heritage had a 'mole' in its organization," the suit states.

Shochet showed confidential documents to two Heritage attorneys "to demonstrate that he had access to ... information obtained from Heritage's 'mole,'" then "admitted that he had other

claim log notes from other policyholder claim files, while referencing an 8-inch stack of papers next to him,” the suit states.

“Shochet’s acquisition and use of Heritage’s confidential claim file information supported his illicit scheme to extort Heritage into paying higher insurance claim settlements for his clients and higher legal fees for himself and his law firm,” the suit states.

Saying that Florida law bars release of claims files until claims cases are concluded, Heritage filed an emergency motion asking the judge in the case to force Shochet to return confidential files and reveal the identify of the “mole.”

So far, the judge hasn’t issued an order on the request, and Shochet has not turned over the files or the mole, the files show.

In a court filing, Shochet challenged Heritage’s legal right to file the suit, saying it improperly disclosed “confidential and privileged mediation communications.” He also asserted that “Jane Doe” is permitted to disclose trade secrets to an attorney for the purpose of reporting a suspected violation of law — in this case, what he says was Heritage’s effort to violate state laws preventing insurers from acting in “bad faith.”

Sochet also said attorneys have the right to disclose trade secrets in proceedings or lawsuits meant to remain under seal, such as a mediation.

He called Heritage’s suit “a sham pleading” and has urged the court to strike it.

Heritage, meanwhile, said it would add Jane Doe’s real name to its suits, once it learns her identity.

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