



DISTRICT ATTORNEY
LARRY D. MORSE II

550 W. Main Street
Merced, CA 95340
Phone (209) 385-7381
Fax (209) 725-3669

Chief Deputy District Attorney
HAROLD L. NUTT

Chief Deputy District Attorney
ROBERT O. CARROLL

Director of Administrative Services
JEANNETTE M. PACHECO

INVESTIGATIONS
(209) 385-7383

Chief Investigator
WILLIAM K. OLSON

VICTIM WITNESS
(209) 385-7385

Victim Witness Program Director
LISA DeSANTIS

LOS BANOS DIVISION
445 I Street
Los Banos, CA 93635
Phone (209) 710-6070
Fax (209) 827-2029

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For More Information Contact:
Amanda McCoy (209) 628-1646

THIRTEEN ARRESTED IN AUTO INSURANCE FRAUD RING

Thirteen people were arrested Friday following a lengthy investigation by the Merced County District Attorney's office into an automobile insurance fraud ring involving 10 different insurance companies that paid out more than \$430,000 in bogus claims, District Attorney Larry D. Morse II announced.

Last month, a Merced County Grand Jury indicted 21 people for their role in orchestrating staged auto accidents and vandalism and then submitting bogus claims. The scheme began in September of 2011 and continued through June 2016 during which time there were 20 fraudulent claims submitted to insurance companies for payment, Morse said.

The insurance fraud ring was brought to light in January 2016 when an investigator with the Special Investigation Unit of Allstate Insurance contacted Merced County District Attorney Investigator Sheri Carpenter regarding a claim that she believed was a staged accident. Carpenter started her investigation by running the names through an insurance database provided by the National Insurance Crime Bureau which linked the claim to 19 other similar claims.

During the investigation it was discovered that some of the same vehicles were used for multiple claims, with the same damage being reported. The main method of theft, according to Carpenter, came from the alteration of hospital bills that were submitted by the suspects to the insurance companies for which they were paid directly. Carpenter found that many of the same bills were used in multiple claims with the names and dates of service being altered to reflect a new claim date. In some cases, she noted, the totals on the hospital bills were altered to reflect a larger amount so that the payouts to the suspects would be higher.

"Not only is insurance fraud a crime, it costs Merced County residents substantially more in premiums and insurance costs every year," Morse said. He praised the work done by Carpenter in "unraveling this sophisticated and far reaching conspiracy to defraud insurance companies and consumers. Investigator Carpenter worked this complex case relentlessly for the last two years in addition to her other work and did an incredible job of putting all the pieces together. It was a first rate effort," Morse said.

According to the National Insurance Crime Bureau (NICB), auto related insurance fraud, particularly staged accidents, are a significant component of the \$30 to \$32 billion lost to insurance fraud each year.

“Unfortunately, many individuals view insurance companies as their personal piggy banks and they engage in fraudulent behavior without any concern for the economic harm they cause all consumers,” said Frank Scafidi, public affairs director for the NICB. “NICB commends District Attorney Morse and the participating law enforcement agencies for their diligence and extensive investigative efforts in this case.”

Joanna Tucker, 29, from Livingston, was described by Carpenter as the “ringleader” of the scam and directly involved in 19 of the 20 claims.

Deputy District Attorneys Walter Wall and Scott Drexel presented the case over several days to a Merced County Grand Jury last month which returned with 19 felony counts of insurance fraud and 17 felony counts of grand theft against Tucker. The grand jury also handed down indictments of 20 other defendants on charges of insurance fraud and grand theft.

Tucker’s boyfriend, Johnathan Huerta, 30, also of Livingston, was indicted on 10 felony counts of insurance fraud and nine counts of grand theft.

Investigators from the District Attorneys office, with assistance from Merced Sheriffs Department, Merced Police Department, Merced County Probation, Livingston Police Department, Atwater Police Department, State Parole and the Merced Area Gang and Narcotics Enforcement Team (MAGNET), arrested Tucker, Huerta and 11 other defendants in a coordinated sweep on Friday. Tucker was being held on \$500,000 bail. Huerta’s bail was set at \$100,000, Carpenter said.

Three defendants were already in custody outside Merced County on unrelated charges, Carpenter noted.

Also taken into custody Friday were Rhonda Valencia 45, Diana Tucker 26, and Freddy Barajas 29 all of Livingston; Jessica Valencia 27, Alejandro Cervantes 31, Patricia Diaz 31 and Angelina Galvan 35 all of Atwater; Britney Groves 29, Charlece Scott 27, and Monique Eguiluz 28 all of Merced.

Others for whom arrest warrants have been issued were Maria Hernandez, 59, Celina Garza-Hernandez, 27 and Sarai Bernal, 27 all of Merced; Rico Tucker, 28, Carlos Tucker, 26, Heena Birly, 25, and Jessica Barajas, 30 all of San Jose and Jairo Barajas, 29 of Livingston.