



NEW YORK STATE SENATOR

Thomas F. O'Mara

Senate approves O'Mara's anti-fraud legislation targeting 'runners'--read more in this week's New York Daily News

THOMAS F. O'MARA June 15, 2012

| ISSUE: **INSURANCE FRAUD**



Albany, N.Y., June 15—The State Senate this week approved legislation co-sponsored by Senator Tom O'Mara (R-C, Big Flats) to target criminals, called “runners,” who are key players in the epidemic of fraud that especially plagues New York’s automobile insurance industry, drives up insurance rates for every state motorist and costs New Yorkers more than \$1 billion annually.

[Read a June 14th New York *Daily News* opinion piece on the legislation, "[The way to choke no-fault fraud](#)"]

“New York is a leader among all states in cases of auto insurance fraud and we have to take steps to prevent it. We’ve seen estimates that as many as one-third of the auto insurance claims filed in New York involve fraud. It’s costing every consumer and it’s a major reason why insurance rates in New York are among the highest in America,” said O’Mara, a member of the Senate Consumer Protection Committee. “But it’s not only limited to the auto insurance industry. Runners recruit ‘patients’ for fraudulent clinics who then file claims for fake or exaggerated illnesses and injuries that also cost the Medicaid system hundreds of millions of dollars.”

A "runner" is a person who is paid for each patient they send to a fraudulent clinic or provider. Supporters of the legislation, which is patterned after an anti-runner law in the state of New Jersey and the federal Medicare-Medicaid Anti-Kickback Act, say that without runners there would be no patient supply for fraudulent clinics.

The legislation (S.7451) was introduced this week by Senate Majority Leader Dean G. Skelos (R-Long Island) and, in addition to O’Mara, is co-sponsored by Senator Martin Golden (R-Brooklyn).

O’Mara, a former Assistant District Attorney (ADA) in Manhattan and District Attorney (DA) in Chemung County, said that while “runners” are especially prevalent in the New York City metropolitan region, it’s a crime that impacts the cost of auto insurance and Medicaid statewide.

Manhattan District Attorney Cyrus R. Vance, Jr., said: “For decades, prosecutors have worked to stop criminals from exploiting the state’s no-fault insurance law by all manner of frauds,

which contribute to inordinately high auto insurance rates for New Yorkers. This needs to stop, and this bill is exactly the way to do it. The bill will finally allow prosecutors to combat no-fault fraud by seeking once and for all to eliminate the root of the problem: the unscrupulous 'runners' who are paid to bring patients into no-fault clinics. I thank Senators Skelos, Golden, and O'Mara for their work in fighting insurance fraud, and I urge our state legislators to pass this important bill."

O'Mara said that the legislation would criminalize runners, or providers who use runners, and make it either a class A misdemeanor, class E felony, or class D felony, depending on the aggregate value of the pecuniary benefit or the number of times a person works as a runner.

Earlier this year federal authorities broke up one of the largest-ever alleged crime rings in the New York City metropolitan region that's accused of stealing more than \$279 million in accident benefits over five years. The fraud scheme involved doctors, lawyers and patients who were coached to fake injuries in staged accidents.

The legislation has been referred to the Assembly Codes Committee, where it's sponsored by Assemblyman Gary Pretlow (D, WF-Yonkers).