



WHAT'S THE LAW?

by Richard E. Vosepka

Elliot Carter had a lengthy criminal history dating all the way back to the age of 10 which marked his first extended time in juvenile custody for chronic truancy. From there he progressed through the juvenile justice system during his teenage years spending a lot more time in various youth correctional facilities than he did at home with his father and younger brother. The product of a broken home, Carter barely knew his mother who had been in prison for killing her brother since he was three. His father frequently worked 10 to 12 hours a day in a physically demanding construction job which meant Carter and his brother spent a lot of time unsupervised. While Carter's brother had a lot of friends in their neighborhood whose parents saw to it that he stayed out of trouble, Carter himself chose to run with kids who got into criminal activities.

When he finally "graduated" from the juvenile justice system into adult corrections, he had already acquired a considerable education in how to commit a number of different crimes and he continued his "post-graduate work" in illegal activity throughout his many different sentences to adult prisons. Now in his 50s during his latest stretch in the state prison, Carter devised a scheme that he thought would finally put him on easy street. Upon his release, he contacted a former cellmate who had developed a thriving business in identity theft after he was paroled a few years earlier. From his former cellmate, Carter acquired a false identity and undertook a career as an insurance adjuster. Using that false identity along with some manufacturer background details of a good reputation, Carter set himself up as a public adjuster in a new state.

For a few months, his work was beyond reproach and loss assessments were scrupulously honest. Once his reputation was established with several insurance companies, he set to work on his scheme. He enlisted two other guys he'd met in prison, Karl Arnold and Leroy Marcos, and introduced them as members of his adjusting firm "CAM Adjusting." They began to work on ways to inflate claims since they earned a percentage of the settlements they lined up for their clients and the bigger the loss, the more money they made. Being careful not to "spook" honest claimants with their criminal intentions, nonetheless they were able to identify a number of homeowners willing to sign on to making fraudulent claims. Their fake home accidents earned the homeowners free kitchens or home remodeling and in some cases, a brand new home; all conveniently paid for by the insurance companies.

Carter and his partners made fires in homes look like they had been started by faulty wiring. They flooded homes making the cause of flooding appear to be faulty water lines or clogged sewers. In one loss, Carter stuffed children's dolls into a kitchen drain and claimed more than \$200,000 in damages. In another, he placed bed sheets, stuffed animals and clothing under a Christmas tree and lit the pile with a propane torch. As the fire spread, Carter remarked to Marcos, "Wow! Look at my masterpiece!" He claimed more than \$317,000 in damages for this fire. In yet another loss, he told the homeowner to cook chicken in a lard-filled pan and leave the stove on. For this loss, the insurance company paid nearly \$400,000. In another home, Carter and Arnold loosened a pipe in the bathroom sink and let the water run. While the water was running in the sink, Carter shoved a garden hose through the window to supplement and speed up the flooding. When a small fire damaged a client's home, Carter took a hammer to the floor and turned \$9,000 in damages into a \$70,000 loss.

The scheme began to unravel when Marcos got a bit careless with two fires he set and the state fire marshals uncovered evidence of arson. In addition, an insurance agent for one of the defrauded companies became suspicious when a fire occurred in and he heard details of the fire from the fire chief. The fire had been very small and in fact, by the time the fire department had arrived on the scene, the homeowner had extinguished it with a five pound fire extinguisher. The chief said the damage amounted to less than \$2,500 so when CAM Adjusters turned in a claim for \$25,000, he passed the information the fire chief had provided along to the the company's fraud investigator who, in turn, gave it to the state fraud investigators.

Under threat of imprisonment, the homeowners in all three cases told authorities what had happened—that they had been recruited by Carter, Arnold and Marcos to either let them stage an accidental fire in their homes or in the one instance where the fire actually did occur accidentally, and then let CAM inflate the claims. All three homeowners were promised that the insurance

payment would provide money for extensive remodeling of their homes. With the information gathered from the three homeowners, state fraud investigators with the cooperation of numerous insurance companies began looking very closely at other claims that had been adjusted by CAM Adjusters. After they discovered 10 other inflated claims, the state investigators realized that more than just state laws had been violated and they asked for investigative help from the FBI, the Postal Inspection Service and the Bureau of Alcohol, Tobacco and Firearms.

What the state and federal investigators discovered was that more than 50 inflated claims had been filed by CAM Adjusters totaling nearly \$14 million. Carter, Arnold and Marcos were arrested and charged with multiple counts of mail and wire fraud in federal court. In addition, 32 homeowners who had participated in the scheme also were arrested by federal agents and faced mail and wire fraud charges.

Released on bail pending his trial, Carter was enraged that his scheme had been discovered and ended. What's more, the terms of his release on bail were so restrictive, he thought that he might just as well be in jail and he was furious with the Assistant United States Attorney who had been at his arraignment and had demanded those restrictions as a condition of bail. In fact, blinded by his rage at being caught and his restrictive bail conditions, Carter decided to retaliate by arranging to eliminate the prosecutor.

During one of his periods of incarceration in a federal prison, he had become acquainted with a fellow inmate, Joe Raimo, who was a member of a major crime family. Since he knew Raimo was out of prison and where he likely would be, he contacted some other prison cronies he knew in that area who, in turn, put him in touch with Raimo.

When he explained his desire to have a hit made on the prosecutor, Raimo assured Carter he'd see if he couldn't find someone to do the job. Instead, Raimo, who suspected that he, himself, was under investigation because of the arrest of two of his associates on federal racketeering charges, decided to see if he couldn't arrange some leverage for himself with the feds. He also knew that his organized crime family was not into making hits on law enforcement personnel or on state or federal prosecutors. So, Raimo first checked with his crime boss to see if it was okay and when the don gave him the go ahead, he went to see an FBI agent he knew who had arrested him for one of his previous crimes and had treated him decently. When he told the agent the story about Carter's desire to hire a hitman to eliminate the Assistant United States Attorney assigned to his case, it set a number of actions in motion including providing protection for the prosecutor in case Raimo was not the only individual Carter had contacted to further his assassination scheme.

After consultations within the FBI and in cooperation with the United States Attorney, it was decided that Raimo should introduce an undercover FBI agent, who had worked the organized crime detail for the FBI for several years, to Carter as a professional hitman who had done several jobs for the family. His years of investigating organized crime families had made playing the role of mob hitman a natural for the agent. Carter had no reason to doubt Raimo when he introduced the agent as a hitman and since the agent definitely could "talk the talk," he quickly told the agent what he needed done. After they had negotiated the hit contract and Carter paid the bogus hitman half the amount demanded for the job, the agent identified himself, his backup agents appeared, and Carter was arrested.

Naturally the District Judge on Carter's pending federal case revoked his bond and Carter was remanded to jail without bail. A new indictment was returned by a federal grand jury charging solicitation of a crime of violence. The substantial involvement of state law enforcement resulted in a state indictment which included a count of solicitation to commit murder.

Now Carter, belatedly, decided to soften his approach with law enforcement and offered cooperation against his fraud co-conspirators, against Raimo and about other general criminal activity within his knowledge. He had a rude awakening when he found out that those he sought to implicate were already cooperating against him and/or already being prosecuted themselves. As to his cooperation on other criminal activity, he found that the only way prosecutors were interested in him was as a defendant. Apparently, the U.S. Attorney's Office was offended by a threat to one of their own.

Carter was convicted in both state and federal court and sentenced to lengthy sentences to run consecutively. While neither