

## **Texas Department of Insurance Fraud Referral Results in Arrest and Restitution in Hail Damage Lawsuit**

August 24, 2016

An insurance fraud referral filed by Zelle LLP on behalf of its insurance company client, Strata Underwriting Managers, has resulted in the felony criminal prosecution of a building owner for insurance fraud and payment of restitution to the insurance company.

In June 2015, Zelle was defending a hail lawsuit brought by Amarprem, LLC d/b/a Whitten Inn Expo against Strata Underwriting Managers. The lawsuit involved alleged hail damage to a hotel in Abilene, Texas. Shortly after the lawsuit was filed, Zelle discovered that a roofing contractor invoice submitted by the owner of Amarprem, Ashok Patel, in support of the underlying claim and lawsuit was not prepared by the roofing contractor, but instead had apparently been fabricated by Patel. Zelle further discovered that Patel paid the roofing contractor only a fraction of the amount stated in the fraudulent invoice. At Strata's request, Zelle submitted a fraud referral to the Texas Department of Insurance Fraud Unit against Amarprem and Patel.

In December 2015, the TDI Fraud Unit completed its investigation and referred the case to the Criminal District Attorney in Taylor County, Texas. Shortly thereafter, Patel was indicted for insurance fraud, a Third Degree Felony offense. On August 19, 2016, Strata was notified that Patel had agreed to a pretrial diversion to resolve the charge. As part of the agreement, Patel is required to pay Strata restitution in the lump sum amount of \$32,153.66, representing the attorneys' fees and expenses incurred by Strata in responding to the fraudulent conduct.

"Such outright fraud is becoming increasingly common in our Texas hail claims. It is important that insurance companies and their adjusters keep their eyes open for such conduct and not be afraid to take action when appropriate," said Steven Badger, a partner in Zelle's Dallas office who represented Strata in this matter. "Our client was suspicious from the beginning and authorized

us to take the steps necessary in litigation to expose the improper conduct. We are very pleased to see both the TDI Fraud Unit and local district attorneys taking action in these matters. We understand several other investigations are currently underway in other parts of the state. We are hopeful that general awareness of this result will give other insurance companies the confidence to move forward aggressively when they suspect fraud and other illegal conduct.”

**About Zelle:**

Zelle LLP is an international litigation and dispute resolution law firm with offices in Boston, Dallas, London, Miami, Minneapolis, New York, Philadelphia, San Francisco and Washington, D.C. The Firm excels at handling insurance, antitrust and other complex litigation on both a national and global scale.