

More California Arrests for Alleged New York Insurance Fraud

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Just weeks before the sentencing of three insurance producers for insurance fraud and **STOLI-related** conduct in the **Southern District of New York** (covered [here](#)), two insurance producers and several insureds were arrested in Orange County for alleged **insurance fraud**, including offering “free insurance with no out-of-pocket loss.” In June, following an investigation by the California Department of Insurance, Tyler Wilkinson, Ian Frisch, Reuben Banuelos, Edward Putnam, and Maxine Putnam were arrested for their alleged role in falsifying life insurance policies and defrauding insurance companies of approximately \$600,000.

According to the press release issued by the Orange County District Attorney, Wilkinson and Frisch, both insurance producers, falsified insurance policy applications on behalf of insureds, including Banuelos and the Putnams. The scheme allegedly involved the insureds’ payments of the “first-time premium” for the subject policies and the subsequent reimbursement for the premium paid. After one year of coverage, the subject policies lapsed. Authorities claim that the involved parties did not notify insurers that the premiums were reimbursed and/or that the involved parties intentionally allowed the policies to lapse after one year.

Wilkinson and Frisch face four felony counts which, if convicted, could result in up to twelve years in prison. Banuelos, Edward Putnam, and Maxine Putnam each face one felony count of grand theft which, if convicted, could result in up to five years in prison. The investigation is ongoing.

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