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Insurance Commissioner and Attorney General Announce Conviction of Philip Rice for the Crime of Theft By Deception

December 7, 2007 -- Attorney General Kelly A. Ayotte and Insurance Commissioner Roger A. Seigny announced today the conviction of Phillip Rice for the crime of Theft By Deception relating to a workers' compensation claim.

Rice, age 52, of Derry, New Hampshire, pled guilty to one count of Theft By Deception, under RSA 637:4, in the Rockingham County Superior Court. Rice was sentenced to serve 6 months in the House of Corrections, with the entire sentence suspended for three years conditioned upon good behavior, restitution to The Hartford in the amount of \$5,544, a written apology letter to The Hartford and 485 hours of community service. As part of the negotiated disposition, the State dropped two other counts of Theft By Deception that represented alternative theories of the crime.

Attorney General Kelly A. Ayotte said, "I am committed to ensuring that law abiding citizens and businesses are not penalized with higher insurance premiums due to the acts of those who defraud." Insurance Commissioner Seigny said, "Insurance related crimes result in higher premiums for all New Hampshire consumers. My department is committed to halting fraud perpetrators and will continue to crack down on insurance related crime."

The charges arose when Rice was collecting workers' compensation benefits from The Hartford. From September, 2005 to January, 2006, while Rice was collecting such benefits, Rice was working for a different employer and did not report his earnings to The Hartford. During this time period, Rice purposely created the false impression that he was not working by accepting services from a job placement counselor hired by The Hartford. Had The Hartford known of Rice's earnings, Rice's workers' compensation benefits would have been reduced; Rice's purpose was to deprive the insurance carrier of the money.

Rice was convicted of a Class A felony which carries a maximum penalty of 7½-15 years incarceration and a fine of \$4000 or an amount not to exceed double the amount of property gained in the commission of a felony.

The case was investigated for The Hartford by Timothy Pomerleau, an investigator in the carrier's Special Investigations Unit. The case was then referred by The Hartford to the New Hampshire Insurance Department Fraud Unit.

A joint investigation conducted by the Attorney General's Office and the Insurance Department Fraud Unit led to the conviction. Pursuant to RSA 417:23, the Fraud Unit was formed to investigate Insurance Fraud and other insurance-related criminal activity. Fraud Unit Investigator Karen L. McCallister conducted the investigation on behalf of the Insurance Department.

The collaboration between the Insurance Department and the Department of Justice in investigating and prosecuting insurance crimes is unique. The agencies have entered into a special agreement to join forces to fight insurance crimes. The insurance fraud prosecutor position was created within the Insurance Department, but the prosecutor functions as an Assistant Attorney General, and has the same authority as all Department of Justice prosecutors to act on behalf of the State of New Hampshire. The insurance fraud prosecutor is able to focus exclusively on insurance related crimes, and thus these complex cases are handled by a prosecutor who has expertise in this highly technical field.