

**COUNTY OF SUFFOLK  
DISTRICT ATTORNEY'S OFFICE**



**THOMAS J. SPOTA  
DISTRICT ATTORNEY**

**FOR IMMEDIATE RELEASE  
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**Former insurance broker sentenced for fraud, grand larceny and other crimes**

A 44 year old former insurance broker who pleaded guilty to charges of grand larceny, scheme to defraud, and other crimes was sentenced to three to nine years in prison today, Suffolk County District Attorney Thomas Spota said.

Kimberly Graziano of Middle Island is also legally responsible to pay a total of \$1.8 million in restitution to her victims. Graziano owned and operated K.A.G. Insurance Brokerage, Inc. with offices at 3760 Expressway Drive South in Islandia.

The investigation found Graziano and K.A.G. Insurance Brokerage, Inc. engaged in several distinct schemes to defraud a financing company, her clients, and several insurance carriers including National General Insurance, Progressive Insurance Company, MetLife, Tudor, AIG and Golden Insurance Company.

“Our investigation found evidence that Ms. Graziano falsified contracts by inducing a financing company, Alliance Premium Funding Corp. of Floral Park, to financially back policies that purported to be for her agency’s corporate customers. The investigation found the defendant never actually purchased insurance coverage for her clients,” DA Spota said. “Consequently, Graziano and her firm were indicted in March of last year for the theft of more than \$1 million in falsely financed insurance coverage.”

The investigation by the Suffolk District Attorney’s Labor, Insurance Crimes and Revenue Bureau, the state Department of Financial Services Criminal Investigations Unit, the state Insurance Fund, the state Worker’s Compensation Inspector General’s office, the Department of Motor Vehicles and National Insurance Crime Bureau investigators found evidence of nearly 30 forged financing contracts totaling in excess of \$1,000,000 of stolen funds from Alliance Premium Funding.

New York State Department of Financial Services Superintendent Maria T. Vullo said, “This broker violated the trust of the companies she defrauded and also the good faith of her clients, who believed she was providing insurance coverage for their vehicles. DFS is pleased to have worked with District Attorney Spota and other dedicated law enforcement agencies in investigating this scheme and taking action to hold this unscrupulous broker accountable for her crimes.”

In a related scheme, Ms. Graziano collected premium payments and falsified insurance cards and false Certificates of Liability Insurance coverage to convince her unsuspecting customers that they had insurance coverage in place, when in fact, they did not have any insurance.

“Her schemes began to unravel when her clients’ vehicle registrations were suspended by DMV for lapses in insurance coverage, and claims made on commercial insurance policies were being denied by the insurance carriers for lack of a policy. She left a real mess in her wake,” said Spota.

In 2015, the license for the firm K.A.G. to operate as an insurance broker expired and no renewal application was filed. “Despite this fact, Ms. Graziano and K.A.G. continued to operate and extend several illegal schemes that ultimately victimized several dozen firms,” said D.A. Spota. Cement truck fleet operators, towing companies, and snow removal businesses were among the victims scammed by Graziano. Many of the defendant’s commercial clients lost business and had to deal with DMV fines as well as tens of thousands of dollars in fines assessed for operating without valid workers compensation coverage.

“Our investigators with the assistance of our state investigate partners and the investigative units of the affected insurance carriers were able to assist those victimized companies who were cheated and consequently had their financial viability compromised,” District Attorney Spota explained.

Kevin Gallagher, the Northeast Regional Director of the National Insurance Crime Bureau said, “The National Insurance Crime Bureau would like to applaud the staff of the Suffolk County District Attorney’s Office for their continued efforts in addressing insurance fraud in Suffolk County. The cost of insurance fraud is shared by all consumers and this investigation sends a strong message to others who may be contemplating engaging in insurance fraud. We look forward to our continued partnership in combatting insurance fraud for all New Yorkers.”

Graziano and K.A.G. Insurance Corp. pleaded guilty to nine charges of grand larceny, scheme to defraud in the first degree, three counts of criminal possession of a forged instrument in the second degree, insurance fraud in the fifth degree and a violation of state insurance law.

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