

# FRAUD

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## MAN

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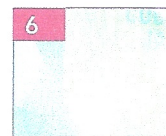
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By John M. Gaspar, CFE

# The 'shutter bug' case

## Hurricane shutter scammer defrauds Floridians of more than \$450,000

**I**t was another Monday morning at Flagler County (Florida) Sheriff's Office (FCSO) Criminal Investigation Division (CID). On the first day of the workweek, we'd review all the crimes committed over the weekend and return to a plethora of police reports and messages from citizen and deputies.

I've always taken an interest in patterns of behavior. In my more than three decades as an investigator, I noticed that fraud and theft schemes were on the rise not only nationally but also in Flagler County. I believe this increase was in part because of a difficult economy, availability of prime victims and a greater chance of getting away with fraud over crimes of violence. Also, some prosecutors and detectives don't always see a fraudster's modus operandi as criminal in nature. Other factors include limited resources, unreasonable detective caseloads and prosecutors' and police personnel's lack of understanding of fraud crimes. This leaves many fraud victims without closure.

I think I looked at fraud differently than many other law enforcement investigators. Of course, I would be upset if someone forcibly pushed me to the ground and took my Casio watch (valued at \$125) and \$20 of U.S. currency from my wallet. However, if someone defrauded me out of US\$10,000 in a hurricane shutters fraud scheme (later we would nickname it "shutter bug fraud") I would be severely financially injured, possibly for the rest of my life.

My interest in fraud cases at the police department spurred me to be more attentive to the many potential schemes that were classified as civil and not criminal. These crimes left a trail of devastated victims in their wakes. In Florida, like most other states, larceny occurs when someone temporarily or permanently deprives someone of something of value (currency, property, etc.).

According to the ACFE's Fraud Tree, larceny of cash is one of the main components of asset misappropriation; identifying it is a good place to start when investigating fraud. The next step is gathering information to see if there's a pattern and hence a fraud scheme or an isolated theft.

### First 'shutter bug' fraud victim

So, in 2006, I was at my desk in the police station at about 8:30 a.m. with my second cup of coffee when I greeted Mary, 76, a citizen with a problem. She had purchased shutters from a franchisee of Roll-Away Shutters in Florida. She explained that she'd filed a police report months earlier; she'd made numerous inquiries about it, but no one had gotten back to her. I pulled the report up and saw that it was marked as a civil case information report and not a crime; that was why I wasn't aware of the incident.

One of the things I learned as a NYPD detective working out of major case squad in Manhattan is to be an active listener. You learn a lot in life by



just shutting up and paying attention. So I listened to Mary as she explained that she purchased shutters from a man named Daniel Quinn through a salesman named John more than 18 months previously. They took a 50 percent deposit. The State of Florida only allows 10 percent down on a purchase unless the work is completed within a designated time.

I asked Mary questions that would help me identify if this was a civil or criminal matter. Best practices, time and training via the ACFE had helped develop a skill set that would allow me to see beyond the veneer of the initial police report and look for information that may indicate the incident may *not* have been civil in nature. As a CFE since 1989, I've been exposed to a highly qualified and dedicated community of anti-fraud

experts, and I've shared information with them about fraud schemes.

### My initial interview with Mary

**Q:** What efforts have you made to contact Mr. Daniel Quinn?

**A:** I called and wrote to him on numerous occasions, and he has not contacted me.

**Q:** Do you have phone records?

**A:** I do and I'll bring them to you.

Her phone records showed she had called Quinn more than 30 times in the previous year; each call lasted about one to three minutes each.

That coincided with her account that when she had left numerous messages on Quinn's company voice mail. It's important to have a witness' testimonial evidence supported by forensic evidence for a good prosecutable case.

**Q:** Did you ever write Mr. Quinn about this business transaction, and if so, do you have a copy of that or those letters?

**A:** I did, and I can bring you those letters.

Mary provided me with several letters she had sent certified return mail in which she wrote that she wanted either the job completed or an immediate refund. Quinn's business accepted some of these letters, and others came back stamped undeliverable.

At this initial stage of the investigation, I established that this was *not* a civil matter and it may be criminal because any reasonable person would believe that for 18 months Mary had \$2,500 less in her bank account and no hurricane shutters.

In our police department, we would distinguish a civil complaint from a prosecutable criminal complaint by identifying if:

1. The complainant made and documented reasonable efforts to resolve the complaint.

2. The contractor made reasonable efforts to resolve the issue and return the deposit, funds or property.

### Did we see a pattern?

I contacted other Florida jurisdictions where Quinn provided services; I discovered about a dozen complainants. I then asked those jurisdictions to postpone filing their complaints with the state attorney's office until we could identify and interview all the victims, decide if this was a fraud scheme and provide a prosecutable case.

Using my CFE training and my formal education I developed a spreadsheet with information on the victim and financial loss information. It was curious that the mean age of a victim in the pool was, at the time, about 76 years of age. I also interviewed and obtained financial records and police reports on all other related crimes that Quinn allegedly committed.

After we identified the crime pattern, the victims and suspect we requested a voluntary interview with Quinn. Of course, police work is only easy in the movies. The search for our suspect required more than a search through the department of motor vehicles and National Crime Information Center and the Florida Crime Information Center.

Quinn finally called me back. I invited him to the police station. When he arrived, I walked him back to one of our interview recording rooms.

### The interview

I immediately told Quinn, the owner of Home Systems Inc. Rollaway Security Shutters of Orlando — a franchise of Roll-Away Shutters Inc. — he was the subject of an investigation. We video recorded the interview.

### Developing a rapport

I greeted Quinn with a cup of coffee and a bagel. For about 30 minutes, I

commiserated with him about the difficulties of being a small business owner. I told him I was also a home improvement contractor and understood the pitfalls.

I then began to ask Quinn some open-ended questions without revealing any information. I asked if he knew Mary. He said he did, and he said she was a real nice lady. I asked him how he knew her. He said she was a customer of his, and she purchased shutters from his franchise.

Real investigative work, of course, is unlike a 26-minute TV police show. Obtaining a respondent's specific confession takes well-crafted admission-seeking questions, good intel and patience. I call it peeling back the onion. When you remove layers, the "smell" — information — becomes stronger.

After another 20 minutes in the interview, Quinn asked me if he could go to bathroom. I said, of course; I explained this was a voluntary interview and he could go and come as he pleased. I said that I was a fact finder and an information gatherer and thanked him for his cooperation. I showed him the bathroom. When he returned to the interview room, I refilled his coffee cup.

I asked him if he had returned Mary's phone calls, and he said he hadn't. I said that Mary told me that, indeed, he hadn't called, and she had been waiting 18 months for the installation of shutters. Quinn said he felt terrible about that. I asked him if he would return Mary's money. He said he didn't have it, and there were other customers who were in the same position.

### Now we're getting somewhere

So, Quinn told me there were other victims. If I could get contact information on them, I would be able to:

1. Save time and money in investigative hours.

2. Understand the scope and magnitude of this criminal enterprise.
3. Review the victims' demographics to identify if the elderly were being targeted.
4. Add criminal charges.
5. Provide probable cause for a fraud scheme.
6. Possibly obtain restitution for the victims.

Fortunately, Quinn was cooperative because of our rapport. He provided me with a list of a customers and contact information.

Because he perpetrated the fraud scheme in multiple Florida counties, I called upon Florida Department of Law Enforcement to assist me in the investigation. Agent Jason Jolquer and I

worked symbiotically to gather evidence necessary to successfully prosecute Quinn. We had multiple meetings with Jason Lewis, assistant statewide prosecutor at the Florida Office of the Attorney General, who reviewed our investigative findings.

### Six interviews yield all

Eventually, we had six interviews with Quinn and obtained all criminal-specific confessions. In these interviews, we identified all victims and the amount of money stolen and established that Quinn had no intention of returning the money to the victims.

I asked Quinn for his business records and he complied. My forensic audit revealed that Quinn was required to buy his shutters from Roll-Away

Shutters, and he had records of those purchases. I then identified the materials purchased and matched them to the customers/victims.

The customers/victims never received the products. Jolquer and I checked phone records, and we found a scrap yard that Quinn's business frequently called. We determined that Quinn bought the required materials from Roll-Away to avoid losing his franchise rights and then sold the shutters for scrap at 10 cents on the dollar. This clearly laid out intent, and that this was indeed a fraud scheme.

Ultimately, Quinn defrauded more than 70 victims of more than \$450,000. The mean age of the victims was 73.

Quinn pleaded guilty to organized scheme to defraud — a first-degree felony — and was sentenced in Flagler County for his crimes. In addition he was ordered to pay restitution to his victims. ■ FM

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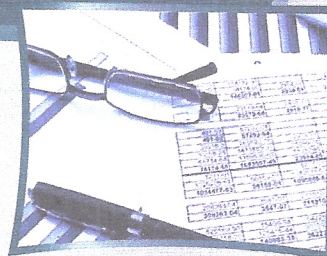
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