



NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY
WESTERN DISTRICT OF MISSOURI

TODD P. GRAVES

Contact Don Ledford, Public Affairs • (816) 426-4220 • 400 East Ninth Street, Room 5510 • Kansas City, MO 64106

www.usdoj.gov/usao/mow

APRIL 27, 2004

FOR IMMEDIATE RELEASE

KC MAN SENTENCED FOR DEFRAUDING INSURANCE COMPANIES

KANSAS CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a Kansas City, Mo., man was sentenced in federal court today for defrauding two insurance companies after his house was damaged in a fire.

Marcellous Adams, 38, of Kansas City, Mo., was sentenced by U.S. District Judge Ortrie D. Smith this afternoon to nine months in federal prison without parole, plus one month of home confinement following his prison term. **Adams** also was ordered to pay restitution in the amount of \$82,958.38.

On Jan. 7, 2004, the second day of his trial, **Adams** pleaded guilty to two counts contained in the original indictment charging him with insurance fraud.

By pleading guilty, **Adams** admitted that he maintained a homeowner's policy with American Family Mutual Insurance Company as well as a homeowner's policy with Farmers Insurance Group. According to the original indictment, **Adams'** home was damaged by a fire on Dec. 21, 1997, when Christmas tree lights apparently overheated following contact with a dry Christmas tree. Following the fire, **Adams** filed claims with both insurance companies, but certified to Farmers Insurance that he had no other insurance covering the property, which enabled him to fraudulently collect \$97,249 from American Family and \$74,351.31 from Farmers Insurance for the damages.

Adams caused false and fraudulent contractor's invoices to be submitted to both of the insurance companies, Graves said. Although the invoices reflected **Adams'** payment to a contractor for repair of the residence, such repairs never occurred and **Adams** never made a payment to the contractor. **Adams** submitted a fraudulent invoice for \$60,939.81 to Farmers Insurance and a fraudulent invoice for \$64,678.79 to American Family, Graves said.

By pleading guilty to each count of the indictment, **Adams** admitted that there were four separate incidents in which he mailed or caused to be mailed letters, checks or other material during the course of the scheme to defraud the insurance companies.

Adams was originally charged in an indictment returned by a federal grand jury on May 14, 2003, in Kansas City.

The case is being prosecuted by Assistant U.S. Attorney William L. Meiners. It was investigated by the U.S. Postal Service.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at
www.usdoj.gov/usao/mow