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DA Stephan, Attorney General Bonta Announce Sentencing in Fraud Scheme Targeting U.S. Navy Sailors

Defrauded Sailors to Receive \$1 Million in Restitution

San Diego District Attorney [Summer Stephan](#) and California Attorney General Rob Bonta announced that Paul Flanagan was sentenced today to 357 days of house arrest and ordered to pay \$500,000 in restitution for defrauding thousands of U.S. Navy sailors in San Diego County through a tax and insurance scheme. Another defendant, Ranjit Kalsi, was previously sentenced and ordered to pay \$500,000 in restitution. The scheme, perpetrated through a company called Go Navy Tax Services, sold expensive and unnecessary insurance products to service members at a substantial commission for the defendants.

“Our military service members and their families contribute so much to our nation – yet there are people without honor who want to cheat our American heroes. We hope that today’s announcement helps right the wrongs that were committed by the malicious scammers of Go Navy Tax,” said Attorney General Bonta. “The California Department of Justice will continue to investigate and prosecute schemes that hurt our men and women in uniform. We protect our military families as we applaud them for protecting our country.”

“The victims of this scam were Navy sailors serving our country and were tricked into signing up for something they didn’t need and couldn’t afford,” said San Diego County District Attorney Summer Stephan. “Working with our law enforcement partners, we were able to shut down the scam, prosecute the offenders, and put money back into the pockets of our hard-working military members. It is particularly satisfying to see these sailors receiving restitution payments, some in the thousands of dollars, to make a positive difference in their lives.”

“Scamming young men and women serving our country to sign up for insurance they didn’t ask for epitomizes the fraud and abuse against vulnerable people we are here to stop,” said Insurance Commissioner Ricardo Lara. “Our insurance investigators are proud to help our sailors receive restitution and put this illegal operation out of commission.”

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“The Navy welcomes the outcome of this fraud case and applauds the civilian-military teamwork which led to it,” said Navy Region Southwest spokesman Brian O’Rourke. “Restitution is a positive and fitting result, one which will be appreciated by sailors who have been victimized. Financial predators are sadly a reality for many junior military men and women and their families, even in areas as traditionally supportive to the troops as San Diego. Service members who suspect they may be the victims of fraud are encouraged to contact their local military legal assistance office.”

Defendant Flanagan was sentenced after pleading guilty to one felony count of conspiracy to commit insurance twisting, or making misrepresentations to consumers to induce them to take out insurance policies. Defendant Kalsi previously pleaded guilty to one count of identity theft, a felony, and was sentenced on February 10, 2021, to serve 358 days in custody and pay \$500,000 in restitution. A third defendant, Gregory Martin, pleaded guilty to one count of grand theft, a misdemeanor, on December 7, 2020, and received credit for 517 days served in custody.

The defendants operated Go Navy Tax Services out of a trailer located just outside of the front gate of Naval Base San Diego that advertised free income tax preparation services for military members. The trailer was adorned with military flags intended to deceive service members into thinking the business was affiliated with the U.S. military. The defendants lured service members into the trailer under the pretext of free tax preparation services. The defendants then persuaded service members to purchase retirement accounts, but rather than opening those accounts, the defendants used those service members’ personal information to open unnecessary life insurance policies without their knowledge or consent. The defendants earned over \$2 million in commissions related to sales of nearly 5,000 applications for life insurance policies and annuity contracts.

Today’s sentence was the result of a joint effort by the California Department of Justice, San Diego District Attorney’s Office, California Department of Insurance, Office of the Inspector General-Navy Region Southwest, and Naval Criminal Investigative Service. The investigation also received critical support from Naval Base San Diego and the Navy Region Legal Service Office Southwest Legal Assistance Department. This case falls under the Life and Annuity Consumer Protection Program, in which the San Diego District Attorney’s Office receives funding from the Department of Insurance to prosecute cases involving life and annuity financial crimes.

If you believe you or someone you know has been the victim of fraud, you can report it here: <https://oag.ca.gov/consumers>.

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About the San Diego County District Attorney’s Office

The San Diego County DA’s Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue fair and equal justice, and support victims daily across San Diego County.