

Auto insurance fraud schemes take real car crash victims for a ride

By: Marcia Passos Duffy

As if getting into auto accident weren't stressful enough, victims need to be on the alert for elaborate auto insurance fraud schemes, such as staged crashes complete with fake passengers and fake injuries.

But there's been a new wrinkle in how fraudsters are working the system to get insurance money: Scam artists are recruiting real passengers from real accidents to file fake claims. The biggest perpetrators of this type of insurance fraud are phony medical clinics in no-fault states, insurance fraud experts say. No-fault auto insurance, which covers everyone in a car accident regardless of who's at fault, is the law in 12 states.

Phoniness over the phone

The scheme works like this:

An insured motorist involved in a real car crash is solicited over the phone or at home by someone posing as a representative of the person's auto insurance company. Even if the passenger wasn't hurt, the "representative," who actually works for a phony clinic, insists the person visit the clinic to be evaluated.



Scare tactics often are used; for instance, the victim is warned that he might be suffering from a hidden injury that will only get worse later, when it may be too late for coverage or treatment.

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**Coalition Against
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Once the person goes into the “clinic” and fills out paperwork, including his or her auto insurance information, the scam begins without the person's knowledge. A doctor or health practitioner at the clinic may never even examine the patient, but an auto insurance claim gets filed anyway.

The scam operates in countless ways and often is carried out by real doctors or health care providers who may or may not know about the crime ring. The insurance fraud ring may be made up of criminals from various walks of life — from clerks to attorneys and doctors, says Linda Webb, president of Contego Services Group, which conducts investigations for insurance companies.

“Organized fraud rings will plant people in medical billing companies, hospitals, even police departments,” Webb says. “These jobs are an open field day to get data. Data, for fraudsters, is king.” Police reports are a major source of this data, such as names and addresses.

Crash reports: Gateway to crime

Crash reports are public records that easily can be obtained through local or state police