

A Medicare scam that just kept rolling

By: David A. Fahrenthold, Insurancenewsnet.com

The Coalition Against Insurance Fraud issued the following news release:

Louisiana is deflating life-threatening airbag scams while Colorado has tightened its punitive dragnet with a higher felony fraud penalty after both state legislatures passed bills, announced the Coalition Against Insurance Fraud.

"These bills reflect an expanding era of state activism on fraud issues. States are enacting more fraud laws after an economy-driven slowdown. More legislators today grasp fraud and its high costs. Investigators also have stepped up grassroots lobbying," says Howard Goldblatt, the Coalition's director of government affairs.

Governors in both states are expected to sign their measures into law.

The Louisiana bill passed Wednesday. The measure makes it a specific crime to market or install counterfeit airbags. Crooked body shops install cheap counterfeits that don't deploy properly, then charge auto insurers full fare for expensive legitimate bags. Motorists have been killed or badly injured in crashes without working airbags.

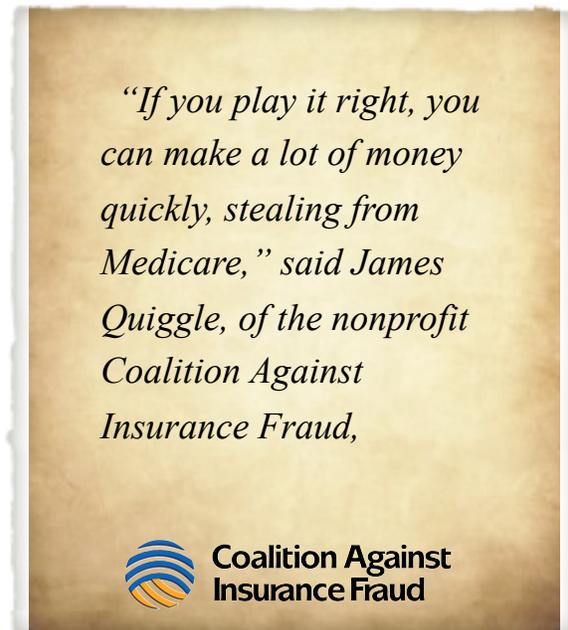
Several states have booked airbag laws after a national outcry about a Chinese national who recently was convicted of trying to flood the U.S. with counterfeit airbags. Alabama inked a law this year. New York, Connecticut and Ohio enacted airbag laws last year.

"Airbags protect us from serious injuries or worse. We have the right to expect that airbags indeed will protect us when we get into an automobile," Goldblatt told a Louisiana legislative committee in testimony this April.

Louisiana also imposed stiff new penalties on recruiters who impersonate an insurer representative to hound crash victims for suspect treatment at shady clinics. And the state's fraud law and state-police fraud unit were extended for 2 more years.

Colorado added teeth to its core insurance-fraud law last week. Scammers with prior fraud convictions will face stiffer felony penalties. Agents and brokers also could lose their licenses if convicted.

Investigators took an active role in grassroots lobbying in Colorado. The Coalition teamed with the International Association of SIUs to launch an online letter-writing campaign. More than 50 investigators sent letters supporting the bill. One letter landed a bill co-sponsor when the



investigator struck up a dialogue with his state legislator about the impact of fraud on Coloradans.

"Grassroots efforts by investigators have been piecemeal but that's changing," Goldblatt said "Investigators have great credibility as fraud fighters, and they're growing their footprint as grassroots forces in targeted statehouses."

More than 100 anti-fraud bills have been introduced in state legislatures this year with 19 enacted so far. This year's legislative activity so far remains on a similar pace with 2013, which was one of the most active and successful ever.