



Con artists creating counterfeit crashes

One person's fender-bender might be a scam artist's fraud.

Law enforcement and insurance company investigators call them "counterfeit crashes" -- staged accidents either by individuals or by teams (called "crash rings") designed to secure free medical care or to collect insurance checks.

"Crash rings often recruit immigrants, especially local and recent immigrants, who are hard up for money," said James Quiggle, director of communications for the **Coalition Against Insurance Fraud** (<http://www.insurancefraud.org/>), "(immigrants) who need the income to raise their families and can get easily paid a few hundred dollars in cash by acting as a set-up passenger in a staged accident."

Here's an example of how one setup in Memphis, Tennessee worked. The ring-leader had the members park their cars at apartment complexes all over the city. The ring-leader rented U-Haul trucks/trailers, then purposely smashed them into the members' cars at each apartment complex.

He would then file false insurance claims against U-Haul's insurance policy, and, in some cases, against the policies covering the members' cars. He would collect the insurance checks, then distribute the cash throughout the ring.

Insurance agents and investigators said ultimately, the fraud results in higher insurance premiums for all consumers.

"They are stealing from you," said fraud investigator Margaret Fleming. "They are taking from your wallet (with) increases in premiums. It always increases the premiums because of insurance fraud."

According to the National Insurance Crime Bureau (<https://www.nicb.org/>), questionable insurance claims from staged accidents are up 46 percent nationwide between 2007 and 2009.

Outside of crash rings, scammers use three basic techniques to snare innocent drivers into staged accidents.

* **THE STOOP-N-SQUAT.** On a roadway where passing vehicles are allowed, the scammer passes the victim's vehicle, merges in front, then slams on the brakes. Since the innocent motorist ran into the scam vehicle, the innocent motorist is considered at fault unless he/she can prove the fraud.

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Coalition Against Insurance Fraud

"When I got out of the car, I noticed his bumper was being held up by a rope," said Sanders. "Already had a whole lot of damage to it. I couldn't even tell what I had done because there was so much damage (already) there."

Insurance investigators said Sanders reported the existing damage to police. That enabled her insurance agent to deny the counterfeit claim.

* **THE BULL-AND-COW.** This is the same as the 'stoop-n-squat,' but it adds a second vehicle behind the innocent driver. The scam driver in front slams on the brakes, the victim slams into that vehicle, then the scam artist behind the victim slams into the victim's car. Both attempt to either fake injury or seek insurance restitution.

* **THE T-BONE.** At a four-way stop, the scam artist motions for the victim to drive through the intersection. As the victim moves into the intersection, the scammer accelerates to "t-bone" the victim's vehicle.

"They can get in there and hit you, and then claim that you've run the stop sign," said Allstate agent Maurice Stephens.

"Let them go on through if they're waving you out of a parking space or through an intersection," Quiggle said.