

Towed away: Scammers make victims pay dearly

By: Patricia L. Harman

Like many large-scale lucrative fraudulent activities, towing scams frequently require assistance from a variety of individuals who use legitimate businesses to defraud insurers and consumers. While the majority of tow operators are honest, hard-working people, there are some who are brazen enough to perpetrate elaborate frauds that involve tow truck drivers, body shops, parking lot attendants and others.

Some of the more popular scams involve crooked body shops that team up with dishonest towing firms to steal cars that have been in accidents explains James Quiggle, director of communications for the **Coalition Against Insurance Fraud**.

“Towing firms will often monitor police frequencies for crashes. The tow truck shows up and the driver convinces the victim to take the car to a dirty body shop. The car goes to the shop and the insurance company is charged outrageous fees,” says Quiggle. “The repair costs are inflated and sometimes more damage can be done to the car or just shoddy repairs.” The tow company may also charge inflated rates just to tow the vehicle.

Another scam involves private lots where a tow truck will “just tow a car parked on private property (such as a parking lot) and refuse to release it until exorbitant rates are paid,” said Carol Kaplan, director of public affairs for the National Insurance Crime Bureau.

Some towing companies that have municipal contracts will work with lower level clerks who will notify towers of cars that need to be towed. Quiggle says it’s not unusual for towing companies to just take cars off of the street and claim that the meter ran out. The towers will “scoop up cars and take them to an impound lot because there may be kickbacks to the tower and impound lot.” In many cases the victim is charged an outrageous fee for the tow or to get the vehicle back.

Then there are the companies that drive around looking for parking violators so they can tow the cars away. In some cases, there are “lookouts” who notify the towing company of violators and sometimes the lookout actually owns the towing company. Sadly, this is legal in many areas and victims have little or no recourse.

In some cases, bandit towers actually profile cars so they tow those that will bring them the most money with the least hassle. According to

“Towing firms will often monitor police frequencies for crashes. The tow truck shows up and the driver convinces the victim to take the car to a dirty body shop. The car goes to the shop and the insurance company is charged outrageous fees,” said James Quiggle, Coalition Against Insurance Fraud.



**Coalition Against
Insurance Fraud**

the Esurance website, they don’t choose older, beat up cars because the owners may not be able to afford the impound fees. They also avoid high value cars like those from Mercedes or Porsche because of the possibility of damaging the car during the tow. If the car is damaged then the tower will actually have to reimburse the victim. This leaves more moderately priced cars like Hondas and Toyotas as targets for these bandits.

Kaplan says towing fraud seems to be more prevalent in “Los Angeles, Chicago and Houston, although no area of the country is off-limits to these criminals.”

Quiggle agrees saying that urban areas of the country seem more prone to the scams because there are more cars to exploit.

Protecting your car

Quiggle says drivers can protect themselves and their vehicles from towing scams by taking some basic steps:

If there is an accident, make sure the police are called and let them handle the towing arrangements or call a company yourself. Don’t use one that shows up “by chance.” Using a reputable company and honest provider minimizes the chances that you’ll be taken advantage of so you don’t have to pay for services