

"Storm Chasers" scamming homeowners after storms

By: Sharyl Attkisson, CBSNews

To most of us, weather disasters are unhappy events to be avoided. But for con artists, they're a chance to make a buck.

Take so-called "storm chasers" - no - not people who pursue tornadoes, trying to capture them on video.

These scammers prey on homeowners after hail storms hit, reports CBS News investigative correspondent Sharyl Attkisson.

2011 has been a record year for billion-dollar weather disasters. We've had a dozen so far. And that's created plenty of chances for the crooks who follow after storms to try to exploit unsuspecting consumers.

When a monster hail storm hit the northeast in 2009, workers for a company called Precision Builders saw opportunity in the aftermath. They went door-to-door offering free inspections for hail damage, and offering \$500 to Mount Laurel, N.J. homeowners like Jeff and Tonia Williams if they would display the company's signs on their lawns, as advertisements.

The Williams hadn't noticed any hail damage, but figured why not get a free inspection?

Before long, it seemed Precision had convinced half the neighbors they had hail damage.

You couldn't, says Tonia Williams, go through an area that "didn't have a Precision sign on at least every other lawn.

Now, Precision and two of its workers have been charged with insurance fraud. The New Jersey Attorney General says they actually inflicted the supposed hail damage themselves to collect insurance money. They've pleaded not guilty.

Investigators say storm chaser scams have exploded. Last year alone, there were nearly 1,200 cases. The National Insurance Crime Bureau tells CBS News there's been a 55 percent increase in questionable hail damage claims since 2008.

Undercover video shot by insurance investigators in Illinois show a contractor who isn't inspecting the house -- he's allegedly denting the roof to make it look like hail damage. He worked hard at it.

Outside Chicago, a contractor was arrested after CBS station WBBM spotted him appearing to use his thumb to fake hail damage in siding. He's awaiting a court date.

Back in New Jersey, the Williams got suspicious when Precision's repair estimates exactly matched insurance payments.

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Coalition Against Insurance Fraud

"He said," Jeff Williams recalled, "If they gave us \$15,000 -- your insurance company -- we'll take the 15. If they gave us seven, we'll do it for seven."

At what point did the Williamses start to suspect a scam?

"Right then," Sonia Williams says.

"This is insurance fraud at its worst," observes New Jersey Attorney General Paula Dow.

She and Pennsylvania authorities allege Precision workers fabricated damage on more than 100 homes for millions of dollars in insurance fraud.

"It is," says Dow, "taking advantage of the system, taking advantage of homeowners who are often innocent, (and) ultimately, we pay the price in higher insurance premiums that are hurting everyone."

CBS News tried to talk to Precision's president, but he didn't answer at his house and his attorneys didn't return our calls.

The Williams say they learned a valuable lesson in the calm after the storm: When someone comes knocking, make sure they're planning to fix a problem, not start one.