

# FRAUD FACTS



Newsletter of the Insurance Fraud Program of the Virginia State Police

## INTERNATIONAL ASSOCIATION OF SPECIAL INVESTIGATION UNITS VIRGINIA CHAPTER NEWS

The Virginia Chapter of the International Association of Special Investigation Units (VAIASIU) annual fraud seminar held this spring in Richmond was a great success. There were more than 200 paid registrations for this year's seminar – the largest number ever.

The seminar, billed as "Today's Tools to Fight Tomorrow's Fraud," attracted investigators from the insurance industry and law enforcement community, as well as claims adjusters and commonwealth's attorneys. Presenters covered topics ranging from auto theft and arson to medical record review and coding.

The first-ever Robert J. Covington Distinguished Service Award was presented to Capt. Frank A. Williams, commander of the Special Services Division (SSD) of the Virginia State Police. Prior to heading up the SSD, Williams was commander of the Virginia State Police Insurance Fraud Division and assistant director of the Bureau of Criminal Investigations. The service award was given to Capt. Williams in recognition of his outstanding leadership and commitment to the fight against insurance fraud. In addition, WAVY-TV, which covers the Tidewater/Hampton Roads region of Virginia, received the 2003 media award for their "10 On Your Side" coverage of Hurricane Isabel-related insurance fraud.

Plans are already underway for the 2005 VAIASIU fraud seminar, which will again take place at the Holiday Inn Select Koger South Conference Center in Richmond. Mark your calendars for May 10, 11, 12, and don't forget to sign up for the golf tournament at the Independence Golf Club, preceding the fraud seminar on May 10.



Captain Williams (left) with Rocky Womble, chairman of the VAIASIU awards committee, and Wade Wickre, VAIASIU president.



Captain Williams (left) with WAVY 10 anchor Shannon Powell and producer Kelly Welsh.

### SAVE THE DATE

**May 10 – 12, 2005: VA IASIU Fraud Seminar**  
**Holiday Inn Select Koger South Conference Center, Richmond**  
**Golf Tournament: May 10, Independence Golf Club**



## WHAT'S IN A NAME?

### INSURANCE FRAUD RESTRUCTURING UPDATE

As you've been reading this newsletter, visiting [stampoutfraud.com](http://stampoutfraud.com) or admiring any of the new marketing materials, you've probably noticed a slight change – Insurance Fraud Division (IFD) has become Insurance Fraud Program (IFP). With the creation of the Bureau of Criminal Investigation Support Services Division, under which both IFP and H.E.A.T. are located, IFP moves closer to functioning more like the H.E.A.T. Program. The result will be a closer alignment of the Insurance Fraud and H.E.A.T. programs. The IFP will continue to provide the same services, if not more, that you came to expect under the IFD.

## SUCCESS STORIES

### NEATHAWK DUBUQUE & PACKETT WINS IFP/H.E.A.T. ADVERTISING CONTRACT

Neathawk Dubuque & Packett (ND&P), a marketing, advertising and public relations firm with offices in Richmond and Roanoke, was recently awarded the five-year advertising contract for both the Insurance Fraud and Help Eliminate Auto Theft (H.E.A.T.) programs.

In addition to producing educational and promotional materials to promote insurance fraud awareness and the IFP's reward program, ND&P will also be producing and distributing new television and radio ads. Plans also call for more emphasis to be placed on communications between local law enforcement agencies and the VSP insurance fraud investigative efforts.

The new television ads, promoting the IFP's \$25,000 reward, are scheduled to run statewide September through November and again in the spring. In southwest Virginia, the television ads will be placed through a co-sponsorship with H.E.A.T. on the "Mountain Empire's Most Wanted" TV show.

Radio advertising, again purchased in conjunction with H.E.A.T., will feature John Walsh, from "America's Most Wanted," and run on Walsh's Most Wanted segment Monday through Friday in the Washington area on radio station WMAL News Talk 630.

The "Sharp Eye" billboards that could be seen around the state this spring will be running again this fall and spring in conjunction with the placement of the TV advertising planned during this same time. In the northern Virginia area, the "Sharp Eye" message will be displayed on the Metro and the Virginia Railway Express.

ND&P will also be conducting consumer research in the spring of 2005, based on the original study done in March 2000, to determine changes in attitudes about insurance fraud as well as awareness of Virginia's Insurance Fraud program and the reward program.

### DIVING FOR DOLLARS

There's probably one Virginia resident who wasn't happy to see the recent news coverage of the Virginia State Police (VSP) Dive Team raising a submerged BMW automobile from the James River near Hopewell.

First Sergeant Michael Berry, who heads up the VSP Dive Team, scheduled a dive to retrieve what appeared to be an auto or possibly several autos in the James River near a public boat landing. Using equipment purchased by the IFP, divers used the side scan sonar to locate the vehicle, and then brought the car to the surface by attaching lift bags to the vehicle and inflating the lift bags to bring the car to the surface. When the BMW was towed to shore and the doors opened, divers discovered the key still in the ignition and the transmission in drive. The submerged BMW was reported stolen from Richmond International Airport in 1998. The investigation is ongoing.

Richmond-area media were notified of the dive along with WAVY-TV, the NBC affiliate in Hampton Roads, which has produced several news segments on the crime of insurance fraud. Television news crews from the NBC, ABC, CBS Richmond affiliates as well as WAVY-TV spent the better part of the day videotaping and interviewing the Dive Team as they retrieved the car from the James River. As a result, both the IFP and VSP received nine news spots on four television stations in the Richmond area and one in Hampton Roads, for a total public relations value of \$39,000. The dive was the lead story for the 6 p.m. news on three Richmond stations and the subject of an in-depth story on WAVY-TV.



**A sharp eye  
can earn up  
to \$25,000.**

Rewards for insurance fraud tips | 1-877-62FRAUD



## FRAUD FOLLIES

### ***Accidental Fire Turns Out To Be Insurance Fraud***

The insurance company originally believed the fire was accidental, but a confession by the homeowner, a resident of Amelia, Va., resulted in his arrest on two felony counts – Arson and Obtaining Money by False Pretense.

The claimant told his insurance company that the morning of the fire his wife left for New York. Later that day, he and his two daughters were outside working on a chicken pen when they noticed smoke and returned to their home to find it on fire. An insurance claim was made, and ten checks were issued by the insurance company to the claimant and his wife. While participating in a special prayer-oriented program, the claimant confessed to setting his house on fire. When interviewed by a special agent with the Virginia State Police, he again confessed to setting the fire by tossing hot coals from the woodstove into an upstairs bedroom.

He pled guilty to Arson and Obtaining Money by False Pretense. The man received 20 years with 19 years suspended and was ordered to serve two six-month jail terms. He was also fined \$735 and has to pay restitution to the insurance company in the amount of \$164,642.67.

### ***Falling Ceiling Tile Gives Woman Insurance Fraud Headache***

A Southampton County woman will have to walk the straight and narrow for the next five years or face a sentence of 10 years for attempting to defraud her employer's insurance company. The Newsoms, Va., woman was found guilty of trying to get money for an on-the-job injury that never occurred.

The claimant alleged that a ceiling tile fell and struck her on the head while she was working at a shop in Franklin, VA. She also claimed she was struck by insulation and water that gushed everywhere when the tile fell. A ceiling tile actually fell; however, according to two witnesses, Hill wasn't near the tile when it fell and was not injured. When questioned, the woman admitted she fabricated the story in order to pay her medical bills from an automobile crash that occurred in the early 1990s.

She was found guilty of two felony counts of Attempting to Obtain Money by False Pretense. She was sentenced to ten years in prison, suspended for five years based on her successful completion of supervised probation, and ordered to pay \$734 in court costs as well as \$5,175 in restitution to the insurance company.

### ***Repossessed Auto Leads To Insurance Fraud***

Claiming that her car had been stolen, a Virginia Beach woman decided to take advantage of the rental benefit in her insurance

policy to replace her stolen vehicle. In actuality, her car had not been stolen, but had been repossessed because she defaulted on her car payments. She was convicted of Grand Larceny, sentenced to two years in prison, suspended upon good behavior for three years, and ordered to pay restitution to the insurance company in the amount of \$867.05.

### ***Richmond Man Slips Up and Goes Down In Fraudulent Disability Claim***

Payback isn't fun as one Richmond man discovered when ordered by the court to repay the money he had received from an insurance company when he made fraudulent disability claims.

The claimant reported to his employer that he had slipped on oil and fallen, injuring his head and elbow. As a result of his injuries, he began receiving lost wage benefits. Shortly after he began receiving lost wage benefits, surveillance video revealed the man was employed as a construction worker engaged in physically demanding work. In the meantime, the claimant applied for additional payments from the insurance company. The man indicated he was not working and had no income since his alleged injury. He was placed under surveillance again, which showed him still engaged in manual labor. His employer was also interviewed and confirmed that the claimant was being paid \$400 to \$600 a week in cash.

The man pled guilty to Obtaining Money by False Pretense and was ordered to make restitution to his insurance company in the amount of \$4,271.25. He also received a 10-year suspended prison sentence.

### ***The Case of the Runaway Grocery Cart***

One Tidewater, Va., woman found a very clever way to bilk some major department, home improvement and grocery stores out of a lot of money – a little at a time – using a fabricated story about grocery carts on the loose.

According to reports, the woman gained access to inside information. Posing as the store manager, she then filed false insurance claims, for which she was paid, regarding damage done by runaway grocery carts. The woman had been doing this scam for approximately three to four years and admitted to receiving approximately \$16,000 altogether in fraudulent insurance claims.

Following an investigation by an insurance fraud special agent in the Virginia State Police, the woman was arrested and charged with seven felony counts of Obtaining Money by False Pretense.

## NEW LAW ENFORCEMENT GUIDES AID IN IDENTIFYING INSURANCE FRAUD

The Insurance Fraud Program of the Virginia State Police (VSP) has produced easy-to-use cards with guidelines to assist law enforcement in identifying insurance fraud. Three 6" x 3" cards are hinged together with information on each side of the card. These cards are available in bulk quantities for distribution to any local law enforcement agencies.

The guide contains need-to-know information about accident investigations, unattended and stolen vehicles, property crimes, slip-and-falls, and worker's compensation that will assist law enforcement officers in recognizing potential insurance fraud scams. Police reports are often the starting point for insurance fraud investigations by VSP special agents as well as insurance companies' special investigation units. Knowing what to look for, including this information in police reports, and contacting the VSP when insurance fraud is suspected, is just one more way local law enforcement can assist in stamping out fraud.

If you would like cards to distribute to your law enforcement officers, please contact Pamela Jewell, program support manager, at 804-323-2850 or [pjewell@vsp.state.va.us](mailto:pjewell@vsp.state.va.us).



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VIRGINIA STATE POLICE  
**Insurance Fraud Program**

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Presorted  
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