

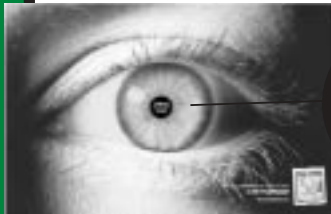
Spring 2004

FRAUD FACTS



Newsletter of the Insurance Fraud Division of the Virginia State Police

REWARD FOR INSURANCE FRAUD TIPS



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

Do you or someone you know have a "Sharp Eye" for insurance fraud? That knowledge could be worth up to \$25,000. The IFD is offering this reward for information leading to an arrest for the crime of insurance fraud. For more information on applying for the reward, click on www.StampOutFraud.com or call 1-877-62FRAUD (623-7283).

This poster, which measures 17"x11", is available free of charge from the Virginia State Police Insurance Fraud Division.

LAST CHANCE TO REGISTER 2004 VA IASIU Fraud Seminar Just Around the Corner

"Today's Tools to Fight Tomorrow's Fraud"

is the theme for the 12th Annual VA IASIU Fraud Seminar taking place May 11-13 at the Holiday Inn Koger Center off Midlothian Turnpike in Richmond.

A golf tournament at the Independence Golf Club will kick off the event on May 11.

For more information or to register for the tournament contact Jeff Spencer at (804) 379-7086 or jeffspencer.au5c@statefarm.com. The tournament will be preceded by the CIFI Exam. Pre-registration for the exam is required. Contact Philip Wong at (804) 662-6523 for more information.

The Seminar begins on May 12 with a legal update by attorney Gary Reinhardt, legal counsel for the VA IASIU, followed by a session on practical tools for fraud investigation. The afternoon sessions will cover body shop fraud, electronic identification of vehicles and sport compact fraud.

On May 13, the morning session will include medical record review and coding, fire training and K-9 use in fire investigations.

The seminar will wrap up with "An Anatomy of an Insurance Fraud Case - From Claim to Courtroom."

Special pricing is available for anyone who wants to attend just the afternoon sessions.

For more information, go to www.VAIASIU.com to download the seminar brochure and registration form or contact Jerry Altieri at (540) 265-1547 or altierj@nationwide.com. Background information about the presenters is also posted at www.VAIASIU.com.



VIRGINIA STATUTE

You may need to know about Insurance Fraud Section 52-40. Duties of insurers, their employees and insurance professionals.

- A. If any insurer, any employee thereof, or any insurance professional has knowledge of, or have reason to believe that a violation of §18.2-178 will be, is being, or has been committed, that person shall furnish and disclose any information in his possession concerning the fraudulent act to the Department, subject to any legal privilege protecting such information.
- B. All applications for insurance and all claim forms provided and required by an insurer or required by law as a condition of payment of a claim shall contain a statement, permanently affixed to or included as a part of the application or claim form, that clearly states in substance the following:

“It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.”

SUCCESS STORIES

FAKE RECEIPT EQUALS REAL FRAUD

This claimant found out the hard way that it's not nice to fool the insurance company. The Lancaster County resident was involved in a two-car crash in which his vehicle was damaged. The claimant, who was not at fault in the crash, requested a rental truck for business purposes while his vehicle was being repaired. He was instructed to rent a truck that met his business needs, and the insurance company would set up a direct bill with the rental company. The insurance company later received what proved to be a fabricated rental receipt in the amount of \$4,127.97. The receipt was from a business that didn't even rent vehicles.

The claimant was charged with three felonies - Attempting to Obtain Money by False Pretense, Forgery and Uttering. He pled guilty in Lancaster County Circuit Court and entered into a plea agreement. He received a 12 months suspended sentence and a \$2,500 fine.

WORKER SLIPS UP ON DISABILITY CLAIM

A construction worker, receiving disability benefits for work-related injuries received when he slipped on oil, really slipped up when he went to work full-time for another company while still receiving benefits. The claimant received a total of \$4,271.25 in lost wage benefits while claiming to be unemployed; however, surveillance revealed he was employed as a construction worker engaged in physically demanding work. The owner of the construction company verified the claimant had worked for him for almost six months while being paid \$400-\$600 a week. The claimant pled guilty in Chesterfield County Circuit Court to Obtaining Money by False Pretense. He was sentenced to ten years in prison with ten years suspended and ordered to pay restitution in the amount of \$4,217.25.

FRAUD FACT CHECK

- More than \$10 million in ordered restitution since IFD's beginning in 1999.
- False insurance claims reported to the IFD since 1999 surpassed \$32 million.
- More than 4,400 insurance fraud notifications received in five years.
- More than 475 insurance fraud and related arrests made in five years.
- Sixty-two notifications related to Hurricane Isabel received to date.
- Property fraud cases up 26 percent in 2003 over 2002.

INSURANCE FRAUD AWARENESS WEEK



For the second year Virginia Governor Mark R. Warner has recognized Virginia's commitment to stamping out fraud by proclaiming May 9 - 15 as Insurance Fraud Awareness Week. The Certificate of Recognition will be presented during the VA IASIU Fraud Seminar. To promote Insurance Fraud Awareness Week, the IFD has investigators and staff across Virginia who are available to speak to your organization, company or agency about the impact of insurance fraud, what is being done to combat this crime, and how you can help. For more information contact Pam Jewell at (804) 323-2850 or pjewell@vsp.state.va.us. A speaker's request form can also be downloaded at www.StampOutFraud.com.

IFD IN THE NEWS

Here is a partial listing of where the IFD has appeared in the media.



The Richmond Voice (Weekly)
"Virginia State Police raises awareness of state's insurance fraud program"
March 24, 2004

Cox Radio - Richmond
(WDYL-FM, WKHK-FM, WKLR-FM, WMXB-FM)
Community Affairs Radio Show
Interviewed Capt. Frank Williams and Pam Jewell
March 21, 2004

The Virginia Pilot and Pilotonline.com
Page B-1
"State zeros in on insurance fraud, much from hurricane"
March 18, 2004

13-WVEC TV Hampton Roads
6 p.m. News
Interview - First Sergeant J.C. Miers
March 17, 2004

Altavista Journal (Weekly)
"Insurance Fraud tops \$10 million in VA"
March 10, 2004

3-WHSV/WHSV.com - Harrisonburg
"Insurance Fraud Costing Us All"
Feb. 25, 2004

WINA AM/WINA.com - Charlottesville
"State police report success in cracking down on fraud"
Feb. 24, 2004

InsuranceFraud.org - Coalition Against Insurance Fraud
"Eye-catching billboards promote Virginia's insurance fraud reward program"
Feb. 4, 2004

Insurance Advisor (Monthly)
Pg. 2
"Powhatan Man Pleads Guilty to Insurance Fraud"
Jan. 2004

The Observer - An Omega e-Publication
"Virginia Drywall Hanger Gets Hung Up by Insurance Fraud"
Dec. 2003 Newsletter

Claims Magazine - Covering the Business of Loss
Reporters Notebook
"Hurricane Victim Attempts Claim Fraud"
Dec. 2003

Insurance Advisory (Monthly)
Pg. 3
"State Police Set Fraud Info Fund"
Nov. 2003

Fraud Focus - Coalition Against Insurance Fraud
Pg. 3 - In Brief
"Disaster - Hurricane Fraud"
Fall 2003

WAVY 10 On Your Side/ WAVY.com - Hampton Roads
"Virginia Battles Insurance Fraud Following Hurricane Isabel"
Nov. 19, 2003

Farmville Herald
"State Fraud Reward Fund Targets Insurance Claims"
Nov. 12, 2003



Training Announcement Advanced Auto Theft Investigation School May 17-21, 2004

The Virginia State Police Auto Theft Unit and the Help Eliminate Auto Theft (H.E.A.T.) Program will conduct a five-day Advanced Auto Theft Investigation School on May 17-21, 2004, in Roanoke, Virginia. Training will be conducted at the Roanoke City Police Academy located at 541 Luck Avenue, Roanoke, Virginia. The training agenda is specifically designed to benefit experienced patrol officers and auto theft investigators. The Department of Criminal Justice Services (DCJS) has approved this training for 40 hours of law enforcement in-service credit. Instruction will begin promptly at 8:00 a.m. on Monday, May 17, 2004, and conclude at 5:00 p.m. on Friday, May 21, 2004.

The H.E.A.T. Program will pay for double occupancy lodging for students who reside **more than 50 miles** from the Roanoke City Police Academy on the evenings of May 17-20, 2004. Reservations for lodging will be made by the Help Eliminate Auto Theft (H.E.A.T.) Program.

Participation in this training is limited and available on a first come first serve basis.
Each agency will be allowed to send no more than four (4) officers to this training. Successful completion of a H.E.A.T. Basic Auto Theft Investigation School is a prerequisite for this training.

Applications must be received by Friday, April 30, 2004.

The student application may be printed from the H.E.A.T. Website at www.heatreward.com. For additional information please contact: First Sergeant Joseph W. Walters by telephone at (804) 323-2133 or fax (804) 323-2137.

**Confirmation letters will be sent to all students enrolled in this training.
Walk-ins without a letter of confirmation will not be admitted to the class.**

4

VIRGINIA STATE POLICE
Insurance Fraud Division

808 Moorefield Park Drive · Suite 300 · Richmond, VA 23236

Presorted
Standard
U.S. POSTAGE
PAID
Richmond, VA
Permit No. 1225