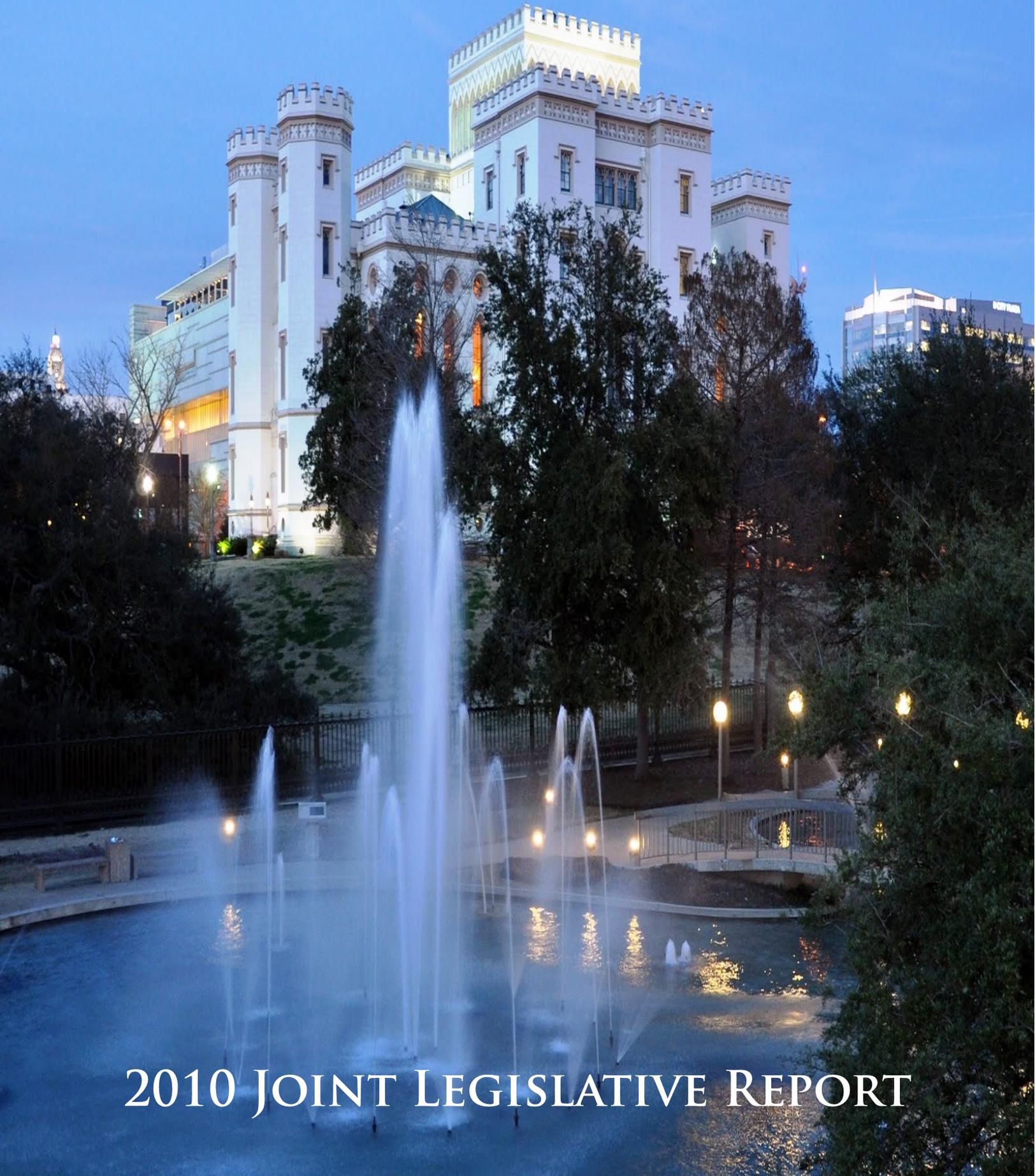


LOUISIANA INSURANCE FRAUD TASK FORCE

LOUISIANA STATE POLICE ◇ ATTORNEY GENERAL ◇ DEPARTMENT OF INSURANCE



2010 JOINT LEGISLATIVE REPORT



LOUISIANA'S FINEST



Louisiana Insurance Fraud Task Force

The Louisiana Insurance Fraud Task Force is a statutorily mandated partnership of three state agencies created to combat insurance fraud and auto theft in Louisiana.

These agencies are:

Louisiana State Police

- ◆ Insurance Fraud / Auto Theft Unit

Office of the Attorney General

- ◆ Insurance Fraud Support Unit

Louisiana Department of Insurance

- ◆ Insurance Fraud Section
 - ◆ LATIFPA

Legislative Actions

2010 brought new legislative changes to the task force:

- ◆ The expiration, or sunset, clause that was set to expire on July 1, 2010 was renewed for two years and now expires July 1, 2012 per LRS 40:1429
- ◆ Changes were made regarding how the insurance fraud budget is disbursed. The Louisiana Automobile Theft and Insurance Fraud Prevention Authority (LATIFPA), a statutory board within the Louisiana Department of Insurance, will now receive funds from the budget per LRS 22:2134
- ◆ It was mandated that the task force partners annually compile and produce a combined report to the legislature per LRS 40:1427



2010 JOINT LEGISLATIVE REPORT

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LOUISIANA STATE POLICE

INSURANCE FRAUD / AUTO THEFT UNIT



The Mission of the Insurance Fraud / Auto Theft Unit is to seek justice on behalf of the citizens of the state of Louisiana and industry stakeholders by the execution of superior, professional, and effective investigations.

7919 Independence Blvd.
Box A-19
Baton Rouge, LA 70806
225.925.3536 (office)





Letter From The Superintendent



BOBBY JINDAL
GOVERNOR



MICHAEL D. EDMONSON, COLONEL
DEPUTY SECRETARY

State of Louisiana
Department of Public Safety and Corrections
Public Safety Services

January 10, 2011
HQ-1-1295

Office of the Governor
Honorable Bobby Jindal
State Capitol
Baton Rouge, Louisiana

Dear Governor Jindal:

The enclosed annual report provides an informative look at the efforts, accomplishments, and challenges of the Louisiana Insurance Fraud Task Force for calendar year 2010. The task force is composed of the State Police Insurance Fraud / Auto Theft Unit, Department of Insurance, and Attorney General's Office. This year marks the first ever joint legislative report from all task force members. It has been prepared and submitted in accordance with L.R.S. 40:1427 and provides statistical and summary information regarding activities as well as budget expenditures for the calendar year.

I'm very proud of the efforts of this group and feel we undoubtedly have one of the most effective and successful fraud investigation task forces in the nation. I'm also proud of the continued collaboration and working relationship between task force members and the National Insurance Crime Bureau, and Coalition Against Insurance Fraud. Collaboration with federal partners is crucial for our overall success.

Unfortunately, insurance fraud continues to be a crime that is accepted by many as a way to recoup financial losses. Fraud crime costs the citizens of Louisiana hundreds of millions of dollars annually. Every resident of this state is adversely affected by fraud in some way. As our economy continues to stagnate, insurance fraud increasingly becomes the crime of choice for those having financial difficulty, or those simply motivated by greed.

Our current economic status demands that we are fiscally responsible and maximize our resources. I have directed my staff to utilize technology, training, and inter-agency cooperation to ensure that we provide not only superior investigations, but also increase awareness fraud crime and how it detrimentally affects our economy.

Your continued support for the Insurance Fraud Task Force will allow Louisiana to remain a national leader in the field of fraud investigations. Should you have any questions, or need further information, please do not hesitate to contact me.

Sincerely,

Colonel Michael D. Edmonson
Deputy Secretary, Public Safety Services
Superintendent, Louisiana State Police

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"An Equal Opportunity Employer"

P.O. BOX 66614, BATON ROUGE, LOUISIANA 70896

Message from the Unit Supervisor



The Insurance Fraud / Auto Theft Unit experienced a very busy, productive, and successful year. During this time the Criminal Investigation Division received a new Command Inspector, Major Murphy Paul. Major Paul brings an exciting and motivating element to the division and the unit. He is a progressive and dedicated leader who fully supports our mission and mandates. With the continued support of Colonel Mike Edmonson, and his staff, the state of the Insurance Fraud / Auto Theft Unit and the Insurance Fraud Task Force is strong.

I am excited about our first ever combined annual report. I believe this will allow the Insurance Fraud Task Force to submit to the legislature a more comprehensive picture of how our combined efforts are combating insurance fraud in Louisiana. This will also allow task force members to network on a more intimate level, and efficiently share resources. The result is a stronger partnership and commitment to our overall mission.



Lt. Trevor Smith, Unit Supervisor

Many criminals have turned to fraud as a means to supplement or replace their income. Other criminals are motivated only by greed and what they perceive to be an easy and victimless crime. Unfortunately, insurance fraud is a crime that negatively affects every resident in our state due to the fact that we ultimately all pay for fraud and theft crimes.

Insurance fraud occurs every day and affects people of all races, gender, ages, and socioeconomic status. The National Coalition Against Insurance Fraud estimates it costs Americans approximately \$80 billion each year, or nearly \$950 for each family. Here at home, Insurance Fraud alone costs our citizens approximately \$500 million annually according to the Department of Insurance. When you factor in higher taxes, increased insurance premiums, and higher costs of goods and services, this figure increases to approximately \$2.3 billion annually.

This is not to mention the serious injuries and death that specific types of fraud crime, such as staged crashes, can cause.

The mission of the Louisiana State Police Insurance Fraud / Auto Theft Unit is to arrest those who have violated the law, but also to prevent crime from occurring. It is in our state's best interest to aggressively investigate fraud and seek justice for those who choose to commit crime. A large number of insurance fraud violators are also involved with other types of crime such as tax evasion, social security fraud, etc. All of these crimes adversely affect the security and well-being of citizens in Louisiana.

I'm very proud of the competency, dedication and commitment of our unit's personnel, and the positive impact they have had on the citizens of Louisiana. Since becoming operational in January of 2000, the Insurance Fraud / Auto Theft Unit has had a major impact on the techniques and technology used to investigate fraud. I can report to you that Louisiana has one of the premier fraud investigation units in the nation.

Message from the Unit Supervisor - Cont.



This annual report highlights the activities and accomplishments of the Insurance Fraud Task Force for calendar year 2010. I would, however, like to point out a few important accomplishments of our unit.

Thanks to the cooperation and support of the legislature, Louisiana State Police command staff, along with other stakeholders, the Insurance Fraud / Auto Theft Unit was able to help pass bills that will greatly improve our fraud fighting capabilities. Fighting fraud in Louisiana has always been challenging. One of the tools that are critical in making a difference is comprehensive legislation.

Act 632 of the 2010 Regular Session amends and reenacts L.R.S. 22:1924. This legislation substantially tightens the statute's language regarding the crime of health care fraud. These changes will give additional tools to our unit to directly combat health care fraud in Louisiana.

Act 103 of the 2010 Regular Session amends and reenacts L.R.S. 40:1422 by adding additional mandatory training for commissioned Insurance Fraud Unit personnel. All commissioned Insurance Fraud / Auto Theft Unit personnel must now complete the Fraud Claims Law Specialist program offered through the American Educational Institute. This in-depth program is already mandatory for most insurance Special Investigative Units. It will allow State Police personnel to gain valuable inside working knowledge of the insurance industry and how they detect and investigate claim fraud. The goal is to broaden the investigative knowledge of our personnel in order to operate more efficiently and effectively.

Act 435 of the 2009 Regular Session went into effect on July 1, 2010. This act amended L.R.S. 706.2., Requirements for vehicle identification number inspections. It states, "*Any physical inspection of a vehicle for the purpose of vehicle identification number verification shall be by a full-time Peace Officer Standards and Training (P.O.S.T.) certified law enforcement officer who has been trained and certified by the Department of Public Safety and Corrections, office of state police, to inspect motor vehicles.*" The Insurance Fraud / Auto Theft Unit has trained and certified hundreds of law enforcement officers across the state. This training, along with accompanying safeguards mandated in the statute, has and will significantly reduced the ability of criminals to title, register, or clone stolen vehicles.

Thank you for your assistance and support during 2010. I look forward to another year of growth and progress in our continuing fight against insurance fraud and auto theft in Louisiana.

Respectfully,

Lt. Trevor J. Smith, Unit Supervisor
Louisiana State Police
Insurance Fraud / Auto Theft Unit

2010 Investigator of the Year

Ron Huey

Insurance Fraud & Auto Theft Unit - Monroe Field Office

We are proud to announce that Ron Huey was selected as the Troop F Area Investigator of the Year. Investigator Huey was presented with an award for meritorious service during the year 2010. He is a very dedicated and trustworthy individual who is always willing to help others. Ron is a very thorough and competent investigator. He is very active in his church, and has gone on numerous mission trips to help the needy.

In 2010, he opened 16 new cases, closed 19 cases, and made 29 arrests.



Ron Huey (right) with his supervisor, Sgt. Keith Phenix

Ron recently concluded a two and half years long investigation of a staged crash ring operating in Claiborne, Bienville and Webster Parishes. This case resulted in twelve federal indictments of persons involved in staged and/or intentional crashes. He did an outstanding job in spearheading this case and conducting violator round-ups that resulted in the apprehension of all twelve suspects.

The many distinctive accomplishments of Investigator Huey reflect great credit upon himself, the Insurance Fraud Unit, and Louisiana State Police.

2010 Supervisor & Trooper of the Year

Sgt. Belinda Murphy and Tpr. Jerry Johnson

Insurance Fraud & Auto Theft Unit - Alexandria Field Office

The Troop E Affiliate presented Awards for 2010 at their Annual Christmas Party. The Affiliate Member of the Year and Supervisor of the Year awards were presented to Sgt. Belinda Murphy for outstanding service both to the Investigations mission and to Troop E personnel. The balance of providing excellent leadership and service to the LSTA was noted.

Senior Trooper Jerry Johnson received Investigator of the Year award due to his strong motivation to achieve optimal results. S/T Johnson displays a spirit of determination and is consistent and dependable in carrying out responsibilities to a successful conclusion. Also S/T Johnson received a Professional Excellence Award regarding an officer involved shooting which he responded to assist in



S/T Jerry Johnson (left) with his supervisor, Sgt. Belinda Murphy

September 2010. Because of the actions of S/T Johnson, his ability to communicate with the public during an intense situation, troopers were able to minimize the investigative time and resources that it would have taken to locate and apprehend the suspect. S/T Johnson rose to excellence in the performance of his

duties by demonstrating his ability to defuse hostile and fearing family members, and have them gain trust in Louisiana State Police. We are proud to have professional members that recognize the needs of others, and act upon those needs consistently to achieve success.

2011 Advisory Board Members

Mr. Paul Boudreaux, Fraud Director

Louisiana Department of Insurance
pboudreaux@ldi.state.la.us
225.219.5819

Ms. Denise Cassano, Director

Louisiana Auto Theft and Insurance Fraud Prevention Authority
dcassano@ldi.state.la.us
225.342.0819

Mr. Howard Goldblatt, Director

Coalition Against Insurance Fraud, Government Affairs
howard@insurancefraud.org
202.393.7333

Mr. Darrell Langlois, Director

Blue Cross Blue Shield of Louisiana/Corporate Audit and Compliance Department
darrell.langlois@bcbsla.com
225.295.2283

Mr. Fred Lohmann, Area 4 Director

National Insurance Crime Bureau (NICB)
flohmann@nicb.org
972.739.6026

Mr. Tom McCormick, Section Chief

Louisiana Department of Justice/Insurance Fraud Support Unit
mccormickt@ag.state.la.us
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Major Murphy Paul, Command Inspector

Louisiana State Police Bureau of Investigation / Criminal Investigation Division
murphy.paul@dps.la.gov
225.925.3695

Advisory Board Members

Ms. Lisa D. Barras, President

International Association of Special Investigative Units Louisiana Chapter

lisa.d.barras.hgeh@statefarm.com

225.237.2883

Mr. Don Weeks, SIU Claims Section Manager

State Farm

don.weeks.axmw@statefarm.com

501.868.2317

Mr. Richard J. Hagey, SIU Manager

Louisiana Farm Bureau

rhagey@sfbic.com

225.987.1004

Mr. Cleve Franklin, Louisiana SIU

GEICO

CLFranklin@GEICO.com

225.952.9445

Advisory Board Liaisons:

Lieutenant Trevor Smith, Unit Supervisor

Louisiana State Police

Insurance Fraud / Auto Theft Unit

trevor.smith@dps.la.gov

225.925.3701

Ms. Michele Aucoin, Investigative Specialist

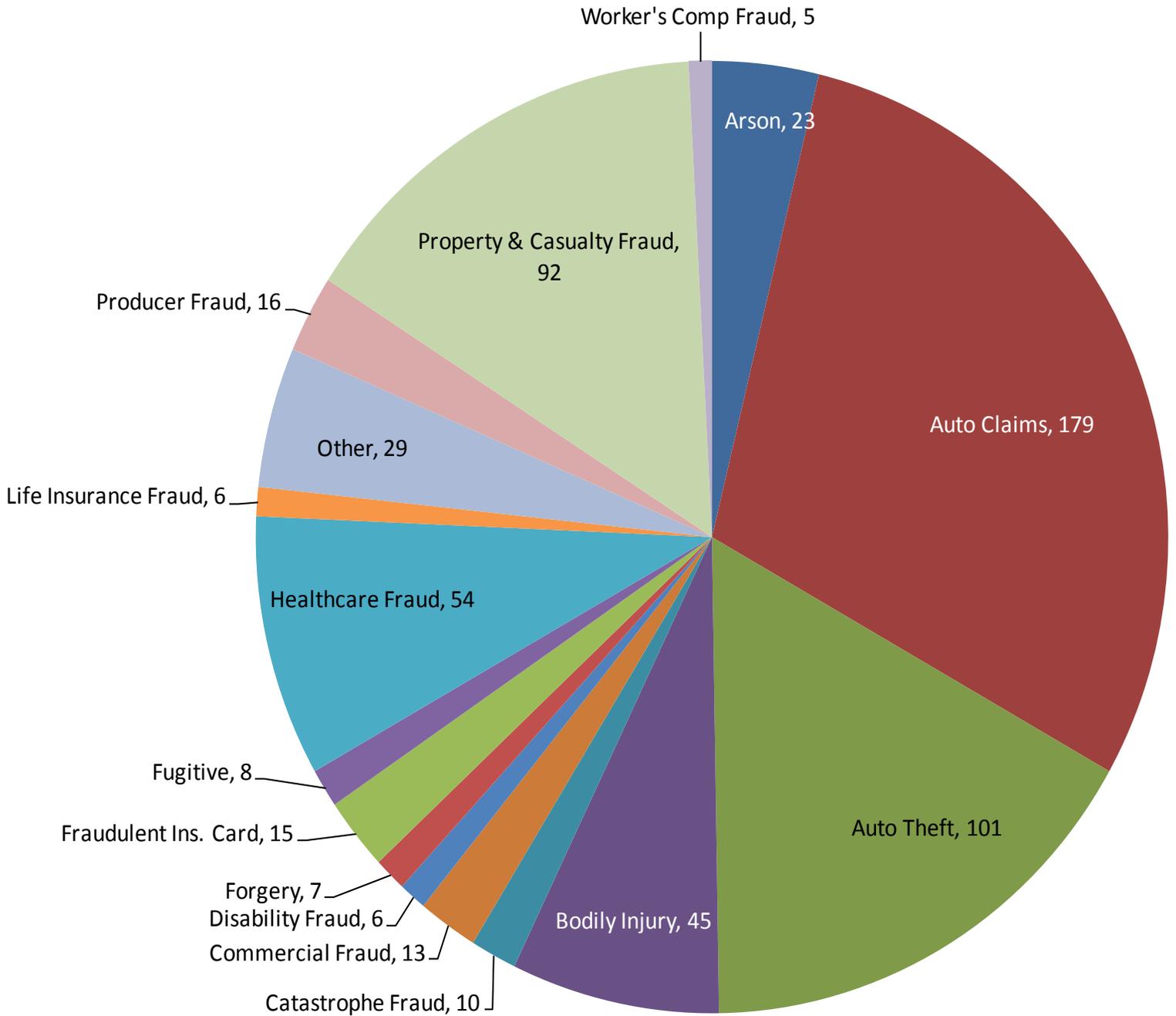
Louisiana State Police

Insurance Fraud / Auto Theft Unit

michele.aucoin@dps.la.gov

225.925.3702

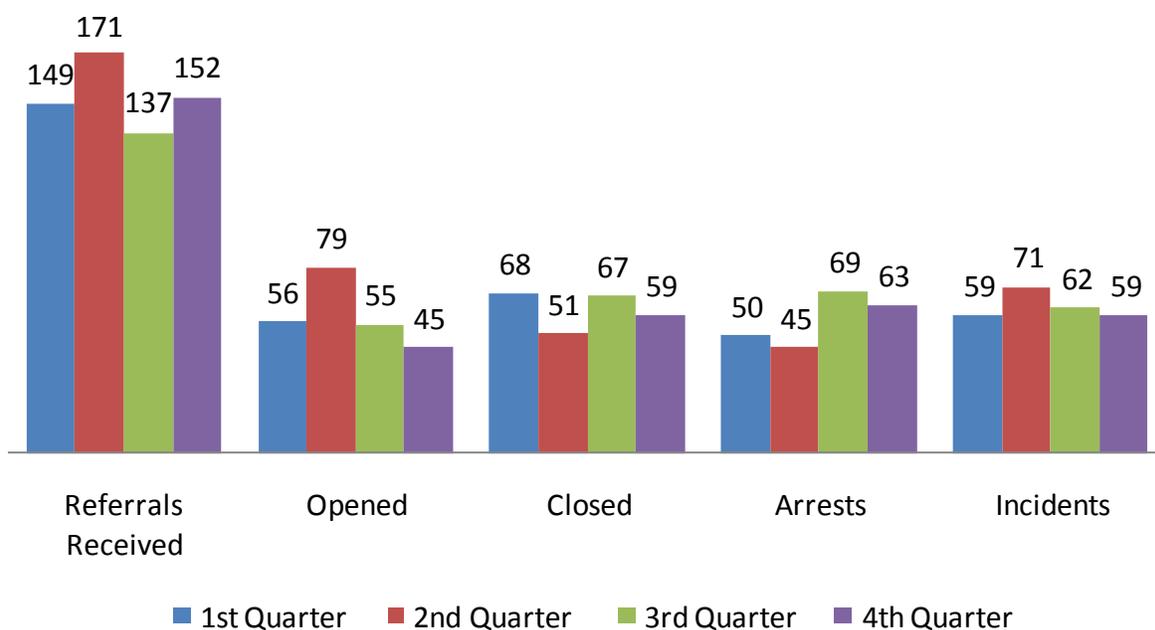
2010 Fraud Referrals By Type



2010 Statistical Information

Referrals Received:	609
Cases Opened:	235
Cases Closed:	245
Arrests:	227
Incidents Closed:	251
Potential Fraud Amount:	\$5,351,045.11
Value of Vehicles Recovered:	\$1,150,208.00*
Number of Vehicles Recovered:	114*

* Totals are for the Insurance Fraud / Auto Theft Unit only. Louisiana State Police Totals (including troops) are 275 vehicles recovered with a value of \$2,648,738.63.



2010 Judicial Actions

Convictions	99
Pre-Trial Interventions	13
Probation Served	126 years & 6 months
Fines	\$23,564.50
Restitution Ordered	\$957,819.86
Prison Time Ordered	1286 years & 8 months
Community Service	150 hours



2010 Budget Expenditures

OBJ	OBJECT NAME	2234	2234	2234
		INSURANCE FRAUD UNIT Jan-Jun	INSURANCE FRAUD UNIT Jul-Dec	INSURANCE FRAUD UNIT TOTAL
2100	SALARIES-CLASS - REGULAR	757,242.50	907,713.26	1,664,955.76
2110	SALARIES-CLASS - OVERTIME	31,937.96	62,596.01	94,533.97
TOTAL SALARIES		789,180.46	970,309.27	1,759,489.73
2200	WAGES		98.29	98.29
TOTAL OTHER COMPENSATION			98.29	98.29
2300	RETIRE CONTRIB - STATE EMPLOYE	17,872.75	24,911.22	42,783.97
2340	RETIREMENT CONTRIB - OTHER	275,476.23	405,256.54	680,732.77
2350	F.I.C.A. TAX (OASDI)		6.09	6.09
2360	MEDICARE TAX	10,942.11	13,574.01	24,516.12
2380	GROUP INSURANCE CONTRIBUTIONS	97,563.62	97,118.69	194,682.31
2410	TAXABLE FRINGE BENEFITS	14,813.50	16,859.30	31,672.80
TOTAL RELATED BENEFITS		416,668.21	557,725.85	974,394.06
TOTAL PERSONAL SERVICES		1,205,848.67	1,528,133.41	2,733,982.08
2500	IN-STATE TRAVEL - ADMIN	1,260.00	797.85	2,057.85
2510	IN-ST TRAVEL - CONF,CONV,ATHL	765.00	1,266.00	2,031.00
2600	OUT-OF-STATE TRAVEL - ADMIN	4,429.35	3,981.78	8,411.13
TOTAL TRAVEL & TRAINING		6,454.35	6,045.63	12,499.98
2710	PRINTING	0.00	135.00	135.00
2780	MAINT-PROPERTY & EQUIP-OTHER	180.00	90.00	270.00
2810	MAINTENANCE-JANITORIAL/CUSTOD	5,269.02	4,390.85	9,659.87
2811	MAINT OF GROUNDS		975.00	975.00
2830	RENTALS - BUILDINGS	86,150.80	118,931.12	205,081.92
2840	RENTALS - EQUIPMENT	7,224.46	2,956.42	10,180.88
2870	RENTALS - OTHER	157.50	0.00	157.50
2890	DUES AND SUBSCRIPTION	180.00	360.00	540.00
2900	MAIL, DELIVERY & POSTAGE		44.00	44.00
2910	TELEPHONE SERVICES	320.00	0.00	320.00
2920	DATA LINES & CIRCUITS	782.97	0.00	782.97
2930	OTHER COMMUNICATION SERVICES	5,926.40	3,795.24	9,721.64
2991	OP SVRS-SECURITY	306.70	0.00	306.70
3000	OT OPERATING SERVICES - MISC	0.00	12,220.00	12,220.00
TOTAL OPERATING SERVICES		106,497.85	143,897.63	250,395.48
3100	OFFICE SUPPLIES	4,024.36	4,481.73	8,506.09
3120	OPERATING SUPPLIES - COMPUTER	283.60	335.98	619.58
3160	OPERATING SUPPLIES - FOOD		105.25	105.25
3170	OPERATING SUPPLIES - AUTO	884.61	0.00	884.61
3180	OPERATING SUPPLIES - OTHER	4,947.47	4,093.67	9,041.14
3190	OPR SUPP'S-BLDG,GRDS,GEN,PLANT	85.70	203.77	289.47
TOTAL SUPPLIES		10,225.74	9,220.40	19,446.14
3650	MISCELLANEOUS CHARGES	11,296.83	5,303.19	16,600.02
3720	OTHER CHARGES-OPER SERVICES	9,477.32		9,477.32
TOTAL OTHER CHARGES		20,774.15	5,303.19	26,077.34
5040	IAT - TELEPHONE AND TELEGRAPH	3,309.90	2,888.99	6,198.89
5100	IAT - MISCELLANEOUS		10,000.00	10,000.00
TOTAL IAT		3,309.90	12,888.99	16,198.89
TOTAL		1,353,110.66	1,705,489.25	3,058,599.91

LOUISIANA STATE POLICE
INSURANCE FRAUD / AUTO THEFT UNIT

FIELD OFFICES



Alexandria Field Office

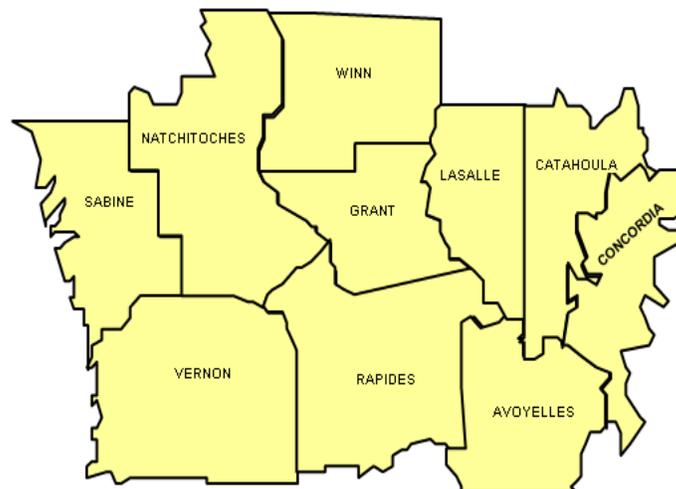
A Message from the Supervisor... Sgt. Belinda Murphy



Recently we have seen a much needed increase in medical fraud training. The training has revealed a huge problem that is already a well-developed, entrenched, money-making machine. Developing relationships with our health care partners has enabled us to increase our visibility in the industry, including the casualty side of the spectrum.

The emphasis on identifying problems in healthcare could not have come at a more crucial time. On March 23, 2010, President Barack Obama signed *The Patient Protection and Affordable Care Act* and *The Health Care and Education Reconciliation Act of 2010*. These health care reforms aim to expand coverage to millions of Americans, resulting in sweeping changes in both health care products and regulations. It is expected that all of these changes will bring new opportunities for fraud and criminal activity.

As Louisiana State Police Insurance Fraud Investigators, we recognize that citizens spend a large part of their income on health, auto, life and mortgage insurance premiums. We take our responsibility very seriously and we are proud to champion a cause that affects every citizen. Insurance fraud violators have become skillful in their schemes to defraud insurance companies, which adversely affects all Louisiana residents and providers. Our goal is to effectively fight insurance fraud and serve the residents of Louisiana by conducting professional investigations that force these types of criminals into the public eye!

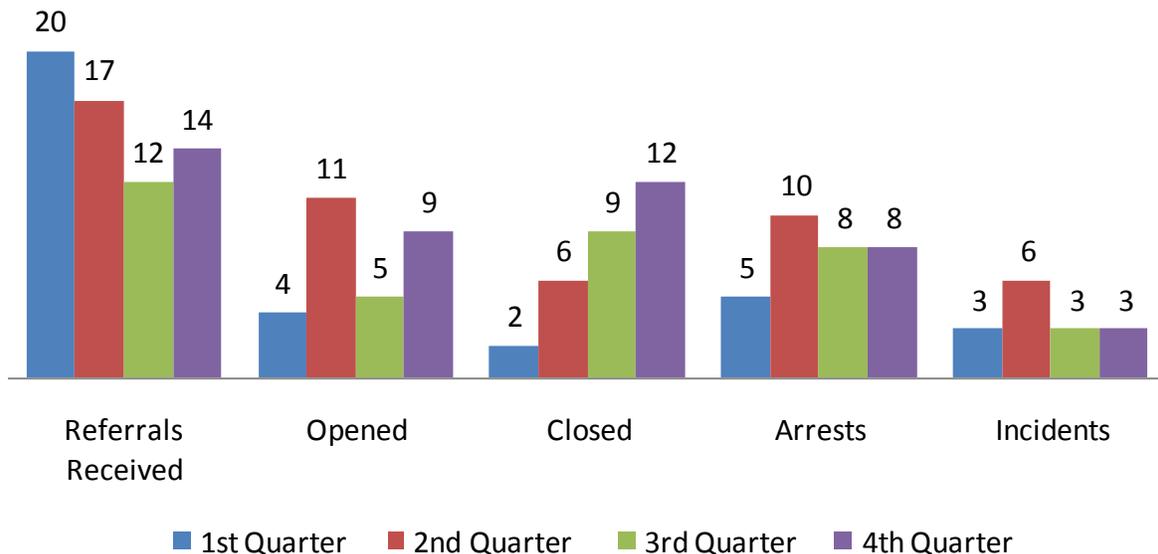


Alexandria Field Office area of responsibility

Alexandria Field Office

2010 Statistical Information...

Referrals Received:	63
Cases Opened:	29
Cases Closed:	29
Arrests:	31
Incidents Closed:	15
Potential Fraud Amount:	\$3,100,007.35
Value of Vehicles Recovered:	\$28,600.00
Number of Vehicles Recovered:	2



Baton Rouge Field Office

A Message from the Supervisor...

Sgt. Rickie Guhman



Once again the Baton Rouge Field Office experienced a busy and productive year. A variety of fraud cases were worked ranging from vehicle theft to producer fraud.

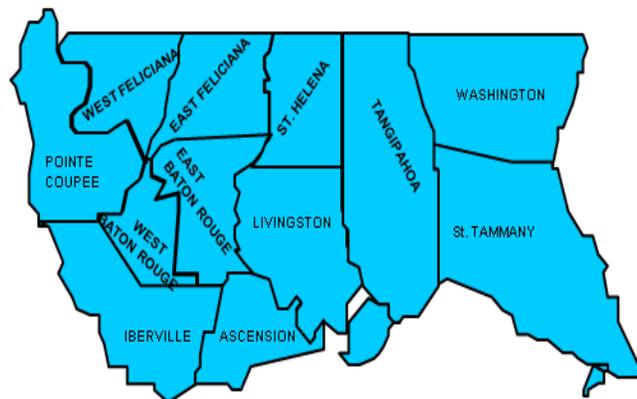
Investigators spent substantial time investigating staged crash rings. Some cases had some disturbing similarities even though they involved separate groups of suspects. Vehicles used in the crashes were usually owned, insured and driven by different people. The vehicles were usually filled to capacity with very young minors from a variety of parents, who would all file bodily injury claims on behalf of their children. The claimants always sought a quick settlement for whatever monetary amount they could get.

Producer fraud is still an issue but not to the extent we have seen in previous years. However the monetary losses contributed to the acts of an unscrupulous insurance producer can be staggering. In one case, a producer who was able to defraud the insurance company of over \$300,000.

Investigators recovered over 30 stolen vehicles, including heavy equipment, with a recovery value over \$400,000. In one case investigators arrested a suspect who was selling stolen heavy equipment on E-Bay. The investigation developed leads which lead to the recovery of equipment in several different states. The assistance of NICB in the investigation was extremely helpful.

In conjunction with changes to state law, the office certified numerous law enforcement personnel in the proper way to conduct physical inspections on vehicles. Physical inspections are required by the Office of Motor Vehicles (OMV) for a variety of title transactions. The certification process should make it more difficult for car thieves to renumber a stolen vehicle with VIN. plate from a salvaged vehicle. Hopefully, this will lead to more stolen vehicle recoveries and the return of this property to the victims of the theft.

The office is looking forward to another productive year and we expect to see the same fraud trends continue into 2011. Automobile claims fraud still appears to be an issue as the office is still receiving a large number of these referrals. However, we expect to work a variety of fraud cases and we will continue to build quality cases and present these cases to the criminal court system.

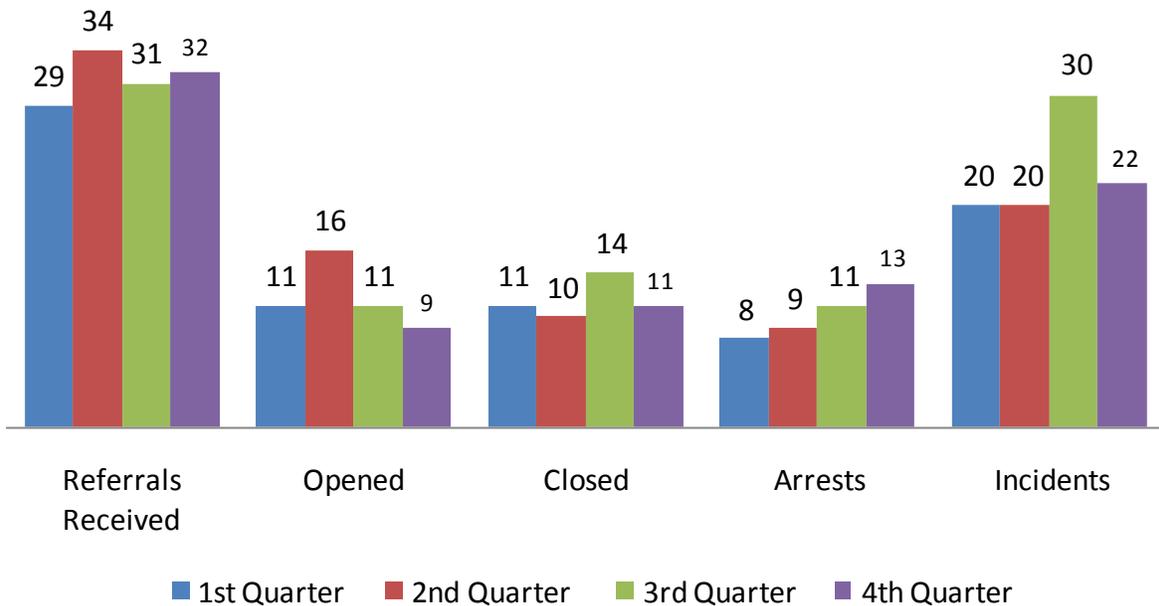


Baton Rouge Field Office area of responsibility

Baton Rouge Field Office

2010 Statistical Information...

Referrals Received:	126
Cases Opened:	47
Cases Closed:	46
Arrests:	41
Incidents Closed:	92
Potential Fraud Amount:	\$849,974.74
Value of Vehicles Recovered:	\$460,768.00
Number of Vehicles Recovered:	38



Lafayette Field Office

A Message from the Supervisor... Sgt. David Stelly



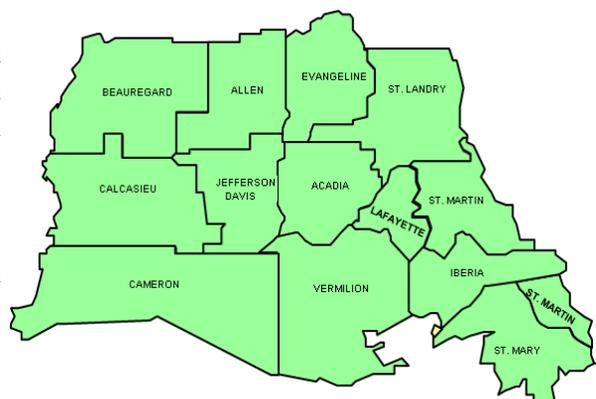
In 2010, the Lafayette Field Office experienced a significant increase in complaints reported involving two major crime trends. Theft involving vehicles of husbandry, and other off-road vehicles, and staged crashes involving commercial vehicles.

Insurance fraud investigators participated in a work group involving officers from local sheriff departments, local police departments, and other state police organizations. The group coordinated a plan to disrupt and eventually dismantle an organization stealing vehicles here in Louisiana and transporting those vehicles to Texas and Mexico for resale. The workgroup was able to generate investigative leads and disseminate those leads to patrol officers in Louisiana and Texas. This sharing of information paid when a sect of the group was stopped by a patrol officer and confessed to being part of the theft ring. Based on that information, officers served a search warrant in Texas and recovered numerous off-road vehicles and vehicles of husbandry, which had been previously stolen in Louisiana. Numerous arrests were made in Texas as well as Louisiana, successfully breaking up the illicit group.

Lafayette FO Troopers noticed a significant increase in persons who chose to involve commercial vehicles in their illicit staged crashes. Some of the complaints involved loosely associated groups agreeing to make a single false claim. Most often, suspects would rent a commercial vehicle, apply for substantial insurance coverage through the insurance company, and then intentionally crash their rented vehicle into a private owned vehicle with all claiming injuries. Others incidents were more organized. They involved a group of people directed by a lone manager, making multiple claims from assorted intentional crashes over a period of several years. Troopers have been able to identify the groups by using confidential sources and networking with police officers investigating the crashes. These organized groups have evolved in their schemes, often times deploying witnesses to corroborate their false versions of the crash.

Insurance Fraud Troopers worked closely with narcotics investigators in Lafayette focusing on false medical insurance claims resulting from suspects seeing doctors and obtaining prescriptions based on fraudulent medical issues. Troopers have noticed an increase in suspects claiming the illicit doctor visits and prescription purchases against their medical insurance policy.

Looking forward to 2011, the Lafayette Field Office will make a concerted effort to focus more on organized groups committing insurance fraud.

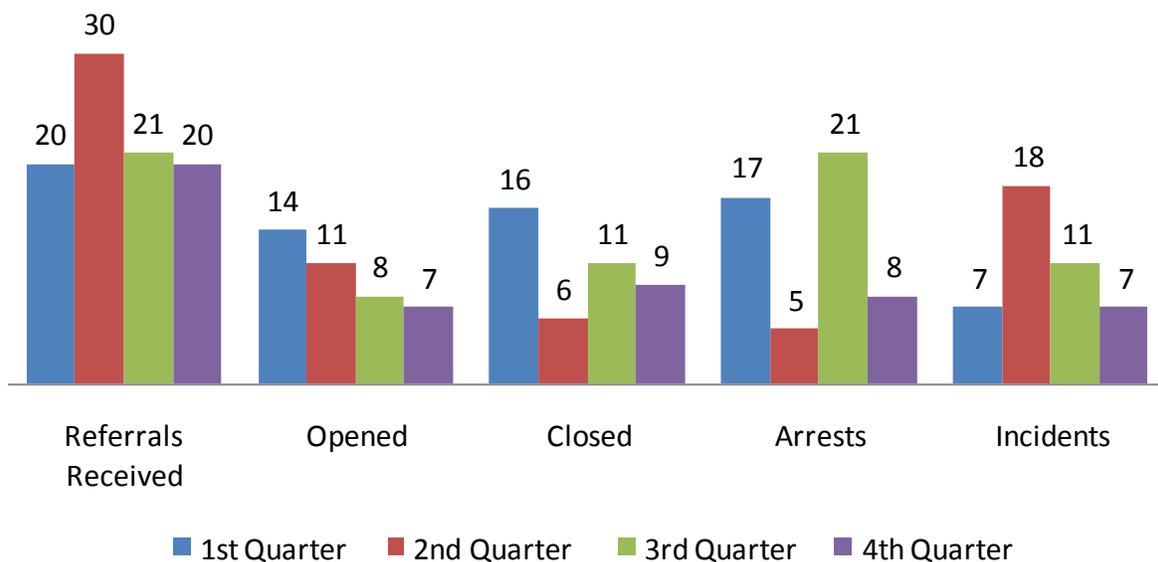


Lafayette Field Office area of responsibility

Lafayette Field Office

2010 Statistical Information...

Referrals Received:	91
Cases Opened:	40
Cases Closed:	42
Arrests:	51
Incidents Closed:	43
Potential Fraud Amount:	\$69,239.13
Value of Vehicles Recovered:	\$317,390.00
Number of Vehicles Recovered:	31



Monroe Field Office

A Message from the Supervisor... Sgt. Keith Phenix

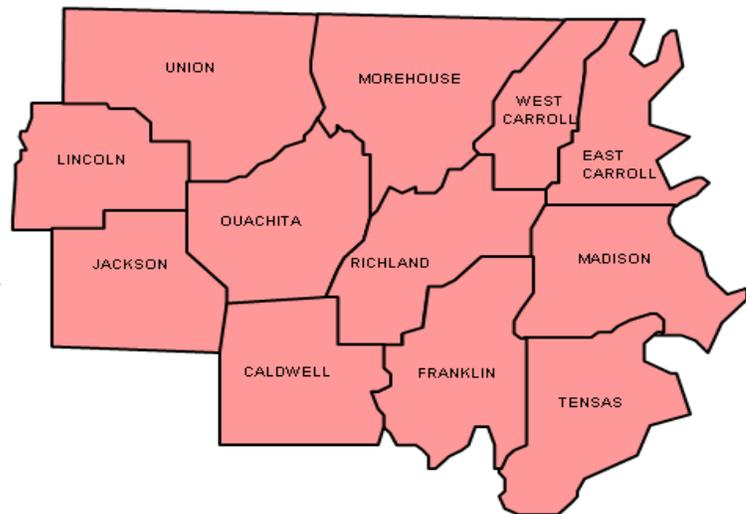


The Monroe Field Office is responsible for insurance fraud and auto theft complaints initiated in North-east Louisiana. The office is supervised by Sergeant Keith Phenix and has two investigators assigned to the unit: Trooper First class Debbie Gibson and Investigator Ron Huey. Gibson has an additional responsibility of auto theft, and Huey has the addition responsibility of handling health care fraud. The new Field Office Officer in Charge (OIC) is Lieutenant Gary Beasley, who replaced Lieutenant Lee Harrell after his retirement.

Although, there is no definitive trend in the Monroe area, we have seen an increase in owner give-ups, health care fraud, residential and vehicle arson, producer fraud, and staged crash rings. Recently, Insurance Producer Michael Evans was served by the Department of Insurance with a cease and desist order, a summary suspension order, and fine notice for alleged misappropriation and misrepresentation after he was arrested by the Monroe Insurance Fraud Unit on July 6, 2010. Evans, an independent insurance agent, failed to remit insurance premiums on two occasions. He also altered the effective dates on a proof of insurance document, and failed to refund customers money due to them from their insurance company.

In September, Investigator Ron Huey concluded a two and half years long investigation of a staged crash ring operating in Claiborne, Bienville and Webster Parishes with twelve federal indictments of persons involved in staged and/or caused crashes. In October, through the combined efforts of the Monroe and Shreveport Insurance Fraud Units, Monroe Narcotics Unit, Monroe Detectives, Troop G Uniform Division, Minden Police Department, Claiborne Sheriff Office, National Insurance Crime Bureau (NICB) and the U. S. Marshall's Task Force all twelve suspects were located and arrested. Investigator Huey did an excellent job in spearheading the operation that resulted in the apprehension of all twelve suspects. He was recently honored as the Investigator of the Year for the Troop F area at the annual Troop F Christmas party and award ceremony.

In 2011, the Monroe Insurance Fraud/ Auto Theft Unit will continue to aggressively investigate insurance fraud complaints and bring violators to justice on behalf of the citizens of the state of Louisiana and the industry stakeholders through the execution of superior, professional, and effective investigations.

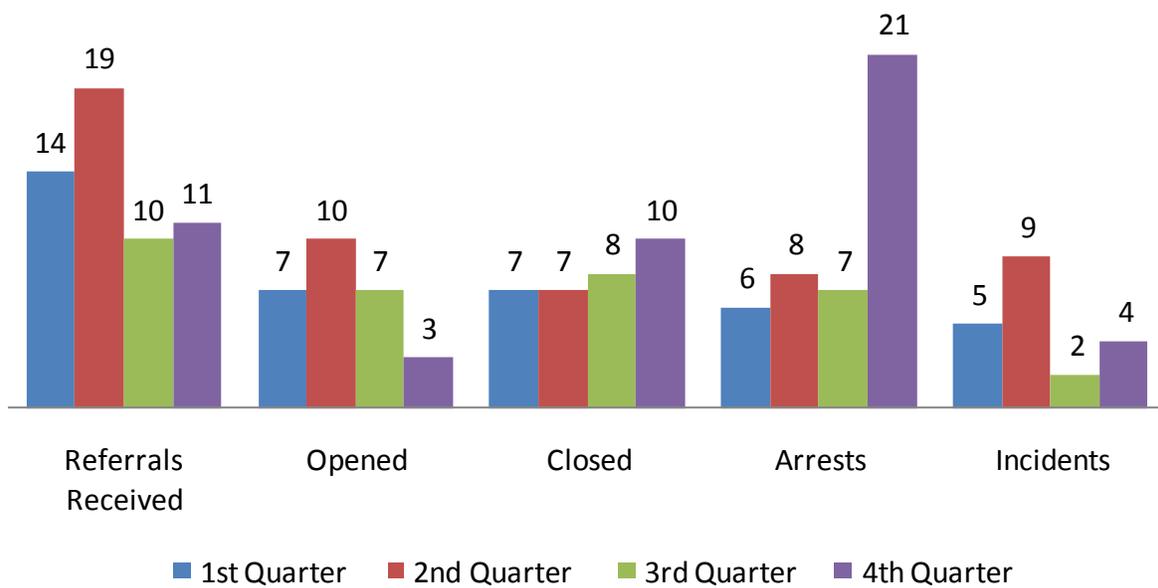


Monroe Field Office area of responsibility

Monroe Field Office

2010 Statistical Information...

Referrals Received:	54
Cases Opened:	27
Cases Closed:	32
Arrests:	42
Incidents Closed:	20
Potential Fraud Amount:	\$98,114.27
Value of Vehicles Recovered:	\$0
Number of Vehicles Recovered:	0



New Orleans Field Office

A Message from the Supervisor...

Sgt. Rodney Perkins



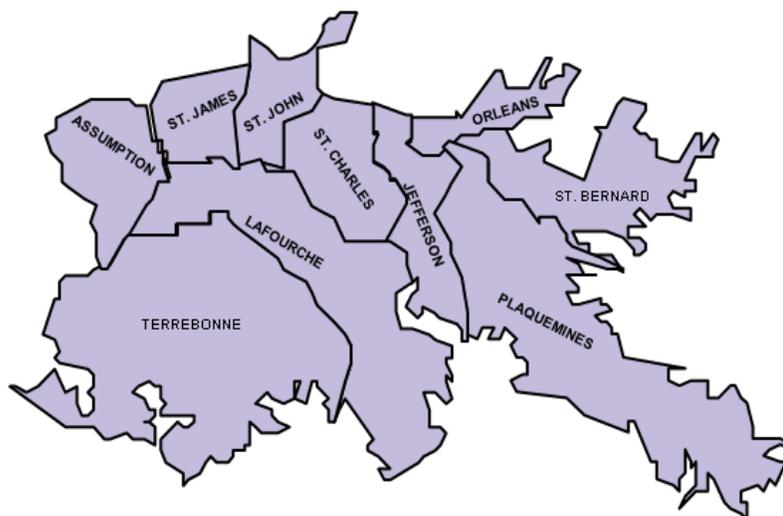
In 2010, the New Orleans Field Office was very active in its efforts to investigate insurance fraud and auto theft within the New Orleans metropolitan area and its surrounding areas.

A large part of the success of the New Orleans Field Office is due in part to the cooperation between the troopers assigned to the unit, the Special Investigative Units of member insurance companies, and NICB.

There has been a substantial increase in the number of suspected staged crash rings operating in the New Orleans area.

In addition to crash rings, medical fraud is also on the rise in Southeast Louisiana. One medical fraud investigation revealed that between January 4, 2008, and March 2010, a local woman saw approximately 36 providers and received numerous prescriptions of schedule II Hydrocodone and that many of those prescriptions were filled prior to the expiration of the initial prescription dosage.

As you can see, this past year has been an active one for the New Orleans Field Office. In light of receiving numerous referrals from the insurance industry, and calls for assistance from the public, troopers have continued to maintain a high level of professionalism and initiative throughout their investigations and will continue to do so in the coming year.

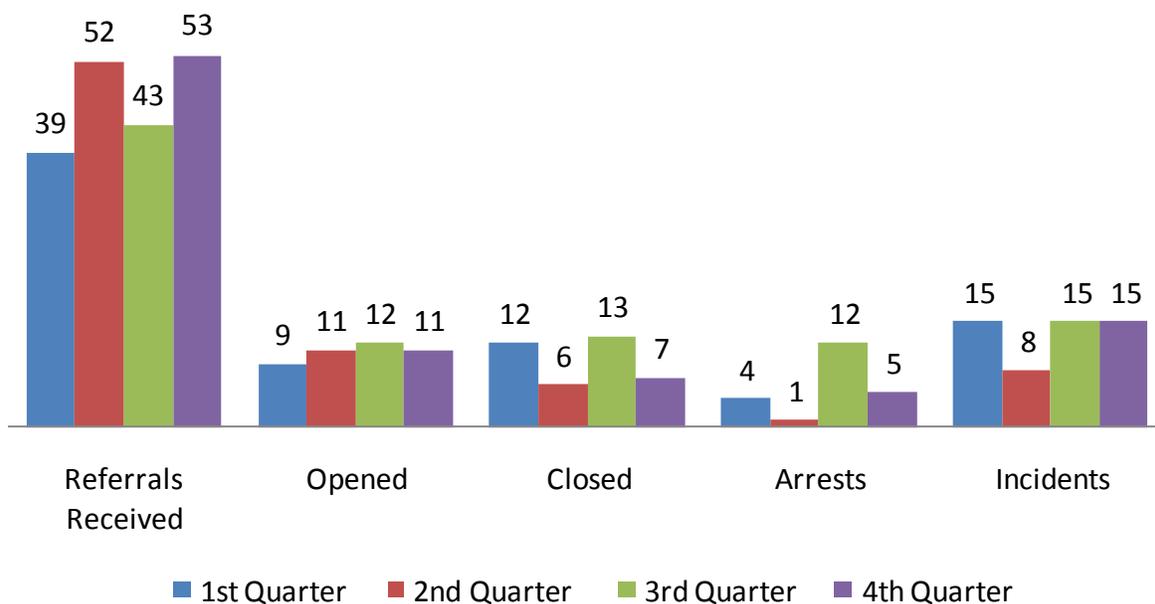


New Orleans Field Office area of responsibility

New Orleans Field Office

2010 Statistical Information...

Referrals Received:	187
Cases Opened:	43
Cases Closed:	38
Arrests:	22
Incidents Closed:	53
Potential Fraud Amount:	\$75,123.77
Value of Vehicles Recovered:	\$222,700.00
Number of Vehicles Recovered:	32



Shreveport Field Office

A Message from the Supervisor...

Sgt. Michael Wilkerson

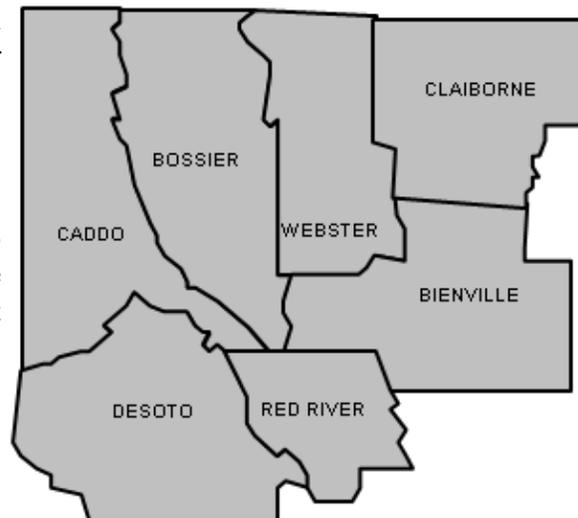


In 2010, the Shreveport Field Office received an increased number of referrals related to “jump-in” automobile crashes, forged/fake insurance identification cards, as well as inflated/exaggerated property damage and bodily injury claims.

In May 2010, the Louisiana State Police Insurance Fraud Unit received a complaint from the Louisiana State Fire Marshal’s Office in relation to a suspicious mobile home fire their office investigated. The fire marshal, along with forensic scientists, concluded that the cause and origin of the mobile home fire was consistent with that of an intentionally set fire. After charging the suspect with arson, the Fire Marshal’s office forwarded a complaint to the Louisiana State Police Insurance Fraud Unit believing the suspect had also committed insurance fraud against the insurer of his mobile home.

Insurance claims resulting from jump-in automobile crashes have frequently occurred within the northwest region of the state over the past year. These types of incidents are mainly crimes of opportunity where a person or persons claim they were a passenger in a vehicle involved in a crash, when in fact they were not. Fraudulent injury claims are then made by these jump-in passengers, who are either relatives or friends of the driver and/or owner of the involved vehicle. The Shreveport Field Office has worked several investigations in 2010 which yielded multiple arrests stemming from vehicle crash jump-ins. More often, post-arrest suspects admitted to having financial difficulties, and thought of the jump-in as a quick fix to their on-going financial dilemma. As the state and nation continues to experience difficult economic times, the Shreveport Field Office anticipates a continued pattern of crimes of opportunity, such as jump-ins as the criminal element looks for various ways to supplement their income.

The Shreveport Field Office will continue to aggressively investigate these crimes in hopes of thwarting criminals whose sole intent is to gain monetarily through criminal activity. We strongly believe that the insured should not have to bare the burdens of higher premiums and/or deductibles cause solely by the criminal element.

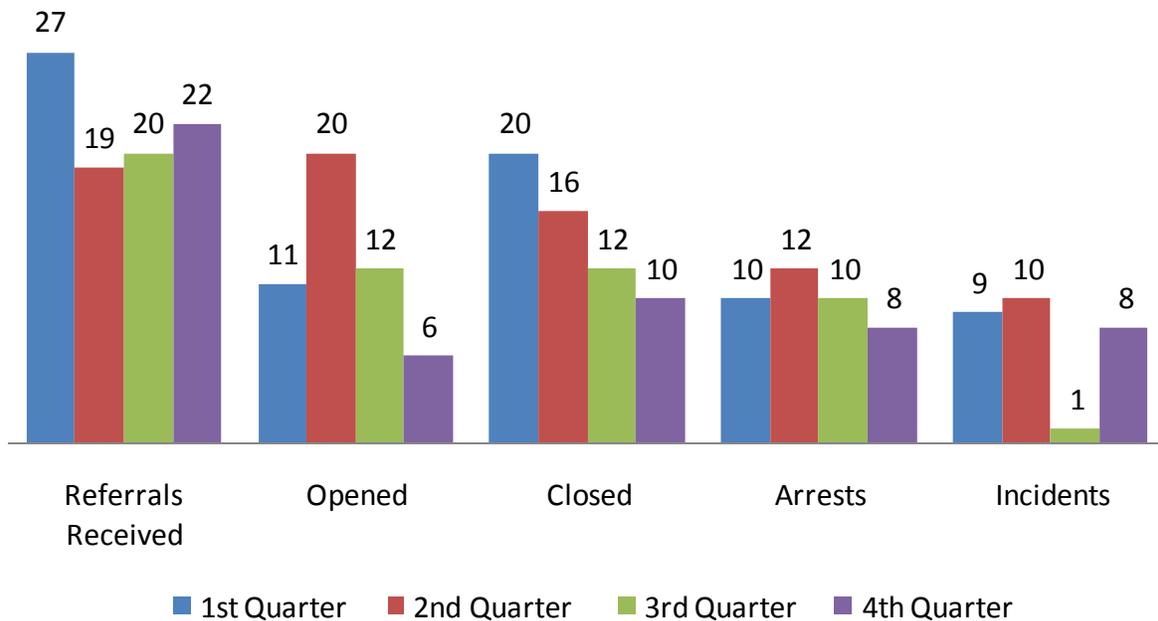


Shreveport Field Office area of responsibility

Shreveport Field Office

2010 Statistical Information...

Referrals Received:	88
Cases Opened:	49
Cases Closed:	58
Arrests:	40
Incidents Closed:	28
Potential Fraud Amount:	\$1,158,585.85
Value of Vehicles Recovered:	\$120,750.00
Number of Vehicles Recovered:	11



News Highlights

West Monroe man arrested on insurance fraud in Baton Rouge

March 23, 2010
thenewsstar.com

State troopers in Baton Rouge Friday arrested and charged Michael C. Olinde, 37, of West Monroe, on charges of insurance fraud. The arrest was the result of an investigation into a complaint made by Primerica Financial Services.

Olinde was a licensed insurance producer who sold life insurance policies for Primerica. He is accused of fabricating policy applications in order to generate commission payments.

The policy applications were allegedly submitted with fabricated information or the personal information, such as addresses and Social Security numbers, of former or existing Primerica customers.

Coverage was initiated by Primerica on the false applications and Olinde received commissions as the producer of the policies. The investigation concluded that Olinde had fraudulently received approximately \$3,000 in commission payments.

Detectives secured an arrest warrant for Olinde in the 19th Judicial District in East Baton Rouge Parish. Olinde surrendered Friday and was booked into the East Baton Rouge jail for three counts of insurance fraud.

Denham Springs woman booked with fraud

March 25, 2010
theadvocate.com

DENHAM SPRINGS — State Police arrested a Denham Springs woman in connection with receiving more than \$462,000 from creating false finance agreements, troopers said Thursday.

During a two-month investigation, troopers with the State Police Insurance Fraud Unit in Baton Rouge looked into the activities of Michelle S. Paul, 40, of Denham Springs, the owner and operator of Reed Insurance Agency, a statement from State Police says.

Troopers allege that Paul submitted fabricated policy information to a premium finance company and fraudulently obtained 39 premium finance agreements, troopers said.

Paul allegedly received more than \$462,000 in fraudulent proceeds from Assurance LLC, troopers said.

Troopers arrested Paul Wednesday and booked her into the Livingston Parish Detention Center on counts of felony theft and money laundering, troopers said.

She was released on a \$35,000 bond the same day, the Livingston Parish Sheriff's Office reported.



Michelle S. Paul
photo provided by theadvocate.com

News Highlights

Lafayette AFLAC Employee Arrested for Insurance Fraud

March 31, 2010
Katie Durio, katc3

Today, troopers with the Louisiana State Police Region 2 Insurance Fraud Unit arrested a Lafayette man for various charges pertaining to insurance fraud.

In December 2009, troopers received information that indicated an AFLAC insurance agent may have been inappropriately receiving money from insurance premiums. During their investigation, troopers learned twenty-six year old Joseph Buck of Lafayette was receiving money for premiums without giving the money to the company. Troopers also discovered Buck was submitting false applications for insurance claims to obtain a commission from AFLAC. Based on the evidence they obtained, troopers secured an arrest warrant for Buck.

This morning, troopers executed the arrest warrant for Buck. Buck surrendered to troopers at the Lafayette Parish Correctional Center. Buck was booked into the Lafayette Parish Correctional Center on the following charges:

26 Counts of Unfair Trade Practices
21 Counts of Forgery
1 Count of Theft of over \$3,000.00

After the arrest, Buck was issued a cease and desist order from the Louisiana Department of Insurance. The case remains under investigation. If you have any information about this case or other cases of insurance fraud you are asked to call troopers at 337-262-3341.

Louisiana State Police uses LoJack technology to recover stolen motorcycles, truck and trailer

May 01, 2010
nola.com

Louisiana State Police used a high-tech vehicle recovery system to find three motorcycles, a pickup truck and a trailer that were stolen from various parts of Louisiana and Mississippi but all ended up in LaPlace, a spokeswoman said Saturday.

Troopers on Thursday received information from LoJack Inc. that a 2006 Suzuki Hayabusa reported stolen from Shreveport had been traced to a Home Depot parking lot in LaPlace.

At the parking lot, investigators found a Ford F-150 with a Haulmark motorcycle trailer, said Trooper Melissa Matey, a State Police spokeswoman. They obtained a search warrant and opened the trailer.

Inside, they found the Suzuki next to a 2006 Kawasaki Ninja and a 2004 Yamaha R1, both of which were reported stolen from Shreveport on Thursday, Matey said. Troopers later discovered that the truck had been reported stolen in Lafayette on April 10, and someone in Pass Christian, Miss., reported the trailer stolen in February.

Matey said the recovered property was valued at \$45,000. Investigators had not made any arrests in the case by Saturday.

The LoJack system employs a small radio frequency transceiver hidden in a vehicle. The transceiver has a unique code related to the car's vehicle identification number. When someone activates the system, the transceiver sends out an inaudible signal that Lo Jack-equipped police cars automatically trace.



www.lojack.com

News Highlights

State police arrest Pearl River woman for insurance fraud

June 2, 2010

Suzanne Le Breton, St. Tammany News

A Pearl River woman was arrested last week for insurance fraud for allegedly continuing to claim a disability after she was cleared by her doctor to work.



Stephanie Marcussen
photo provided by St. Tammany News

Stephanie Marcussen, 43, was arrested by Louisiana State Police's Insurance Fraud and Auto Theft Unit Friday and charged with insurance fraud and felony theft.

State Police began investigating the case after Banker's Insurance filed a complaint against Marcussen. Marcussen reportedly purchased a credit disability insurance policy from the company.

The policy would cover payments on a personal loan she had with a lending company in the event she could not work due to a physical disability.

In January 2007, she filed a claim on the policy and Bankers Life began paying off her personal loan.

Trooper First Class Nick Manale with State Police Troop L said Marcussen provided medical documentation showing she was

physically unable to work.

However, he said, in February 2008, Bankers discovered that the medical documentation Marcussen had submitted was fraudulent.

She was released by her doctor in April 2007 and had been allegedly altering the documentation she was sending to Bankers in order to continue receiving payments on her personal loan.

As a result, Bankers reportedly frequently paid \$2,889.99 fraudulently on Marcussen's loan. She turned herself in without incident and was booked into the St. Tammany Parish Jail.

Rayne Man Arrested for an Alleged Insurance Fraud

July 13, 2010

Melissa Canone, katc3

Police Region 2 Insurance Fraud Unit arrested a Rayne man for insurance fraud and theft charges.

On October 13, 2009, 32-year-old Demoine Declouette of Rayne, LA, allegedly filed a claim with his insurance company after his vehicle, a 2008 Dodge Ram, caught fire. Declouette's claim, which included the damage to his vehicle, was also for damage to custom after-market products he had installed on the vehicle.

Earlier this year, the Department of Insurance forwarded the case to the State Police Insurance Fraud Unit for investigation. Troopers were able to obtain evidence that indicated Declouette had allegedly altered documents sent to the insurance company for reimbursement.

...continued on next page

News Highlights

Rayne Man Arrested for an Alleged Insurance Fraud

...continued from previous page

In all, troopers discovered Declouette fraudulently obtained over \$7,800.00.

Based on the evidence troopers obtained, they were able to secure a warrant for Declouette's arrest for one count of automobile insurance fraud and one count of felony theft over \$500.00. Declouette turned himself in to troopers today at the Acadia Parish Correctional Center. Declouette's bond was set at \$5,000.00.

Four People Arrested For Alleged Insurance Fraud

July 14, 2010

Melissa Canone, katc3

Today, the Louisiana State Police Region 2 Insurance Fraud Unit arrested four people from Evangeline Parish for alleged insurance fraud.

Earlier this year, Louisiana State Police obtained information from the Louisiana Department of Insurance about a possible staged crash in Evangeline Parish. In November 2006, a crash allegedly occurred when a Chevrolet truck was struck from behind by a Pontiac.

During the investigation, troopers were able to obtain evidence which indicated the crash had not occurred as the individuals involved claimed. Troopers learned that four people claimed to have been involved in the crash. Each individual filed a claim with the respective insurance company. Based on their evidence, troopers were able to secure arrest warrants for all four individuals.

Early this morning, troopers assisted by the Evangeline Parish Sheriff's Office and the Ville Platte Police Department, served the warrants on the following people:

Evelyn Gallow (B/F 41 years old) of Mamou, LA
22:1925 Insurance fraud

Ricky Joseph (B/M 40 years old) of Ville Platte, LA
22:1925 Insurance fraud

Rayford Jack (B/M 57 years old) of Ville Platte, LA
22:1925 Insurance fraud

Curtis Joseph (B/M 56 years old) of Ville Platte, LA
22:1925 Insurance fraud

All of the individuals were arrested without incident and booked into the Evangeline Parish Jail. Anyone with information regarding persons fraudulently obtaining money from an insurance company is asked to call Louisiana State Police detectives at 337-262-3341.

News Highlights

Co-workers arrested for insurance fraud and felony theft

August 05, 2010

Wafb.com

BATON ROUGE, LA (WAFB) – Louisiana State Police detectives along with the Insurance Fraud Unit arrested two Baton Rouge women on charges of insurance fraud and felony theft.



Leslie Gibson
photo provided by wafb.com &
EBR Sheriff's Office



Reyna Witt
photo provided by wafb.com &
EBR Sheriff's Office

A month-long investigation revealed that Reyna Witt, 24, Leslie Gibson, 35, received money from fraudulent claims to the insurance company. Troopers say the two women submitted identical receipts to get \$15,000 from the insurance based company.

The investigation stemmed from a complaint made by United Casualty Insurance Company of America, which is located in Monroe.

Witt and Gibson were book into parish prison and charged with four counts of insurance fraud and three counts of felony theft.

IF you have any knowledge of a fraudulent scheme, call 225-925-3701 or email insurance.fraud.unit@dps.la.gov

New Orleans Woman Arrested for Insurance Fraud

November 4, 2010

WGNO, abc26.com

On November 3, 2010, Louisiana State Police Troopers assigned to the Bureau of Investigations Insurance Fraud / Auto Theft Unit arrested Georgianna J. Wilson (B/F, age 49) of New Orleans, LA on charges of Unauthorized Use of a Moveable and Automobile Insurance Fraud.

The arrest was the result of an investigation stemming from a complaint received from the National Insurance Crime Bureau on September 23, 2010. Through investigation, troopers found that Wilson owned a 2004 Toyota Corolla and reported the vehicle as flooded during Hurricane Katrina to 21st Century Insurance Company. Wilson signed over the title of the vehicle to 21st Century Insurance Company and received an approximate \$13,000.00 cash settlement. The insurance company attempted to locate the vehicle after the settlement but, was unable to do so.

In July 2010, Wilson was involved in a motor vehicle crash in Jefferson Parish while she was driving the 2004 Toyota Corolla previously reported as flooded. An arrest warrant was obtained in Jefferson Parish and Wilson surrendered to troopers and was booked on the above charges at the Jefferson Parish Correctional Center.

Please note that the 21st Century Insurance Company was purchased and is now part of the AIG Insurance Company.

News Highlights

Five arrested on insurance fraud charges

December 03, 2010
Wafb.com

BATON ROUGE, LA (WAFB) - State Police have arrested five people in three cases on insurance fraud charges.

Amanda Hutchinson, 33, is accused of using her position at a medical clinic in Denham Springs to send AFLAC over 30 fake billing invoices on behalf of her family. Troopers say she would fill out the invoices and forge the signature of a medical provider at the clinic over a six-month period beginning in July 2008, receiving \$7,500 from AFLAC. She has been charged with insurance fraud and forgery.

In Hammond, investigators say Carol Johnson, 53, and Letoria Bailey, 34, were in a car crash in September 2009. Witnesses say Ramona Dangerfield, 34, arrived after the crash, then claimed she and her daughter were in the car with the two women when the crash occurred. The three women filed injury claims, with Johnson and Bailey allegedly supporting Dangerfield's claim. All three women were arrested and charged with insurance fraud and filing false public documents.

Beronie Tregle, 55, notified Progressive Insurance in April 2007 that his motorcycle had been stolen in Pointe Coupee Parish. Progressive paid the lien holder of the bike \$19,000 for the balance of the loan. In June 2008, deputies in Lafourche Parish found the motorcycle with Tregle, only with a switched license plate. Tregle has been charged with insurance fraud, felony theft and possession of stolen property.



Inmate Arrested in Insurance Fraud Investigation

December 6, 2010
Russell Jones, wbrz.com

BATON ROUGE – State Police arrested an inmate at the Avoyelles Parish jail after they said he filed several false insurance claims.

52-year-old Darryl Brady was recently booked into the East Baton Rouge Parish jail on four counts of felony theft and six counts of insurance fraud.

State Police were contacted by GEICO Insurance over several claims that had been filed by Brady for damage supposedly done to his vehicle between November 2007 and March 2010. Investigators found that six of the claims were faked, asking for the same amount of damage each time; GEICO had issued checks for four of the fraudulent claims totaling \$9,462.

Detectives got an arrest warrant for Brady and found he had been convicted in Jefferson Parish for a previous criminal offense, and was being held as a Department of Corrections inmate at the Avoyelles Parish Jail. He was then transferred to Baton Rouge, where he was booked on the new charges.



News Highlights

One arrested, one wanted for insurance fraud

December 10, 2010
wafb.com

BATON ROUGE, LA (WAFB) - State Police have arrested a woman and are still looking for a man they say sent an altered accident report to an insurance company.

According to reports Malik McKines, 36, told police that he had been a passenger in a car driven by Dshonia Weary, 37, when they were the victims of a hit-and-run driver in July 2009. McKines filed a property damage claim on his car with Progressive.

State Police say after filing the claim, McKines realized that his insurance had expired before the crash. After receiving the crash report, he allegedly backdated it and sent it to Progressive to support his claim.

Weary was arrested Thursday and charged with filing false public records. Investigators are still looking for McKines.

What Can You Do?



- Be aware of staged accidents, such as intentional sideswiping or cars that cut in front of other vehicles, forcing collisions due to quick stops.
- Be aware of individuals that try to get you to leave the scene of an accident without calling police or obtaining a police report.
- Be aware that some individuals report damage as vandalism in an attempt to cover deliberate or previous damage to one's own property.
- Be aware of individuals making a false stolen vehicle claim to cover previous damage to a vehicle or to dispose of the vehicle.
- Be aware of individuals that inflate genuine claims to cover a policy deductible.
- Be aware of attempts to convince you that *"everybody is getting rich"* so you may as well try to get additional money also.
- Be aware of the possibility that someone may set a small fire in their home to obtain a new paint or remodeling job.
- Be aware of individuals that fake an on-the-job injury to stay off work after healing to collect Workers' Compensation benefits.

Department of Homeland Security News

Success Story – Louisiana State Police Insurance Fraud Unit uses HSIN to Forge Partnerships with Private Industry Investigators

April 23, 2010

by Carla Faison

Approximately a year ago, the Louisiana State Police (LSP) Insurance Fraud Unit found a unique way to use HSIN to track and share insurance fraud case information with their private industry partners.

In 2008, LSP was using a Microsoft system (Magnum) that incorporated Excel to keep track of open and closed insurance fraud cases. The LSP Investigative Support Section was already using HSIN to gather and disseminate intelligence following the 9-11 attacks in New York. However, the Insurance Fraud Unit discovered that HSIN provided a convenient, yet robust platform in which to track insurance cases as well. They transferred all of their case information from their old system to HSIN, and brought in their partners from the private insurance industry and their Special Investigation Units to give them immediate access to both open and closed case information.

The advantage to the private industry partners was that everyone could view cases in real-time instead of having to contact each Insurance Fraud Unit field office for the status of a given case. Private industry investigators could now access online records twenty-four hours a day, seven days a week, from any location with Internet access. This saves time and money for all involved. The online “announcements” tab allows all users to see current arrests that have been made.

As of April 6, 2010, the LSP Insurance Fraud Unit received and entered a total of 942 referral cases into the portal’s “investigative activity” section since they began using the system. Referrals came from insurance companies, other law enforcement agencies, and the public. Troopers reviewed the 942 referrals and made a determination that 402 cases required further investigation. Of the 402 cases, 349 were eventually closed, 240 of which resulted in the arrest of a suspect. During this time, 172 arrest notifications were posted in the “announcement” section of the portal and shared with partners in the insurance industry. Troopers continue to add case status information on a daily basis.

By using HSIN, the unit can also compile and share statistical information with their private industry partners. This statistical information is then reported to the State Legislature on an annual basis to show overall unit activities, such as open and closed cases. To date, approximately 30 investigators and supervisors use the system along with 31 private industry partners.

“This platform allows our unit to provide real-time case status and intelligence information to industry stakeholders, including Special Investigation Units and Task Force partners,” commented Lt. Trevor J. Smith, Supervisor, Louisiana State Police, in a letter included in their 2009 Annual Report to the state legislature on how they employ HSIN.

Insurance Fraud Unit Field Offices

Louisiana State Police Insurance Fraud / Auto Theft Unit

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Helena Graham, Admin Coordinator
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Sgt. Keith Phenix
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Monroe, LA 71201
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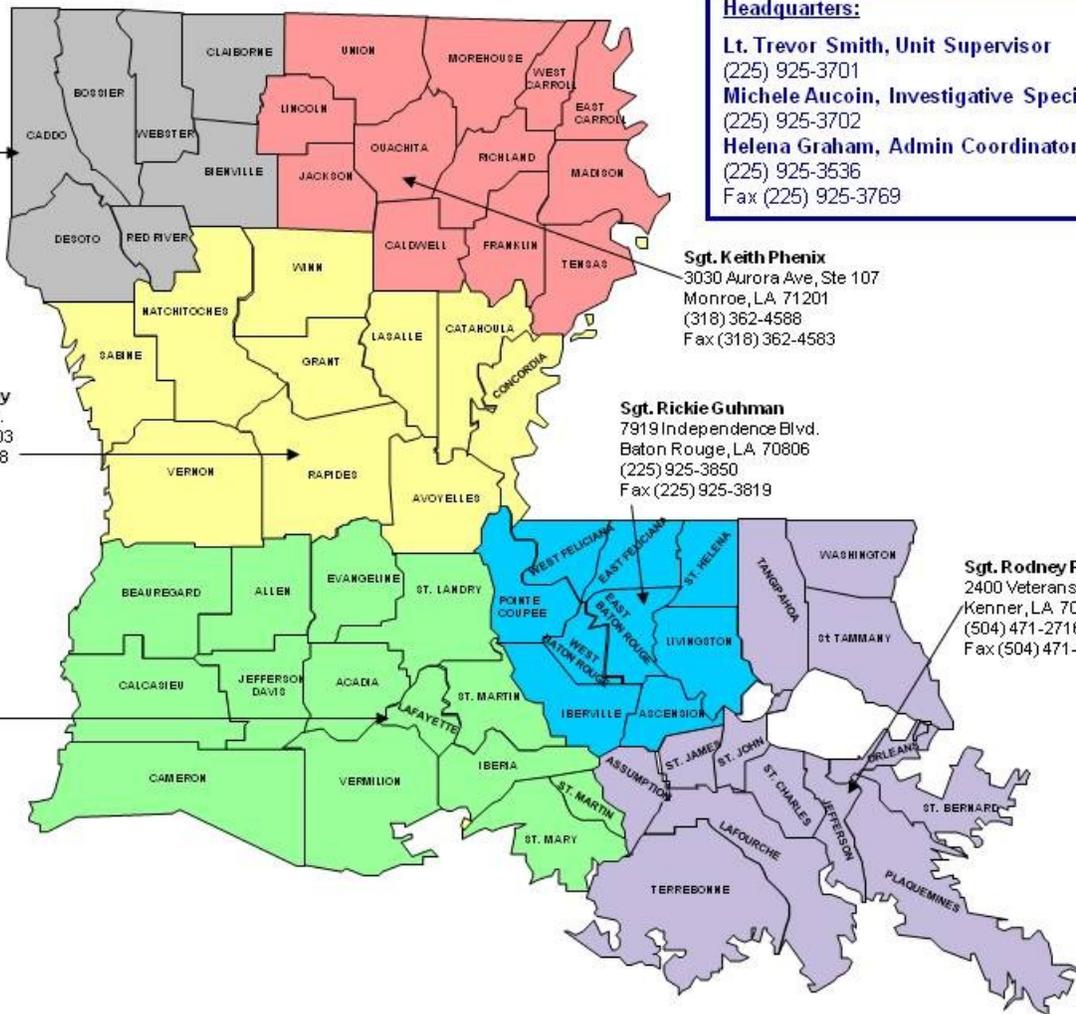
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State of Louisiana

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Insurance Fraud Support Unit



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Message from the Chief Prosecutor

Thomas A. McCormick

Chief Prosecutor



The Unit operates as part of a three agency task force created by the legislature and dedicated solely to fighting insurance fraud in Louisiana. The Insurance Fraud Support Unit fulfills three primary responsibilities: providing legal advice and consultation to the other two task force agencies, the Louisiana Office of State Police (LSP) and the Louisiana Department of Insurance (LDI), in insurance fraud matters; prosecuting individuals statewide charged with insurance fraud; and presenting insurance fraud information and training to the insurance industry along with state and federal agencies.

The Insurance Fraud Support Unit provides legal consultation, assistance and support to the State Police and Department of Insurance agents who conduct insurance fraud investigations. Twice a month, the unit attends meetings with the LSP and DOI to screen insurance fraud referrals. Although most cases are with the LSP, the Insurance Fraud Support Unit also handles workers' compensation and unemployment fraud cases investigated by the Attorney General's Office pursuant to contract with the Louisiana Workforce Commission (LWC). In addition, we also work closely with the Louisiana Department of Revenue (LDR) because our experience has taught us that if criminals are defrauding insurance companies then those same criminals are more than likely defrauding the State when it comes time to pay their taxes.

The unit may handle insurance fraud cases that begin with a complaint made directly to the Attorney General's Office and, from time to time, the unit receives calls from local law enforcement agencies throughout Louisiana concerning insurance fraud matters. The unit consults with and provides legal support to all local and state law enforcement agencies. This includes, but is not limited to, reviewing drafts of arrest and search warrants; conducting legal research; and evaluating the case from a prosecutor's perspective, i.e., whether there is sufficient evidence to satisfy legal burdens of proof. Due to the complex nature of some of the cases handled, the local district attorney may be consulted while the investigation is ongoing to obtain the necessary authority to offer a plea agreement, immunity to a target of the investigation to secure his cooperation concerning other targets or request to prosecute the case outright.

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Message from the Chief Prosecutor - *Cont.*



Assistant Attorneys General and investigating officers communicate regularly and engage in ongoing evaluation as cases progress. An assistant attorney general maintains contact with the LDI fraud unit investigator for updates on administrative action and for testimony preparation on active prosecutions.

At least once a month, and sometimes more often, unit attorneys attend intelligence sharing meetings hosted by LSP in Baton Rouge and Alexandria. These meetings are attended by members of special investigative units from many of the insurance companies that do business in Louisiana. Under a statutory grant of immunity from civil liability, these personnel share information regarding fraud trends and specific cases being worked. This level of cooperation has resulted in the successful prosecution of several staged accident rings.

Two to three times a year, unit attorneys also attend similar meetings hosted by the National Insurance Crime Bureau (NICB) regional office, usually in Alexandria, Monroe or Shreveport.

With regard to training, the unit chief often gives presentations on insurance fraud prosecution issues before organizations such as the Orleans Parish District Attorney's Economic Crimes Unit, the Insurance Security Association, the American Council of Life Insurers, NICB, Louisiana District Attorneys' Association, and the Louisiana Claims Association. All unit attorneys attend continuing legal education training from various sources, including the National Association of Insurance Commissioners for the fraud sessions and other NAIC or NICB sponsored training. In addition, our task force is connected with the Homeland Information Security Network (HISN) where we track insurance fraud cases from start to finish. This network allows everyone involved with our cases from attorneys, investigators and industry to have real time access to that information 24 hours a day. Through HISN, our attorneys are able to access online CLE training in a variety of courses that are sponsored by NICB.

Like all Criminal Division attorneys, those assigned to the Insurance Fraud Support Unit are expected from time to time to handle opinion requests. When the opinions are assigned, work is done with law clerks to research and draft an accurate response to the opinion request. This process is monitored on the case tracking system as well.

Purpose of the Fraud Support Unit

PRIMARY PURPOSE

- To provide superior legal representation to the Louisiana Department of Insurance (LDI) and the Louisiana State Police (LSP) in insurance fraud investigations and prosecutions
- To attend DOI and LSP meetings to screen insurance fraud referrals
- To handle workers' compensation and unemployment fraud cases pursuant to contract with the Louisiana Workforce Commission (LWC)

STATUTORY AUTHORITY FOR OPERATIONS

La. Const. Art. IV, Section 8 provides, in pertinent part:

As necessary for the assertion or protection of any right or interest of the state, the Attorney General shall have authority:

1. upon the written request of a District Attorney, to advise and assist in the prosecution of any criminal case; and
2. for cause, when authorized by the court which would have original jurisdiction and subject to judicial review, (a) to institute, prosecute, or intervene in any criminal action or proceedings, or (b) to supersede any attorney representing the state in any civil or criminal action.

La. Code of Criminal Procedure Article 682 provides, in pertinent part:

When a district attorney is recused . . . it shall be the duty of the Attorney General to appoint a member of his staff . . . to act in the place of the recused district attorney.

La. R. S. 36:702(E) provides:

There shall be within the Department of Justice a criminal division. It shall be responsible for criminal appeals, amicus curiae briefs in criminal prosecutions, habeas corpus defense, assistance to district attorneys in criminal cases, criminal prosecution, public corruption, institutional and insurance fraud cases, and extraditions, in accordance with Article IV, Section 8 of the Constitution of Louisiana.

Additional Statutory Authority for Insurance Fraud Support Unit Operations

La. R. S. 40:1421 et seq.

Statistical Information

A strategic objective for the Insurance Fraud Support unit is “Through the Insurance Fraud Support Unit of the Criminal Division, provide legal support to law enforcement agencies investigating criminal insurance fraud referrals by responding to requests for legal consultation within two working days and attending 90% of monthly intelligence sharing meetings hosted by the Louisiana State Police Insurance Fraud Unit by 2013.” During calendar year 2010, the Fraud Unit exceeded this goal by handling 100% of all requests for legal consultation within 2 working days.



In 2009, 336 active insurance fraud cases were opened and the trend continues to climb. In 2010, the fraud unit received 415 new active cases that we are either prosecuting or monitoring the prosecution by the local District Attorney's Office. These cases do not account for the legal consultation that our unit provides to the Task Force or to the local law enforcement community. Moreover, the unit's investigator has made over 35 additional arrests on Worker's Comp, unemployment and tax fraud cases. Overall, in 2010 the Fraud Task Force provided legal consultation for over 600 cases presented by LDI, LSP, LWC, DHH or LDR. Within the last two years, our unit has received a total of 751 new referrals. In addition, the Insurance Fraud Support Unit receives monthly arrest messages by the Louisiana State Police or through HISN and we use this information to track the case from arrest to disposition.

In this past year, the insurance fraud support unit has focused on training opportunities and opening the line of communications between the insurance industry and the Insurance Fraud Task Force. With that in mind, the DOJ Insurance Fraud Support Unit attorneys have attended 14 intelligence sharing meetings with the Department of Insurance (DOI) and the Louisiana State Police fraud units for 100% participation. In addition, the Insurance Fraud Task Force has teamed up with the National Insurance Crime Bureau (NICB) on a new three tiered online training program that offers attorneys, investigators and DOI agents 28 different courses in fraud training. Communication between industry and the Task Force has been our number one tool in fighting insurance fraud crimes and we are only getting better. The Homeland Security Information Network (HSIN) is up and running and provides a new state of the art online communication system which allows our insurance community to talk back and forth with all Task Force members simultaneously and receive information faster than ever.

Special Challenges Faced by State Prosecutors

Attorneys assigned to the Criminal Section/Insurance Fraud Support Unit prosecute violations of Louisiana's criminal laws under Title 14, 22, 23, and 47 by conducting, or assisting in, criminal prosecutions upon the recusal or request of local district attorneys. In all but a handful of cases, these prosecutors must travel from their headquarters in Baton Rouge to courthouses around the state to interview witnesses, review evidence, and otherwise prepare for trial. In almost all cases, the trials are held where the alleged crime was committed, putting these prosecutors on the road for the duration of the trial. In 2010, our prosecutors averaged 150 hours of travel time each.

Moreover, although the Assistant Attorneys General have somewhat of an expertise when it comes to prosecuting fraud matters under Title 22 and Title 23 since that is our unit's focal area, but we do not always get the cases from the local district attorney to prosecute these cases which limits the overall effectiveness of our combined Insurance Fraud Task Force.

However, when our unit does get the cases, prosecutors must also meet the challenge of addressing the vast differences in local criminal court rules, or in some cases, the lack thereof. Without consistency of local court rules, practicing criminal law in all 64 parishes can sometimes be like practicing law in 50 different states.

The challenge before this select group of elite criminal prosecutors in successfully prosecuting some of the most challenging criminal cases in statewide venues with inconsistent local rules is met only through the most dedicated efforts of these attorneys. Although their case loads may not be commensurate with those of assistant district attorneys, there are several crucial



differences between the challenges faced by assistant district attorneys and Attorney General criminal prosecutors. Assistant district attorneys are almost always physically headquartered in the judicial district where the trial will take place and they are intimately familiar with the local court rules. In the face of these challenges, and perhaps because of them, we submit that criminal prosecutors in the Attorney General's Office are among the very best in the entire nation. More importantly, our Prosecutors enjoy what they do!

Accomplishments

The Insurance Fraud Task Force has a total of 1297 active cases of insurance fraud with 96% of those cases coming within the last three calendar years of 2008, 2009 and thru November 2010. In that same time frame, the Task Force has closed another 345 cases as either a consultation or closed case file that resulted in a conviction, guilty plea or pretrial agreement. The following are some of the more interesting fraud cases of 2010:

The Insurance Fraud Task Force spearheaded a joint investigation into Health Care fraud with the Louisiana Department of Health and Hospitals (DHH) and Louisiana Department of Revenue (LDR) that concluded with a guilty plea. The case centered around a Sheriff's Deputy from Concordia Parish named Brian Keith Baker who was working as a Substance Abuse Director for the Sheriff. In his official capacity he would provide counseling to inmates for their addictions. After attending a DHH Training Conference, he found out about a Federal Grant Program called Access to Recovery (ATR) that would pay counselors in rural areas for treating patients with addictive disorders. Brian Baker then opened 4-Bee's Agency, Inc. with his wife, who was also a Sheriff's Deputy with Concordia Parish Sheriff's Office and together they applied and treated inmates for their addictive disorders. The criminal activity came when they received compensation for treating these patients as Sheriff's deputies and then as owners of 4-Bee's Agency, Inc. Both were charged with public payroll fraud, felony theft by fraud and malfeasance in office. By the time we caught up with them, they had already bilked the DHH out of about \$287,000.00 from 2005 -2006. Because of the prescription period in Louisiana, they pled guilty to Attempted Malfeasance in Office, were ordered to serve 2 and ½ years in jail (suspended), 5 years probation with special conditions, pay restitution to DHH at \$60,000.00, pay restitution to the Concordia Parish Sheriff's Office at \$30,000.00 and to refrain from ever providing counseling again, which ultimately led to their professional licenses being suspended indefinitely in Louisiana.

The Insurance Fraud Task Force successfully closed down a local New Orleans business called Manson Services. This case centered around premium fraud by the owner, Kenneth Ledet. Mr. Ledet avoided paying workers' compensation insurance on subcontractors, by forging certificates of insurance to appear as though their subcontractors had workers' compensation policies in effect. Therefore, his premium rates quoted by LWCC and paid by Manson Services were not accurate because they were based on the remuneration of only two employees and did not include the exposure of subcontractors employed by Manson Services which caused him to underpay his carrier by approximately \$250,000.00. Kenneth Ledet knowingly submitted falsified certificates of insurance to Louisiana Workers Compensation Corporation (LWCC). After he was arrested, it was learned that he was currently on parole for solicitation of murder and is currently in jail on our charges of Louisiana Revised Statutes 14:72.1.1 relative to Insurance Fraud; 23:1172.21 relative to Willful Misrepresentation by Employer; R.S. 23: 1172.2 relative to Unlawful Practices and R.S. 22:1924 relative to Prohibited Activities and Sanctions.

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Accomplishments

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Finally, in Lafayette the Fraud Support Unit prosecuted a local bar owner, Eric Cloutier, who was somewhat of a celebrity in that he was a professional ice hockey player and professional poker player. Mr. Cloutier was first being investigated because of possible Worker's Comp fraud in paying his employees cash under the table thus defrauding his insurance carrier for proper premiums. After thorough investigation and help from the Alcohol Tobacco Control (ATC) and LDR, Mr. Cloutier pled guilty to felony Tax Fraud and Theft and was ordered to pay restitution of over \$200,000.00 to the State. He is currently on probation. Of note, he is currently being pursued by U.S. Immigration and Customs Enforcement for possible deportation back to his native country of Canada for these felonies. In addition, his liquor license was pulled and he was forced to sell his interest in the bars.

In 2010, the Louisiana Insurance Fraud Support Unit was successful in recovering over \$600,000.00 in restitution to various victim insurance companies, health insurance companies, DHH, LWC and LDR.

This unit meets the state goal for Crime and Safety Reform by bringing security to all Louisiana citizens by protecting our taxpayers from insurance related fraud. This task force gives local law enforcement and prosecutors the tools needed to put fraud criminals behind bars, by improving communication with law enforcement and knowing the specific needs of the insurance industry.



LDI estimates that annually in Louisiana there are over \$500 million dollars lost in insurance fraud as it pertains to casualty and property claims. This does not include healthcare fraud which is estimated to be about \$1.5 billion in Louisiana alone.

News Highlights

The Fraud Squad

June 28, 2010

David Jacobs, Baton Rouge Business Report

While serving with American forces trying to stabilize post-Saddam Iraq, Tom McCormick prosecuted nearly 400 cases in that nation's central criminal court against insurgents suspected of attacking U.S. or coalition personnel. His best-known case is the prosecution of an Iraqi family accused of ambushing and killing a group of U.S. Marine Corps snipers and then trying to move the bodies in a taxi.

These days, however, McCormick is the insurance fraud sector chief for Louisiana Attorney General Buddy Caldwell's office, and part of his job is convincing judges and juries that a person who commits insurance fraud is a real criminal deserving of a real punishment. Because insurance companies are not readily considered sympathetic victims, a juror who is happy to see a purse-snatcher locked up might be inclined to go easy on someone guilty of thousands of dollars in false claims.



Thomas McCormick
photo provided by BR Business Report

“You have to be able to explain why the impact is what it is, and who pays for that fraud if we let this person off,” he says. The answer to “Who pays?” is “everybody else who has insurance.”

Insurance fraud is the second-most costly white-collar crime behind tax evasion. Fraud makes up between 3% and 10% of the insurance industry's losses, the costs of which the industry passes on to individuals and businesses that buy insurance. In Louisiana, fraud has an estimated annual price tag of about \$2 billion

The crime can be as mundane as an applicant lying about his or her driving record when buying auto insurance or as complex as a 20-person ring that stages car crashes. In 2000, the state established an official insurance fraud task force with representatives from the attorney general's office, Louisiana State Police and the Department of Insurance. Fraud is “a significant driver of the cost of insurance,” Insurance Commissioner Jim Donelon says.

Louisiana's high auto insurance rates, for example, are partly attributable to people's falsely claiming injuries after accidents, he says.

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News Highlights

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The costs of worker's compensation, property and casualty, and health insurance are inflated by fraud, and Donelon's department and State Police routinely advertise on billboards to emphasize the seriousness of the crime and encourage people to report fraud.

For Donelon's department, a big part of the job is cracking down on agents who steal premiums from unwitting consumers by taking payments without buying policies—what Donelon says is often a misguided attempt to rob Peter to pay Paul and shore up the agent's personal finances. As a legislator, Donelon chaired the state House of Representatives' insurance committee. He remembers meeting with representatives of the auto insurance industry who produced a chart showing that the rate of litigation following accidents closely tracked the unemployment rate. As the economy gets tougher on folks," Donelon says, "they're more prone to try to cash in on the opportunity presented by a minor automobile accident."

In 2008, there were 1,423 suspected fraud reports to the department, says Paul Boudreaux, who directs the department's insurance fraud section. In 2009, there were 1,970. Through May 2010, the department already had received 1,095 reports, putting it well on pace to break 2,000 before the end of the year.

Monetary crimes tend to increase when the economy is down, says Sgt. Markus Smith, a State Police spokesman who has worked with its fraud unit. A person who never would consider knocking over a convenience store might fake a slip-and-fall accident at a department or grocery store.

"It really amazes you, the lengths people go to," he says, noting that forgery and theft charges often go along with insurance fraud. Smith has seen networks involving several dozen people, including attorneys, doctors, chiropractors and runners, who go into hospitals and solicit accident victims. Participants exaggerate claims, and everybody receives a kickback. Such cases can involve thousands if not millions of dollars. On the less sophisticated end is the person who mocks up a fake insurance card on his home computer.

"Some of them are almost as good as the real thing," Smith says, "and some of them look like an 8-year-old made it."

Boudreaux has six fraud investigators, which doesn't sound like much for the entire state. He had eight investigators last year, but two left and weren't replaced because of budget cuts. "We don't have a backlog," he says. "You could say we're treading water, but we get our work done."

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News Highlights

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McCormick's office has five attorneys. The local district attorney typically has original jurisdiction, although they're often happy to hand off a case. Insurance fraud isn't always a priority for local law enforcement, and prosecuting such cases can be politically touchy, depending on who's involved.

"If we had more investigators, I guarantee they wouldn't go unused," McCormick says. "Our task force is doing a pretty good job with the resources that we do have. ... We could always be doing more."

He says the public also could be doing more. People often know of potential insurance fraud, but they don't want to become involved. Perhaps they don't want to feel like a snitch, or they fear reprisal, though Boudreaux says reports are confidential.

As a prosecutor, McCormick is frustrated that some jurisdictions don't take insurance fraud as seriously as he does; East Baton Rouge Parish, where more than half of his cases are tried, is pretty tough, he says.

"Sometimes you might not get the particular end result that you thought would be necessary," he says. "But you have to take it in stride and remember you have 975 other cases that you might be able to make an impact on."

2010 Budget Expenditures

Department of Justice Insurance Fraud Fund

OBJECT	OBJECT NAME	EXPENDED
2130	SALARIES-UNCLASSIFIED	\$366,230.34
2140	SALARIES - OVERTIME	\$3,344.63
2150	SALARIES-UNCALTRM	\$1,748.08
2300	RETIREMENT	\$67,984.16
2360	MEDICARE	\$4,908.21
2380	INSURANCE	\$32,501.86
2510	IN-STATE CONF.	\$50.00
2520	IN-STATE FIELD TRAVEL	\$1,247.42
2610	OUT-STATE CONF.	\$4,737.93
2710	PRINTING	\$40.00
2770	AUTO REPAIR	\$1,328.26
2890	DUES/SUBSCRIPTONS	\$1,431.00
2900	POSTAGE	\$34.00
3170	SUPPLIES-AUTO.	\$8,813.24
5040	IAT - TELEPHONE	\$121.83
TOTAL		\$487,831.70



Poydras Building—LA Dept. of Insurance

Louisiana Department of Insurance

Insurance Fraud Section



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<http://www.lidi.la.gov>

Message From the Director

Paul Boudreaux, Jr.

Director, Insurance Fraud Section

The Louisiana Department of Insurance (LDI) Fraud Section investigates all forms of suspected insurance fraud, including claims fraud, claims adjuster fraud, producer (agent) fraud, company fraud and provider fraud. Investigators work closely with the various Department of Insurance offices and divisions across the nation, as well as with the Insurance Fraud/Auto Theft Investigation Unit of the Louisiana State Police and the Insurance Fraud Support Unit of the Louisiana Attorney General, local and federal law enforcement officers, prosecutors, insurance company personnel, insurance agencies and the general public in their mission to reduce fraud in our state. The LDI Fraud Section places emphasis on investigating suspected fraudulent claims and working closely with the respective law enforcement agencies and prosecutors' offices for the successful investigation and prosecution of individuals involved in fraudulent activities; investigating insurance adjusters, producers, and companies suspected of engaging in fraudulent insurance practices and working with the respective law enforcement agencies and prosecutors' offices for the successful prosecution of such individuals involved in fraudulent insurance activities; performing background investigations on companies, individuals and other entities seeking to conduct the business of insurance in Louisiana; and performing background investigations on individuals seeking an 18 U.S.C. Section 1033 consent to engage in the business of insurance.

In 1999, legislation was passed that created an assessment on insurance company premiums to provide funding for an Insurance Fraud Task Force. The use of these funds was designated for the creation of the insurance fraud units within the offices of the Louisiana State Police and the Louisiana Attorney General and for additional assistance to the existing LDI Fraud Section. The three agencies work closely together, each playing a vital part in the process, from preliminary investigation and criminal referral, to arrest and prosecution without any duplication of services.

Any law enforcement authority may investigate insurance fraud, but the majority of cases are referred to the Louisiana State Police, Insurance Fraud/Auto Theft Investigation Unit. When local authorities elect to pursue insurance fraud cases, the LDI Fraud Section works with them to lend its experience and expertise, as well as act as an informal liaison between local law enforcement authority and the Louisiana State Police.

Local authorities may prosecute cases of insurance fraud, but they often lack the resources or expertise or have a conflict of interest. In such cases, they may defer to, or request assistance from, the Louisiana Attorney General, Insurance Fraud Support Unit.

Section Personnel and Changes

The LDI Fraud Section has eleven employees consisting of a director, an assistant director, seven investigators, a secretary and a student worker.

The LDI Fraud Section underwent several changes in 2010. In February, the LDI Fraud Section was moved from its office on Main Street in Baton Rouge to the primary office of the Louisiana Department of Insurance. The new physical address of the LDI Fraud Section is The Poydras Building, 1702 N. Third Street, Baton Rouge, LA 70802-5143.

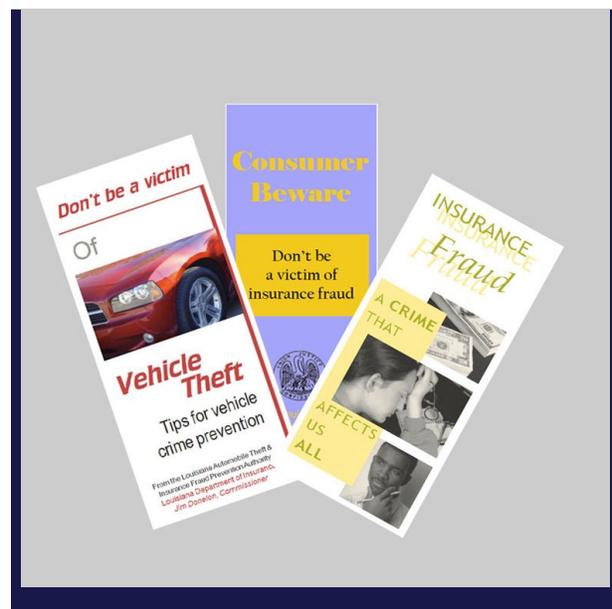
In June, a new and much improved LDI electronic fraud reporting system was launched in order to make suspected fraud reporting easier for the public and the insurance industry and to allow the LDI Fraud Section to efficiently receive, process and store the suspected fraud reports.

Act 688 of the 2010 Louisiana Legislature, effective January 1, 2011, requires each authorized insurer and health maintenance organization licensed to operate in Louisiana to prepare, implement, produce and maintain an insurance anti-fraud plan and to file the plan with the LDI between January 1 and April 1, 2011. The LDI Fraud Section worked with the Department of Insurance Information Technology Division in order to develop and implement an electronic system for the initial filing of the plan, the supplemental reporting of material changes to the plan and for the annual summary report of claims processed and claims referred to the LDI as suspicious.

Prevention and Education

The LDI Fraud Section plays a critical role in insurance fraud prevention. The two key components are educating the public and conducting extensive background investigations.

The LDI Fraud Section's efforts in the area of education include press releases, brochures, increased online presence and speaking before various groups and organizations about insurance fraud.



Claims Fraud

The LDI Fraud Section received 2,734 reports of suspected fraudulent claims during 2010, most of which were from insurance companies in accordance with LSA-R.S. 22:1926 and 40:1424. Since its inception in 2007, the LDI Fraud Section database has accumulated 7,137 entries of suspected fraudulent claims, and the LDI Fraud Section records verify that it has processed 13,672 claims since it was founded.

The fraud database provides the LDI Fraud Section the ability to determine patterns of numerous suspicious claims which involve an individual claimant, different insurance companies, and specific medical providers, attorneys, and/or insurance company personnel. The database may expose fraudulent schemes.

Exaggerated loss statements are typically the most frequently reported suspected fraudulent claims. The LDI Fraud Section is informed of criminal arrests through the Homeland Security Information Network (HSIN) website established and maintained by the Louisiana State Police, Insurance Fraud/Auto Theft Investigation Unit.

There are various ways to initiate exaggerated loss statements: claiming greater and more prolonged severity of a physical injury than actually occurred; claiming damage to a vehicle from a wreck when the damage actually occurred from another wreck or incident; and/or claiming property was destroyed or burglarized in a home when in fact the items never existed or were never stolen or destroyed. Other examples of fraudulent claims include staged accidents (i.e., planned incidents that are made to appear and claimed by the participants to be, "accidents" involving some type of loss), provider fraud and medical/health care fraud.

Louisiana laws (LSA-R.S. 22:1926 and 40:1424) require the reporting of all cases of suspected fraudulent activity to the LDI Fraud Section. Suspected fraudulent claim report forms are available online for both insurance companies and the general public. Online reporting also allows anonymous submissions. In June 2010, the reporting forms were replaced with a new reporting system to allow additional information to be provided, to provide for the reporting of more than one person or entity per form and to permit the attachment of documents to the form. The new reporting system automatically opens a file, imports all data into the fraud database and generates an acknowledgment letter.

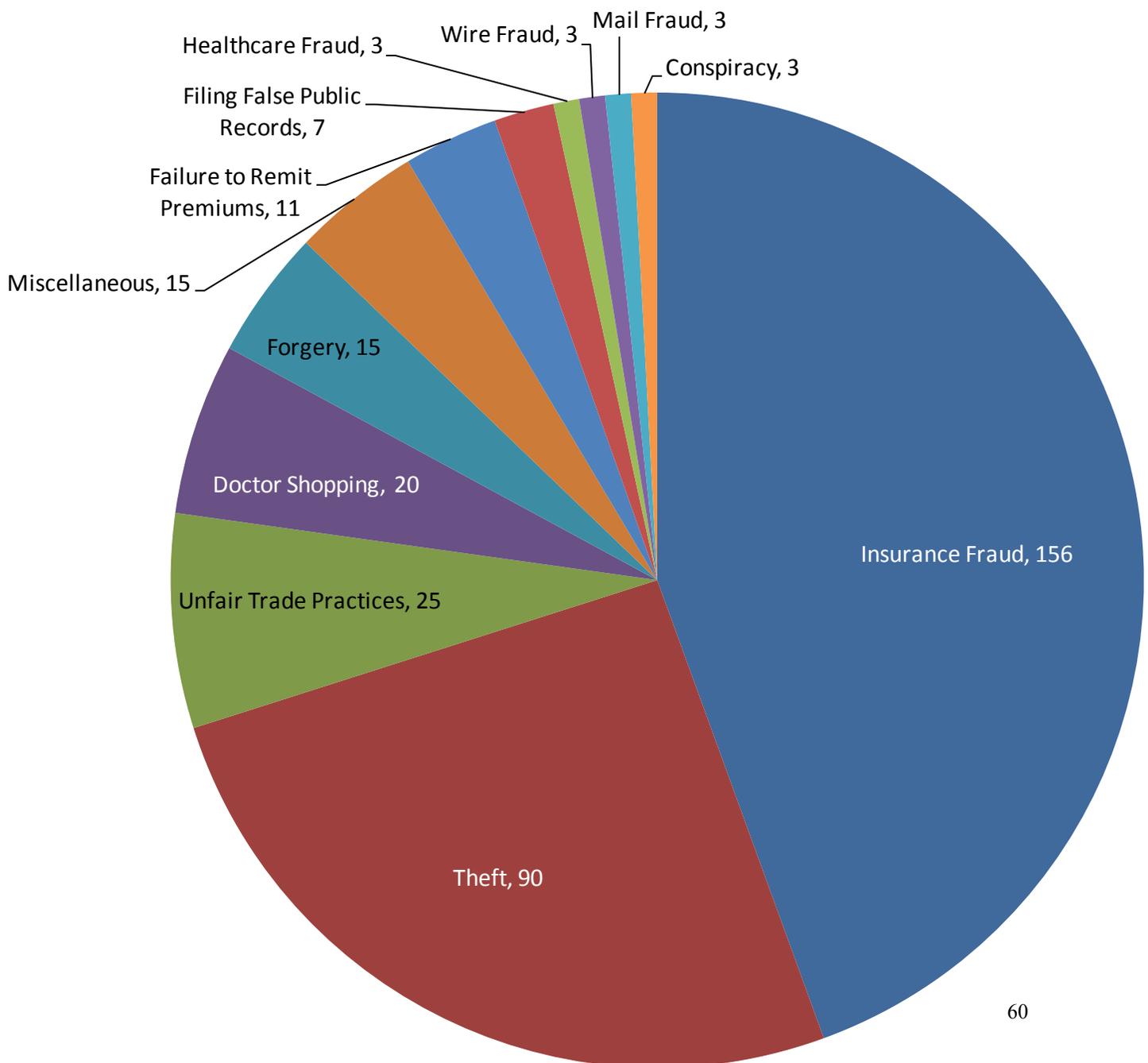
The support staff provided by the fraud assessment has enabled the LDI Fraud Section to receive, evaluate and conduct preliminary investigations of suspected fraudulent claim reports. After a review of the report and a preliminary investigation involving multiple databases and information obtained from insurance companies, insurance agencies and their affiliated producers, individuals involved in the claim and other resources, the LDI Fraud Section may determine that a criminal referral be made to the Louisiana State Police, Insurance Fraud/Auto Theft Investigation Unit, or other appropriate law enforcement authority.

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Insurance Fraud Charges By Category

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During 2010, the LDI Fraud Section made 598 criminal referrals involving claims fraud to the Louisiana State Police, Insurance Fraud/Auto Theft Investigation Unit. Of those referrals, there were 102 arrests resulting in 351 charges for numerous insurance crimes as a result of criminal referrals related to suspected fraudulent insurance claims. The LDI Fraud Section is informed of criminal arrests through the Homeland Security Information Network (HSIN) website established and maintained by the Louisiana State Police, Insurance Fraud/Auto Theft Investigation Unit.



Producer / Claims Adjuster / Company Fraud

Investigations of producers, claims adjusters and companies may involve misrepresentation; misappropriation of funds belonging to the policyholder, premium finance company or insurer; unlicensed and/or unauthorized entities; and fraudulent insurance identification cards or certificates of insurance.

The single greatest producer fraud activity from an administrative perspective continues to be the misappropriation of funds from a policyholder. Because these funds go unreported to an insurance company or premium finance company, counterfeit insurance identification cards and certificates of insurance are often involved.

Investigations include the compilation, research and analysis of information obtained by the LDI Fraud Section from consumer complaints, producers, claims adjusters, companies, Department offices and additional sources. A detailed analysis is done to determine if sufficient evidence exists to justify LDI Fraud Section action and/or criminal referral. Investigators work closely with law enforcement during on-site investigations of fraudulent activity and with the gathering of additional evidence.

2010 Actions Taken	
Investigations Opened	100
Cease & Desist Orders Served	18
Notices of Proposed Action Served	23
Walk-Ins	2
Criminal Referrals to Law Enforcement	9
Arrests by Law Enforcement as a result of criminal referrals	9

Background Investigations

The LDI Fraud Section investigates the backgrounds of companies, officers, directors, Medical Necessity Review Organizations and other entities applying to conduct the business of insurance in Louisiana. This includes changes of officers and directors of domestic companies currently authorized to do business in the state. During the course of investigating insurance related entities and individuals, it often becomes necessary to establish communications with regulatory, judicial and law enforcement agencies on interstate, national and international levels. The scope of an investigation frequently becomes extensive when derogatory information is discovered.

BACKGROUND INVESTIGATIONS COMPLETED IN 2010

Company Applications Received	123
Company Applications Approved	124
Company Biographical Affidavits Received	1,034
Company Biographical Affidavits Approved	1,117

18 U.S.C. Section 1033 Consent Applications

The LDI Fraud Section investigates and reviews all applications for written consent in accordance with federal law, 18 U.S.C. Section 1033, which requires that anyone who has been convicted of certain state or federal felonies applies for and be granted written consent from the Commissioner of Insurance in order to participate in the business of insurance. An extensive background investigation is conducted for information to be provided to the Commissioner to aid the decision.

LATIFPA



During the 2010 Regular Session of the Louisiana legislature, Senate Bill 792 was passed as Act No. 1013, authorizing the commissioner of insurance to withhold \$187,000 each fiscal year from the insurance fraud assessment to fund the Louisiana Automobile Theft and Insurance Fraud Prevention Authority (LATIFPA), pursuant to LSA-R.S. 22:2134, for the purpose of conducting educational and public awareness programs designed to inform the citizens of the state about methods of preventing motor vehicle theft and combating insurance fraud. During Calendar Year 2010, LATIFPA expended \$72,000 to Lamar

Advertising for a statewide billboard campaign to raise awareness about insurance fraud and vehicle theft. Also during 2010, LATIFPA expended \$2,652 to Baton Rouge Business Report "Next" Magazine for the purchase of an advertisement that raises awareness among teen drivers about vehicle theft and offers tips for preventing vehicle theft.

2010 Budget Expenditures

Object Class Name	Total Line Amount
SALARIES-CLASS - REGULAR	\$432,104.23
SALARIES-CLASS - OVERTIME	\$1,378.18
STUDENT LABOR	\$7,614.00
RETIRE CONTRIB - STATE EMPLOYE	\$73,647.55
F.I.C.A. TAX (OASDI)	\$472.07
MEDICARE TAX	\$5,894.59
GROUP INSURANCE	\$59,336.90
Total Personal Services	\$580,447.52
IN-ST TRAVEL - CONF,CONV,ATHL	\$849.20
IN-STATE TRAVEL - FIELD TRAVEL	\$5,110.10
OUT-OF-ST TRA - CONF,CONF,ATHL	\$6,167.83
Total Travel	\$12,127.13
MAINT-PEST CONTROL	\$55.00
MAINT-GARBAGE DISPOSAL	\$246.00
MAINTENANCE-JANITORIAL/CUSTOD	\$3,161.43
RENTALS - BUILDINGS	\$11,447.94
RENTALS - EQUIPMENT	\$1,358.00
RENTALS - OTHER	\$3,836.06
DUES AND SUBSCRIPTION	\$4,794.90
MAIL, DELIVERY & POSTAGE	\$1,424.81
TELEPHONE SERVICES	(\$ 1,932.61)
UTILITIES - GAS	\$332.39
UTILITIES - ELECTRICITY	\$819.25
UTILITIES - WATER	\$104.32
OT OPERATING SERVICES - MISC	\$110.68
OFFICE SUPPLIES	\$29.95
OPERATING SUPPLIES - COMPUTER	\$34.85
OPERATING SUPPLIES - AUTO	\$2,650.90
OPERATING SUPPLIES - OTHER	\$422.89
Total Operating Services	\$28,896.76
IAT - PRINTING	\$460.46
IAT - POSTAGE	\$70.46
IAT - TELEPHONE AND TELEGRAPH	\$4,625.89
Total Interagency Transfers	\$5,156.81
Total	\$626,628.22

Total Expenditures **626,628.22**

Means of Financing:

-Insurance Fraud Investigation Fund 390,009.53

-LDI Self-Generated Funds 236,618.69

Means of Financing Total **626,628.22**



Louisiana Insurance Fraud Task Force

Louisiana State Police * Insurance Fraud / Auto Theft Unit

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This public document was published at a total cost of \$3,350.00. Five hundred (500) copies of this public document were published in the first printing at a cost of \$3,350.00. The total cost of all printings of this document, including reprints is \$3,350.00. This document was published by Moran Printing, 5425 Florida Blvd, Baton Rouge, La. 70806 to meet the requirement for an annual report of Insurance Fraud Task Force activities under the authority of L.R.S. 40:1427. This material was printed in accordance with the standards for printing by state agencies established pursuant to R.S. 43:31. Printing of this material was purchased in accordance with the provisions of Title 43 of the Louisiana Revised Statutes.