



True Blue Report

Quarterly Newsletter of the Louisiana State Police Insurance Fraud Unit

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Louisiana State Police
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TRAINING

August 6-10, 2006
**International Property
Crime Investigations
Conference & Expo**
Las Vegas, NV
www.iapci.org

August 17-18, 2006
**NAIC Advaced Fraud
Investigation Seminar**
www.naic.org/education



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LA State Police Crack Down on Fake Insurance Cards

It's a growing problem in Louisiana. More drivers are being caught with fake insurance cards than ever before. Some scammers are even using government employees to get access to drivers licenses and other legal documents. A Shreveport woman is suspected of doing just that. "He had friends that had problems passing the test and he offered me money for it," she said.

The Government employee says she was offered \$50 to give certain individuals the answers to the written drivers test so they could get licenses without any problem. She says a Shreveport man, who now faces 10 charges ranging from forgery to public bribery, introduced her to the scam. Louisiana State Police suspect the man's scheme went even



It's a scam that gets bigger every year.

further. He is suspected of selling fake insurance cards to unsuspecting drivers. The drivers found out the cards were fake when they tried to renew them. "The agencies they contacted researched their databases and found those policies belonged to other people," Sgt. Gary Bridges, Louisiana State Police, said. Bridges says it's a scam that gets bigger every year.

Many of the cards look legitimate to the untrained eye. However, they're often created on home computers and can cost as much as a real insurance policy. "They may have been able to pass if off some place and get away with it but it's only a matter of time," Bridges said. He says scammers will use grocery store parking lots or other public locations to sell fake insurance cards. However, any drivers caught with a fake insurance card could face criminal charges. "They're guilty of committing a felony by presenting that card or even possessing the card," Bridges said. The penalties are pretty stiff, carrying up to 5 years for each charge.

Marksville, La. Police Officer Sentenced

Herbert Guillot, Jr., of Marksville, LA, was sentenced Wednesday to spend 15 months in prison for his role in an insurance fraud scheme. Guillot was also ordered to pay restitution in the amount of \$10,640.

Guillot was convicted by a federal jury in November 2005 on charges of conspiracy, concealment of assets and money laundering. Evidence at trial established that

the former Marksville police officer, conspired with another individual to file a false insurance claim alleging that over \$10,000 in jewelry had been stolen. Guillot's co-conspirator was in Chapter 7 bankruptcy at the time of the filing of the false claim.

The Insurance Company issued a check in the amount of \$10,640 on the false insurance claim and the money was deposited into a savings account in Guillot's name

in an effort to conceal the proceeds from his co-defendant's bankruptcy trustee.

Guillot was ordered to report to the Bureau of Prisons on May 22nd.

This case was investigated by the Federal Bureau of Investigation, Alexandria Resident Agency, and the Louisiana State Police, and was prosecuted by Assistant U.S. Attorney C. Mignonne Griffing.

**UPCOMING
SIU
MEETING**

July 19, 2006 @ 9:30am
Baton Rouge
DPS Headquarters



SIU Meeting in Shreveport



Trooper Belinda Murphy with LSP/ Insurance Fraud and Trooper Robert Murphy with LSP/ TESS/Emergency Services welcomed their daughter, Maria "Mia" Elizabeth, into the world on May, 30, 2006. She weighed 9 lbs. 7 oz. and was 21 1/2 inches long. Mia was also welcomed by big brother Jeremy and big sister Kara.

Congratulations
Belinda & Robert!!!

True Blue Report

Alexandria - 3654 Government St., Alexandria LA 71302, (318) 484-2423

Pineville Woman Arrested for Paper Fraud

In May, Troopers arrested a 42 year old Pineville woman for insurance fraud after an investigation into a complaint from a private insurer. The investi-



gation showed the woman contacted an acquaintance at an Alexandria car rental facility and requested a rental invoice on a Ford Taurus for a twenty-four day period. In her explanation to the car rental employee, she said she did not need the car, but only needed the invoice for her records. In October 2005, the woman faxed the rental invoice to her insurance company stating the rental vehicle was used while her primary vehicle was in the shop for repairs. In order to make payment for the rental vehicle, the insurance company advised the woman a paid

receipt was needed before the payment could be made. In response to their request, she faxed a handwritten receipt indicating she paid \$1,199 for the rental vehicle. The Trooper's investigation uncovered sufficient evidence to prove the woman intentionally submitted the false documents for the purpose of inflating her insurance claim. The investigation further determined the car rental employee was not a knowing participant in the crime, but merely a pawn.

Baton Rouge - 7919 Independence Blvd., Baton Rouge LA 70806, (225) 925-3818

Two Men & An Attorney Arrested

The Louisiana State Police Insurance Fraud Unit arrested two Baton Rouge men and a Donaldsonville attorney for conspiring to potentially defraud two insurance companies of \$400,000.

Troopers believe the two men intentionally crashed their vehicles in order to file fraudulent bodily injury and property damage claims. One of the men lied about pre-existing injuries, enhanced the damage to his vehicle in order to inflate his claim

and to make matters worse he falsified repair invoices. The other man lied to the insurance company when he claimed his vehicle was damaged in the crash. Investigation revealed the damage he was claiming was pre-existing. The partners in crime then attempted to further their claims when, in deposition, they denied knowing each other. Telephone records indicate the two had almost daily contact with one another.

A Donaldsonville attorney represented one of the men in his claim against the insurer and requested

settlements of \$400,000 on his behalf. The Attorney, however, failed to mention that he had previously represented the other man in other lawsuits and is currently employing him as well as representing his son. Furthermore, the attorney allegedly instructed the two men to deny knowing each other.

The two men were arrested on June 7, 2006 and the Attorney was arrested June 23, 2006. All three have been charged with Insurance Fraud.



Katrina Fraud

Two New Orleans residents have been arrested on felony insurance fraud charges by the Louisiana State Police Insurance Fraud Unit in a coordinated effort with a local Insur-



ance Company.

Troopers believe an employee with a local insurance company and a client intentionally submitted fabricated hotel receipts as part of a homeowner's insurance claim for living expenses they incurred when they evacuated for Hurricane Katrina.

After conducting an initial inquiry, the insurance company officials referred the case to the State Police Insurance

Fraud Unit and the National Insurance Crime Bureau for further investigation. The fabricated receipts totaled \$8,153.00, and investigators confirmed from the hotel management the bills were not legitimate.

In addition to having their claim denied, the two were arrested and charged in Jefferson Parish with one count of insurance fraud each.

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Monroe - 3030 Aurora Ave., Suite 107, Monroe LA 71201, (318) 362-4588

Insurance Agent Arrested

A West Monroe insurance agent was shut down and booked on five counts of forgery for alleg-



edly falsifying information on documents while conducting the business of insurance.

The Agent was arrested by the Louisiana State Police Insurance Fraud Unit and booked into the Quachita Parish Prison on five counts of forgery. At the same time, Department of Insurance Fraud Unit investigators served him with a cease and desist order and summary suspension of his license. The Agent is alleged to have issued written statements to two insurance companies claiming that at least five of

his clients wanted to be billed directly for their Medicare Supplement policies, currently being paid via authorized bank drafts, in an effort to collect new first-year commissions on these accounts. He is also alleged to have issued these written statements without the client's knowledge or consent, and to have forged the client's signatures on the documents. Records show the agent held a Life and Health license from September 2002.

New Orleans - 2400 Veteran's Memorial Blvd., Suite 200, Kenner LA 70062, (504) 471-2716

Couple Arrested

On Wednesday May 31, 2006, the Louisiana State Police Insurance Fraud Unit arrested two Orleans Parish residents on felony charges of Insurance Fraud and Theft. The arrest evolved from a complaint by a private insurance company.

Troopers believe a married couple filed fraudulent flood claims on their two automobiles. The

couple claimed the two vehicles were damaged by floodwaters from Hurricane Katrina and received \$8,071.50 as part of their insurance settlement. State Police's investigation found these claims to be fraudulent. It was revealed the vehicles had not sustained damage from flood waters and the couple had fraudulently misrepresented the facts surrounding their claim. They were arrested on warrants obtained in St. Charles Parish. The husband was charged with one count each of Insurance

Fraud and Felony Theft, while the wife was charged with two counts of Insurance Fraud and one count of Felony Theft. Both suspects were arrested without incident and transported to the St. Charles Parish Prison.



Shreveport - 3010 Knight St., Suite 220, Shreveport LA 71105, (318) 862-9913

Strike Three!!!

Three strikes and you're out! After a lengthy investigation, Troopers arrested a Homer man in May 2006. The case originated in 2002 when an insurance company filed a complaint alleging the man submitted falsified medical documents so he could continue receiving credit disability benefits. Between August 1997, and February 2002, the man acquired over \$29,000 in benefits he was



not entitled to. During the investigation it was also discovered the man routinely used family members' social security numbers in financial transactions. Upon recognizing the multiple federal violations committed before, during and after his bogus submission to the insurance company, the US Attorney's office eagerly accepted prosecution of the case presented by State Police investigators. Facing a potential 131 count indictment, the man entered a guilty plea in U.S. District Court to one count each of social security fraud, bankruptcy fraud, wire fraud and bank fraud. His formal sentencing is set for August and could land

him in federal prison for several years. While investigating the initial complaint against the man, Troopers arrested him on two other occasions for non-related crimes. The first arrest occurred in April 2005, when he assisted his nephew in eluding police following an escape from Homer Police. His nephew had been arrested on a LSP warrant for insurance fraud. In June 2005, Troopers arrested him again for forgery, attempted felony theft and insurance fraud. While the state charges have not been adjudicated, under federal guidelines, his federal penalty can be enhanced if convicted in state court.



Trooper
Spotlight:

**TODD
MARCHAND**

Tfc. Todd Marchand is happily married to Tina and has two wonderful children Kassidy (10) and T.J. (10 months). Marchand has been with LSP since 1997 working at Troop B then transferred to Insurance Fraud in October of 2004. Tfc. Marchand is a very dedicated trooper not only to Louisiana, but to his country as well. Marchand is a 1st Sgt. for the Army National Guard; he spent eight months in Iraq in 2003. He is currently attending the U.S. Army's Sgt. Major's Academy, a school for the elite. When Marchand is not working, studying and taking care of his new house he enjoys spending time with his family and their three dogs.

Welcome to IFU:

Michele Aucoin

Intelligence Analyst
Baton Rouge

David Stelly

Sergeant
Alexandria



SSA/CDI

4354 S. Sherwood Forest Blvd.
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The SSA/CDI Unit received 13 new allegations and opened 14 cases. The unit closed 23 cases, 2 of which were closed by CMP's. There were 10 closed cases with fraud or similar fault. One defendant was sentenced to 5 years probation (of which 6 months is under house arrest) for Social Security Fraud, plus he was ordered to pay \$58,630.00 in restitution. Another defendant was sentenced to 1 year incarceration followed by 2 years probation for Social Security fraud.



We're on the Web!

www.lsp.org/ifu.html

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Airbag Scams Inflate Losses, Increase Safety Threats

Airbag fraud is an expensive loss problem for auto insurers. It's also a deadly public-safety threat that endangers the lives of drivers and passengers when dishonest body shops meddle with a vehicle's airbags to make an illicit profit at insurance-company expense.



"Far more than financial fraud, airbag fraud is a public-safety issue. It's the equivalent of installing seatbelts that are not hooked up. The unsuspecting driver may be in for an incredible awakening that could kill people," says Janet Bachman, vice president, claims administration, for the [American Insurance Association](#).

Nobody keeps complete data on how widespread and costly airbag fraud is, but the warning signs abound.

Crooked body shops stuff thousands of fake and unsafe "remanufactured" airbags into cars throughout North America, the [Automotive Occupant Restraints Council \(AORC\)](#) says. In the Miami area alone, police found that thousands of fake airbags were floating around, including one

shop that sold more than 6,000 airbag shells.

One insurer received more than 350 claims for cars involved in collisions and then repaired with fake airbags, the insurer told a California legislative committee last year.

A survey in Los Angeles found 66 fakes in 1,200 vehicles with replaced airbags.

Most airbag swindles involve larcenous auto body repair shops drawn to the hefty insurance profits. Here are two common versions.

The pullout. You take your car in for repair after a minor accident. A dishonest body shop pulls out your airbag so it seems the bag deployed during the accident. The mechanic

then inserts a cheap knockoff or salvaged bag after your insurer finishes the estimate for replacing the original airbag. Or worse, the mechanic stuffs old rags, cardboard or beer cans into your empty airbag space. The body shop bills your insurer full price for "replacing" the bag – up to \$2,000 or more – even though your original is long gone.

The switch. The body shop removes your un-deployed airbag and installs another deployed one to make it seem the original bag inflated during the accident. The mechanic then puts back your original bag after the insurance company makes a repair estimate. Or, the mechanic may simply insert rags and other junk, then sell your original bag on the black market. Either way, your insurer is illegally billed for an expensive new bag and your safety is threatened.

Article provided by:
 Coalition Against Insurance Fraud
www.InsuranceFraud.org

Statistically Speaking - Quarterly IFU Statistics

	2nd Qtr 2005	2nd Qtr 2006	YTD 2006
Cases Opened	51	43	87
Cases Closed	62	53	95
Arrests	52	31	57