



# True Blue Report

Quarterly Newsletter of the Louisiana State Police Insurance Fraud Unit

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Louisiana State Police  
Insurance Fraud Unit  
7919 Independence Blvd.  
Box A-19  
Baton Rouge LA 70806  
Phone: 225-925-3818  
Fax: 225-925-3819  
E-mail: insurance.fraud.unit@  
dps.la.gov

### UPCOMING SIU MEETING

November 1, 2006  
9:30AM  
Baton Rouge

December 6, 2006  
9:30AM  
Shreveport

January 10, 2006  
9:30AM  
Baton Rouge



### Field Office Highlights:

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## Auto Theft

(Information Provided by: Insurance Information Institute...www.iii.org & CCC Services Inc...www.cccis.com)

Auto theft is covered under the comprehensive section of an auto insurance policy. Theft coverage applies to the loss of the vehicles as well as parts of the car such as air bags. Comprehensive coverage, which is not mandatory, also pays for fire, vandalism and weather-related damage including damage from flooding and earthquakes.

Premium rates for comprehensive insurance are affected by the risk of loss, meaning the likelihood that an insured car will be stolen or damaged and the car's value at the time of the loss. The dollar size of claims has been going up, reflecting the higher value of new cars on the road, the value of the cars that are targets for theft or are damaged and the cost of vehicle bodywork. Vehicle bodywork costs include replacing stolen components. Nationally, more than 75,000 airbags are stolen every year. Thefts of xenon headlights are also a growing problem.

The number of U.S. motor vehicle thefts decreased by 1.9 percent from 2003 to



2004, the first decrease since 1999. In 2003, the value of stolen motor vehicles was \$7.6 billion, down from \$8.6 billion in 2003. The average value of a motor vehicle reported stolen in 2004 was \$6,143, compared with \$6,797 in 2003.

According to CCC Information Services Inc., the following are the 25 most stolen vehicles of 2005:

1. 2001 BMW M
2. 1998 Acura Integra
3. 2004 Mercury Marauder
4. 1999 Acura Integra
5. 1995 Acura Integra
6. 2002 Audi S4
7. 1996 Acura Integra
8. 1997 Acura Integra
9. 2001 Acura Integra
10. 2000 Jaguar XJR
11. 1994 Acura Integra
12. 2005 Suzuki Aerio
13. 2004 Suzuki Aerio
14. 1998 Land Rover Range Rover
15. 1998 Jaguar XJR
16. 2003 Mercury Marauder
17. 2000 Acura Integra
18. 2002 Cadillac Escalade
19. 2000 Audi A8
20. 2000 Audi S4
21. 1993 Mercedes-Benz 600
22. 1995 Land Rover Range Rover
23. 2005 Cadillac Escalade
24. 2000 Honda Civic
25. 2001 Audi S4



## Auto Theft Unit Has Merged With The Insurance Fraud Unit

As of September 5, 2006 The Vehicle Theft Unit has merged with The Insurance Fraud Unit. The Vehicle Theft Unit was established in October 1997 and began to focus its investigative efforts on vehicle theft

related crimes. Through aggressive investigative efforts, specialized training, and with the aid of mobile data terminals (MDT's) installed in unmarked units they have been responsible for recovering

over 7 million dollars in stolen vehicles and heavy equipment. Personnel within both Units are excited about the merger and look forward to working as one team to fight Insurance Fraud and Vehicle Theft.

## Great Food & Even Better Company!!!

NICB's Appreciation Fish Fry

Over the past year since the Gulf Coast Task Force was created, it's been all work and no play until September 27, 2006 when NICB hosted their Appreciation Fish Fry.



State Agencies, Insurance Company's SIU, Motor Vehicles, NICB and anyone who is in the fight against fraud were invited. It was a great time to visit and meet people that you normally just talk to over the phone. Thank you NICB Gulf Coast Task Force for a wonderful time!!!!



Pictures provided by NICB Gulf Coast Task Force

More pictures on page 4...

## True Blue Report

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

### Ex-Agent Arrested for Unfair Trade Practices

Troopers in the Alexandria Field Office arrested an ex-insurance agent in Rapides Parish on charges of Unfair Trade Practices and Theft. During his employment, the agent was responsible for selling persons life insurance policies and collecting the premiums paid by his customers. The agent, feeling a bit opportunistic, began defrauding his

customers and employer by diverting the cash premiums in two ways: First, the agent would collect the premiums, document the payment with his employer, but fail to forward the money. Second, the agent would collect the premiums, but fail to document the payment and fail to forward the money. The agent managed to steal approximately \$11,558.94 in cash premiums before customers began complaining of receiving cancella-

tion notices for non-payment in the mail from their insurance company. Troopers obtained warrants for the agent and with the help of the LSP Investigative Support Section, located the ex-agent in Arkansas. Coordinated efforts between LSP and Arkansas law enforcement resulted in the agent returning to Louisiana and surrendering himself to Troopers. The agent was booked into the Rapides Parish Jail.

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

### Altered Police Report Leads to Man's Arrest

The Baton Rouge field office began into an investigation into



an allegation that a local man

submitted an altered police report in an attempt to file two fraudulent bodily injury claims. Troopers learned the suspect was in a traffic crash in Hammond, Louisiana, and that the investigating officer reported the man was the sole occupant of the vehicle. The suspect approached the police officer at a later date and asked the officer to add his girlfriend to the report. The officer refused; however, the

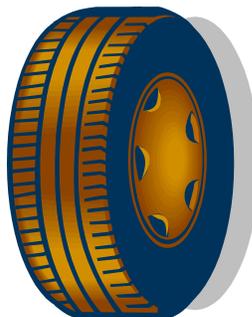
suspect obtained a copy of the police report and altered it to reflect that his girlfriend was a passenger in his vehicle. The man then presented the altered report to his Insurance Company and claimed both he and the woman were injured. Upon learning of his impending arrest, the man spilled his beans to Troopers in the form of a written confession.

Lafayette - 113 Borman Drive, Lafayette, LA 70508, (337) 262-2052

### Husband and Wife Team Arrested For Insurance Fraud and Theft

Troopers in the Lafayette Field Office arrested a husband and wife team bent on defrauding their insurance company by filing a false claim in Lafayette Parish. In March, the wife filed a police report in Youngsville, Louisiana, indicating that rims and tires worth approximately \$14,000 were stolen off her Ford Expedition. The wife

made a claim for payment with their insurance company and the husband vouched for her claim saying he had purchased the wheels and tires. She even



went the extra mile to provide a receipt for the wheels and tires. With nothing to refute the claim, the insurance company settled. Troopers in the Lafayette Field Office received a tip from an informant and looked into the matter. They determined that the wife had staged the theft and that the receipt wasn't worth the paper it was written upon. Troopers obtained warrants and put the team behind bars on charges of Insurance Fraud and Theft.

# True Blue Report

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

## Woman Arrested For Fraudulent Claim

The Insurance Fraud Unit received a complaint from a local Insurance Company in reference to a Policy Holder filing a fraudulent claim. The Policy Holder claimed her 1996 Chevy Truck was stolen on May 22, 2005 while she was at a

local hospital. She also claimed she had a set on rims, valued at \$2,725.00,



on her vehicle at the time of theft. Investigation revealed the Policy holder submitted a fictitious receipt for the rims to her Insurance Company. A warrant was obtained and she was arrested on August 10, 2006 for Insurance Fraud.

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

## Hummer Found With Owner in New Jersey

Following Hurricane Katrina, a St. Charles Parish man filed a claim with his Insurance Company for the flood loss of his 2004 Hummer H2. Based on his claim the vehicle was declared a total loss and his Insurance Company settled the

claim for \$52,019.75. The vehicle was never recovered and the Insurance Company requested assistance from NICB in locating the vehicle. It was discovered the owner was in possession of the vehicle and was using the vehicle in New Jersey where he fled due to the storm. The vehicle was seized and an inspection re-

vealed no evidence or indication the vehicle had sustained flood damage.



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

## The Early Bird Gets the Worm...

With federal warrants in hand, the LSP Insurance Fraud Unit led a pre-dawn arrest round up in Ringgold, Coushatta and Bossier City on Tuesday, August 15th. In early August, after nearly two years of collecting documents, interviewing suspects and relentless digging for the truth, the investigative findings were presented to a Grand Jury within the United States District Court, Western District of Louisiana. Soon after the find-

ings were presented, the Grand Jury responded by returning a True Bill with indictments on the seventeen suspects highlighted in the investigation. Together, the ring was responsible for filing fraudulent claims totaling more than \$130,000 – losses paid out by insurance companies.

In a twist of fate, the investigation also revealed the leader of the crash ring was convicted in 1995 by a California court for sexual offenses against children. As part of his sentencing, the court ordered him to register as a sexual offender within ten days of moving to a new location. In

1996, he moved to Louisiana, yet failed to register as directed by the California courts. After reviewing the investigative findings, a Bienville Parish District Judge issued a warrant for his arrest. The state warrant was served during his detention hearing in US District Court.

With the insurmountable evidence against him, the ring leader agreed to a plea bargain in return for his testimony against the other staged crash participants. The participants include his sister, brother-in-law, nephew, niece, wife, girlfriend and acquaintances that once patronized his defunct neighborhood bar.



Trooper  
Spotlight:

## DEBBIE GIBSON

Tpr. Gibson, has been with Louisiana State Police since 1998 and in Insurance Fraud since 2004. She has been married to Marvin "Rip" Gibson for 16 years and has to children, Hunter (5) and Gunner (4). Debbie enjoys spending time with her family, riding her motorcycle, fishing, and hunting (especially bow hunting). Tpr. Gibson has just been assigned to Auto Theft within Insurance Fraud Unit and is looking forward to new training and challenges of investigating auto theft.

## Welcome to IFU:

### Shannon Blacklock

Admin Coordinator  
Baton Rouge

### Bryan Blount

Trooper  
Baton Rouge

### Joe Cuccia

Trooper  
New Orleans

### Sanikka Williams

Trooper  
Monroe



**NICB's  
 Appreciation Fish  
 Fry...more pictures**



**We're on the  
 Web!**

[www.lsp.org/ifu.html](http://www.lsp.org/ifu.html)

# True Blue Report

**SSA/CDI-** 4354 S. Sherwood Forest Blvd. D-125, Baton Rouge LA 70816,(225) 298-5566

**Man Should Not Have Re-  
 ceived Benefits**

The CDI investigation revealed that a New Iberia man, who was receiving Title II disability benefits for disorders of the back, since 1981, had been employed with several companies, as a deliveryman. The man requested the company he was working for to under-

state his wages to the IRS in order to continue receiving his disability payments. The Owner of the Company paid a \$20,000 CMP as a result of his company's complicity. The



man was paid \$188,760 from the SSA to which he was

not entitled. This includes payments made to his wife, seven of his children, and himself. The New Iberia man pleaded guilty to Theft of Government Funds and was sentenced to six months of home detention and five years probation. He was also ordered to pay \$91,573 in restitution to the SSA, plus a \$100 special assessment.

**Debit Insurance Agent Fraud**

There are many types of fraud, but one that takes advantage of the poor, the elderly and the disadvantaged is Debit Insurance Agent Fraud. In this scheme the debit insurance agent goes to the policyholder's home once a month and collects a small amount of premium usually in cash for the policies. Typical policies are burial insurance policies, small life insurance policies, accidental expense policies, and hospital expense policies. When the policyholder gives the agent money, the agent is trusted to take the money back to the company and

credit it to the policyholder's policy. Normally, the agent is required to give the policyholder a receipt showing he has received the money or to put a check-mark in the policyholder's payment book showing that the money has been received.

Many of the policyholders have low incomes and are unsophisticated regarding insurance,



they trust the agent to be honest. On many

occasions, these policyholders have their policies cancelled and the cash value stolen by the agent, they give money to the agent that is never credited to the policy, they have loans taken out on their policy without their knowledge, they are talked into canceling their old policies with cash value and taking out new policies with the cash value, and they have their signatures forged to important documents.

Debit Insurance Agent fraud preys on the uneducated, the poor, the sick and the elderly.

Information provided by <http://www.beasleyallen.com/publications/tjm/Debit%20Insurance%20Case.pdf>

**Statistically Speaking - Quarterly IFU Statistics**

	2nd Qtr 2005	2nd Qtr 2006	YTD 2006
<b>Cases Opened</b>	33	35	157
<b>Cases Closed</b>	161	46	187
<b>Arrests</b>	47	51	152