

Insurance fraud takes many roads

Encouraged by a sagging economy and the guarantee of a big profit with very little risk, ordinary people are scheming to bilk insurance companies of billions of dollars each year in fraudulent vehicle claims, according to an auto theft investigator.

"The realm of automobile insurance fraud is limited only by a person's imagination," said Myron Smith, a California Highway Patrol officer.

"When the economics makes it right to get rid of a car, they will surely find a way or will find someone who knows how."

Smith said the vehicle scams people use to defraud insurance companies are as varied as the individuals who perpetrate the crime.

— Insuring a salvaged wreck. "In this scheme, somebody buys a piece of



Investigator looks at stripped truck.

junk and gets a salvage slip.

"And since a lot of (insurance) companies will take a policy over the phone, the

person can insure this wreck over the phone without anybody ever looking at it. They just have to give the number

on the salvage slip and it's done."

The scrap is insured as a new vehicle, and premiums are paid for several months. After a few months, the person reports the vehicle stolen and files a claim. Within a month, he is paid the current market value of the "ghost vehicle" by the insurance firm.

— Stripping a vehicle for salvage. An unwanted vehicle is hidden and the parts stripped off and sold. Once this is accomplished, it is reported stolen. "Very safe and profitable. Before we can catch a person at this, they have to make some kind of mistake. The insurance company is given no reason to believe they are being taken."

In this scam, the person

makes money from selling the parts in addition to collecting the insurance.

— The salvage switch. "Salvage motor vehicles are being purchased for two things. People are after the salvage title and the VIN (vehicle identification number)."

Once they have this, they put the VIN from the salvage on a car in good working order that later will be reported stolen. This car is registered as a salvage car recently put in running order.

Soon after, a car which now longer exists except on paper is reported stolen.

"It will never be found unless somebody who looks at the car is alert enough to recognize the changed VIN. Everybody makes a profit here, the person who gets rid

of the car and the guy who winds up with a new car."

— Losing a car in Mexico or burning it. While the double profit disappears, these are still popular ways of getting rid of an unwanted car.

"In both cases, there is no chance the car will be returned. In arson, the car may be found, but it will be worthless, and the person who takes their car into Mexico and leaves it parked with the keys in it will never see it again."

After the deed is done, the car is reported stolen and the insurance is collected.

"Since there are only the people who do the fraud involved, they won't talk, and unless we have something that absolutely links them to the crime, even though we know it is fraud,

Watch what you do before driving

"Marijuana use is playing a role in more and more fatalities, but we can't test for it. There is no doubt in my mind that I'm handling an increased number of automobile deaths related to marijuana use."

That's noted Texas forensic scientist Joseph C. Rupp

describing a growing national problem.

New York City's chief medical examiner, Michael Baden, says the nation faces a growing safety problem unless "a test is developed to detect the presence of drugs other than alcohol that can cause and contribute to

deaths in auto crashes and other accidents."

More and more people have been driving under the influence of drugs. A recent study showed that perhaps 50 percent of the nation's adult population now does so at least once a year.

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