

LOUISIANA INSURANCE FRAUD TASK FORCE

2020 Annual Report





The **Louisiana Insurance Fraud Task Force** is a statutorily mandated partnership between three state agencies created to collectively investigate and deter acts of insurance fraud and auto theft in Louisiana. The following three agencies are members of the Task Force:

Louisiana State Police

Insurance Fraud / Auto Theft Program

Office of the Attorney General

Insurance Fraud Support Unit

Louisiana Department of Insurance

Insurance Fraud Section

Louisiana Automobile Theft and Insurance Fraud Prevention Authority

Insurance fraud is any fraudulent act, knowingly and willfully committed by any person in an attempt to injure, defraud, or deceive an insurance company. In Louisiana, insurance fraud is a felony, and when convicted, penalties could include jail time, fines, community service, probation and/or restitution.

Table of Contents

Letter From Louisiana State Police Superintendent	4
Louisiana State Police Insurance Fraud / Auto Theft Program	5
Program Notes	6
Referral Information	7
Investigations and Arrests	9
Criminal Investigations by Type	10
Judicial Actions	11
Budget Expenditures	12
Investigative Highlights	13
Law Enforcement Training and Auto Theft	16
Personnel Movement and Highlights	17
Office of the Attorney General / Insurance Fraud Support Unit	18
Basic Information	19
Statutory Authority	20
Purpose and Expenditures	21
Statistical Information and Other Accomplishments	22
Department of Insurance / Insurance Fraud Section & LATIFPA	23
Claims Fraud / Crime Categories and Charges	24
Producer, Claims Adjuster and Company Fraud Actions	25
Background Investigations / LATIFPA	25
2020 Expenditures / LATIFPA Budget	26
How to Report Fraud	27

Letter From The Superintendent

State of Louisiana

Department of Public Safety and Corrections
Public Safety Services

February 5, 2021

Honorable John Bel Edwards
Office of the Governor
State Capital
Baton Rouge, Louisiana

Dear Governor Edwards:

The enclosed annual report provides an informative look at the efforts, accomplishments and challenges of the Louisiana Insurance Fraud Task Force. The Task Force is a tri-member coalition comprised of the Louisiana State Police Insurance Fraud / Auto Theft Program, the Louisiana Department of Insurance, and the Louisiana Attorney General's Office. Combined, the Task Force provides a successful portal for suspected fraud complaints to be submitted, investigated and criminally prosecuted.

With the arrival of the coronavirus pandemic in the United States in 2020, Task Force members were forced to adjust their fraud fighting protocols. Nevertheless, members adapted accordingly and aggressively pressed forward in their effort to decrease insurance fraud and auto theft within our state.

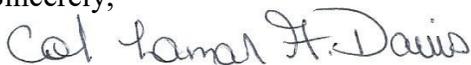
Our current economic environment demands that we are fiscally responsible and maximize our available resources. To aid with our investigative efforts, detectives assigned to the LSP Criminal Investigations Division have begun assisting LSP Insurance Fraud / Auto Theft detectives with investigations. Collectively, this initiative has allowed the unit to investigate more cases in a timely manner.

Louisiana is recognized nationally in the field of insurance fraud investigations; however, as this report will show there is an unfortunate disproportion between the crime and the resulting punishment. This report, which has been prepared and submitted in accordance with LRS 40:1427, provides statistical and summary information on a number of performance areas, as well as budget expenditures of the Task Force for the 2020 calendar year.

I am proud of the works conducted by the Task Force members in conjunction with our ongoing partnership with the National Insurance Crime Bureau and the Coalition Against Insurance Fraud.

Your continued support for the LSP Insurance Fraud / Auto Theft Program and our Task Force partners will allow Louisiana to remain a national leader and at the forefront in our fight against fraud.

Sincerely,



Colonel Lamar A. Davis
Deputy Secretary, Public Safety Services
Superintendent, Louisiana State Police



LAMAR A. DAVIS, COLONEL
LOUISIANA STATE POLICE
DEPUTY SECRETARY
DEPARTMENT OF PUBLIC SAFETY

Louisiana State Police

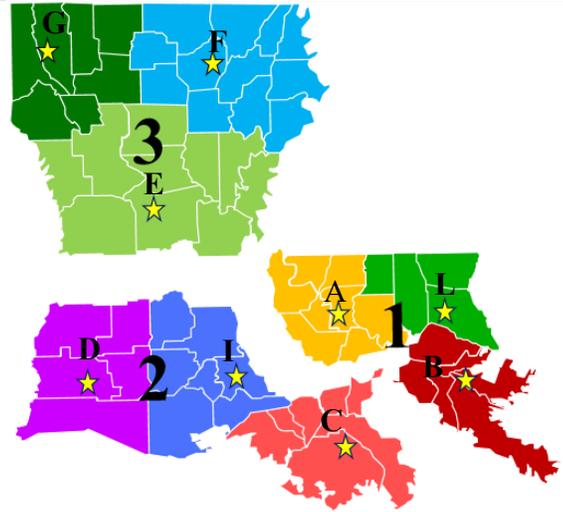


Insurance Fraud / Auto Theft Program

Insurance Fraud / Auto Theft Program

The Program

In 1999 the Louisiana Legislature passed House Bill 1868, statutorily creating the Insurance Fraud Investigation Unit (IFU) within Title 40 of the revised statutes; specifically, sections 40:1421–1429 provide the outline for unit operations. The IFU became operational January 1, 2000, within the Bureau of Investigation (BOI) of the Louisiana State Police, implementing a law enforcement function to combat insurance fraud. In 2006, the State Police formally added auto theft responsibilities to the unit's role at which time it was renamed the Insurance Fraud and Auto Theft Program (IFAT). The primary focus of the unit is fraudulent insurance acts that violate LRS 22:1921-1929.



A Sergeant within each field office directly supervises detectives/investigators tasked with investigating criminal complaints from the LA Dept. of Insurance and from the public. Each field office is commanded by a Lieutenant and each region is under the command of a Captain.

The statewide program coordinator is a Lieutenant, tasked to work with State Police supervisors and staff, industry representatives, and governmental partners to ensure the success of the Program mission. In December of 2020, there were thirteen State Police Troopers and five Criminal Investigators assigned to the Program throughout the state.

Field Office Contacts

REGION I

Baton Rouge (Troop A)

Sgt. Eric Adams
7919 Independence Blvd
Baton Rouge, LA 70896
(225) 925-3850

New Orleans (Troop B)

Sgt. Alan Arcana
1450 Poydras St, Ste 1300
New Orleans, LA 70112
(504) 310-7065

Covington (Troop L)

Sgt. Oliver Jackson
109 New Camilia Blvd, Ste 102
Covington, LA 70433
(985) 543-4158

REGION II

Houma (Troop C)

Sgt. Justin Rice
103 Melissa Ln
Houma, LA
(985) 876-8834

Breaux Bridge (Troop I)

Sgt. Dale Latham
437 West Mills Rd
Breaux Bridge, LA 70517
(337) 332-8080

Lake Charles (Troop D)

Sgt. Kent Pevoto
One Lakeshore Dr, Ste 970
Lake Charles, LA 70629
(337) 491-2906

REGION III

Bossier City (Troop G)

Vacant
4185 Viking Dr
Bossier City, LA 71111
(318) 741-2787

Alexandria (Troop E)

Sgt. Larry Zeller
5903 Coliseum Blvd
Alexandria, LA 71302
(318) 484-2104

Monroe (Troop F)

Sgt. Sanikka Williams
3420 Medical Plaza Dr, Ste 10
Monroe, LA 71203
(318) 362-4588

Coordinator: Lt. Michael Wilkerson (318) 741-2726

Support: Helena Graham (225) 925-3536

Insurance Fraud / Auto Theft Program

Referrals Received...

The Insurance Fraud and Auto Theft Program receives insurance fraud referrals from the Louisiana Department of Insurance on a monthly basis. In 2020, the Program received 1,402 referrals from the Department of Insurance. Of the referrals received, the Program accepted 316 and declined 1086 referrals.

In addition to the referrals received from the Louisiana Department of Insurance, the Insurance Fraud and Auto Theft Program also accepted 228 criminal complaints related to insurance fraud, vehicle theft, and other crimes. These complaints were received from various entities, including Program generated operations, other law enforcement agencies, citizens, etc.

Referrals Received from LDI	1402
LDI Referrals Accepted	316
LDI Referrals Rejected	1086
Non-LDI Investigations	228
Total Referrals	1630

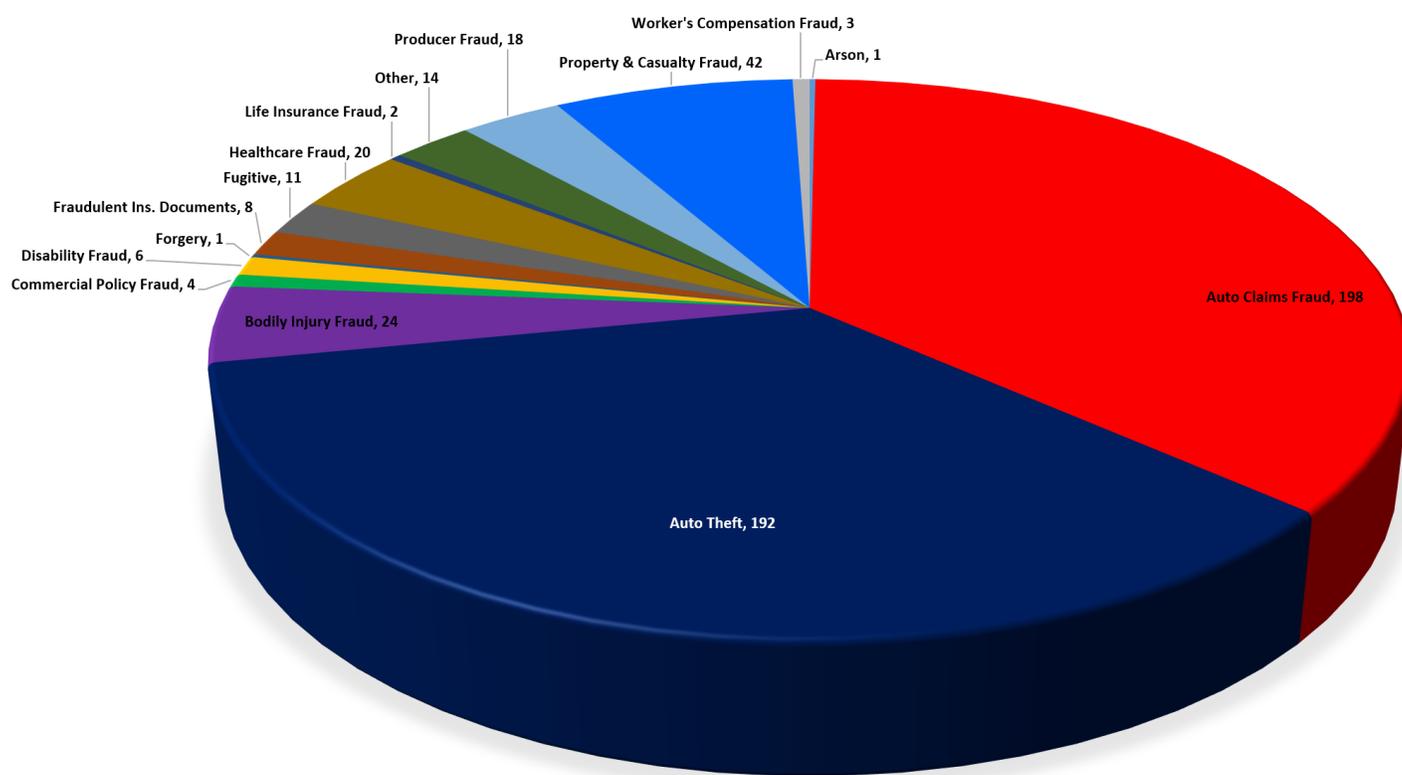
In 2020, 71% of the referrals received from the Department of Insurance were related to auto claims fraud, followed by property & casualty fraud at 11%, healthcare fraud at 5%, and bodily injury fraud at 4%. The remaining types listed in the table to the right make up the remaining 8%.



Type of Investigation...	LDI	Non-LDI
Arson	1	0
Auto Claims Fraud	994	1
Auto Theft	5	191
Bodily Injury Fraud	58	1
Catastrophe Fraud	3	0
Commercial Policy Fraud	4	3
Disability Fraud	12	0
Forgery	5	1
Fraudulent Ins. Documents	7	4
Fugitive	2	9
Healthcare Fraud	77	1
Life Insurance Fraud	20	0
Other	6	13
Producer Fraud	46	2
Property & Casualty Fraud	158	0
Worker's Compensation Fraud	4	2

Insurance Fraud / Auto Theft Program

2020 Referrals Accepted by Type...



Insurance Fraud / Auto Theft Program

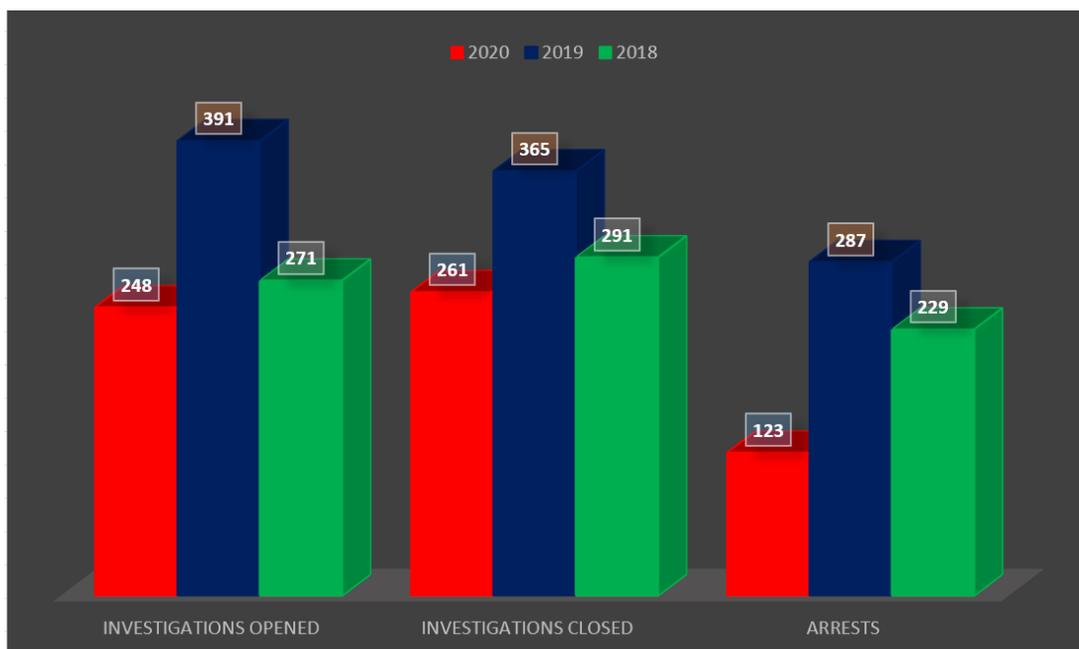
2020 Investigations and Arrests...

2020 Case Information	
Investigations Carried Over from Prior Years	64
Investigations & Incidents Opened	248
Investigations & Incidents Closed	261
Arrests	123

In 2020, the Insurance Fraud and Auto Theft Program opened 248 criminal investigations and closed 261. Region 1 (Baton Rouge, Covington, New Orleans) accounted for 141 of those investigations, Region 2 (Houma, Lafayette, Lake Charles) recorded 50 investigations opened, and Region 3 (Alexandria, Monroe, Bossier) initiated 57 investigations. Of the 261 investigations closed, 107 or 41% were closed by arrest. In 2020, the Program arrested a total of 123 persons throughout the state. Statewide 56% of the arrests were in Region 1, 11% were in Region 2, and 33% were in Region 3.

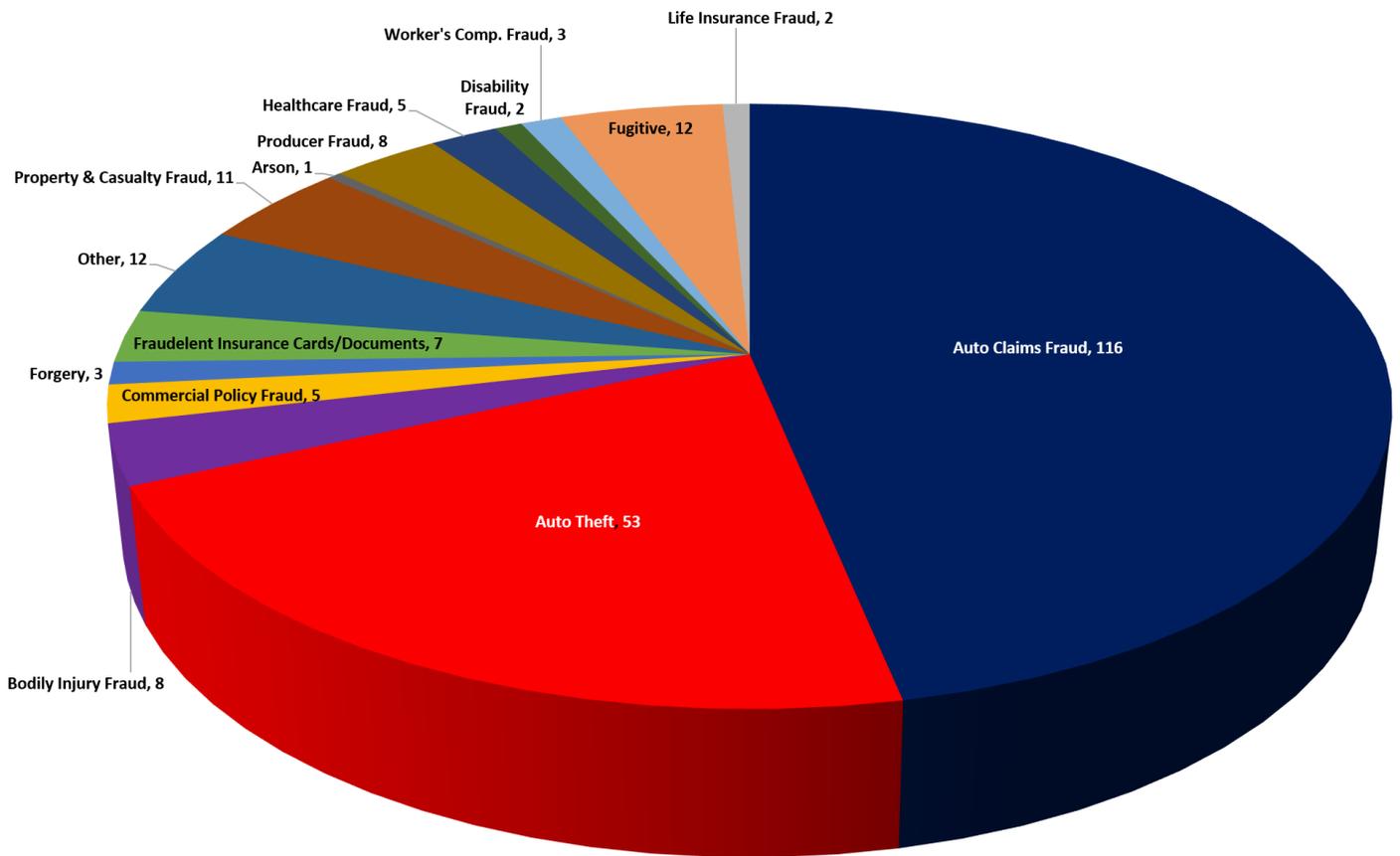
In 2020, the State of Louisiana and Louisiana State Police faced an unprecedented year responding to the COVID-19 Pandemic and five named storms that hit Louisiana. Troopers and Investigators from the Insurance Fraud and Auto Theft Program were assigned to security details at COVID-19 isolation sites and temporary hospitals as well storm response. The Lake Charles Field Office suffered catastrophic damage as a result of Hurricane Laura and is still undergoing repairs at this time. As a direct result of the COVID-19 pandemic and to stop the spread, many jail facilities instituted mandates to refuse the acceptance of any non-violent offenders. As a result of the mandate, many investigations were temporarily halted following the securing of arrest warrants from the respective judicial districts. The arrest warrants will be executed as jails allow. Overall, there were less investigations opened and closed as well as less arrests in 2020 than previous years. The program hopes to be able to return to normal operations during 2021.

Three Year Statistical Profile...



Insurance Fraud / Auto Theft Program

2020 LSP Investigations Conducted by Type...



Insurance Fraud / Auto Theft Program

2020 Judicial Actions...

The total number of people adjudicated in 2020 was lower than the previous three years. Due to COVID-19 most courts were closed for the majority of 2020 and recently jury trials were again suspended until March of 2021. Between 2017 and 2019, the average number of persons convicted of crimes investigated by the Program was 88 and the average number of people entering a pretrial intervention program was 23. The number of convictions in 2020 was 21.6% lower than the previous three year average. Persons entering a pretrial intervention program was 56.5% lower than the previous three year average. In 2020, there was a 69.8% reduction in the amount of prison time ordered per conviction as compared to the previous three year average, and a 78.2% reduction in the amount of probation time ordered per conviction based on the three year average.

2020 Judicial Actions	
Convictions	69
Jail Time Ordered	27 years 8 months
Probation Ordered	61 years 10 months
Community Service	250 hours
Pre-Trial Intervention	10 entries
Restitution	\$232,785.63
Court Fines	\$25,656.00

In 2020, the Program had 26.1% of their convictions declared in Caddo Parish and 7.2% in St. Bernard Parish. The remaining convictions were spread throughout 24 other parishes. The table to the right shows all convictions and pretrial interventions by parish. Parishes not listed in the chart did not have any convictions or pretrial interventions.

Parish	Convictions	Pretrial Interventions
Acadia	3	0
Ascension	4	1
Beauregard	1	0
Bossier	1	3
Caddo	18	0
Calcasieu	1	0
Claiborne	1	1
DeSoto	2	0
E. Baton Rouge	4	3
East Carroll	2	0
Iberia	1	0
Jefferson	2	0
Lafayette	3	1
Madison	0	1
Orleans	1	0
Rapides	2	0
Red River	1	0
St. Landry	0	0
St. Bernard	5	0
St. Mary	3	0
St. Tammany	1	0
Tangipahoa	4	0
Terrebonne	4	0
Union	2	0
Vermillion	2	0
Washington	1	0



Insurance Fraud / Auto Theft Unit

2020 Budget Expenditures...

CATEGORY	GENERAL LEDGER	COMMITMENT ITEM NAME	EXPENSED
SALARIES	5110010	SALARIES-CLASSIFIED-T/O-REGULAR	\$2,108,509.82
	5110015	SALARIES-CLASSIFIED-T/O-OVERTIME	\$97,804.82
	5110020	SALARIES-CLASSIFIED-T/O-TERMINATION	\$34,583.40
TOTAL SALARIES			\$2,240,898.04
RELATED BENEFITS	5130010	RETIREMENT CONTRIBUTIONS-STATE EMPLOYEES	\$158,099.21
	5130030	RETIREMENT CONTRIBUTIONS-OTHER	\$881,330.04
	5130060	MEDICARE TAX	\$31,518.21
	5130070	GROUP INSURANCE CONTRIBUTIONS	\$213,705.83
	5130090	TAXABLE FRINGE BENEFITS	\$60,320.85
TOTAL RELATED BENEFITS			\$1,344,974.14
TRAVEL	5210010	IN-STATE TRAVEL-ADMINISTRATIVE	\$1,005.00
	5210015	IN-STATE TRAVEL-CONFERENCES/CONVENTIONS/	\$289.58
	5210020	IN-STATE TRAVEL-FIELD TRAVEL	\$1,005.00
	5210050	OUT-OF-STATE TRAVEL-ADMINISTRATIVE	\$88.82
	5210055	OUT-OF-STATE TRAVEL-CONFERENCES/CONVENTI	\$191.39
TOTAL TRAVEL			\$2,579.79
OPERATING SERVICES	5310026	SERV-INVESTIGATIVE EXPENSES	\$728.65
	5330008	MAINT-EQUIPMENT	\$1,951.00
	5340020	RENT-EQUIPMENT	\$5,278.60
	5340030	RENT-DATA PROCESSING EQUIPMENT	\$166.81
	5350005	UTIL-OTHER COMMUNICATION SERVICES	\$1,200.00
	5350006	UTIL-MAIL, DELIVERY & POSTAGE	\$29.85
	5350008	UTIL-DELIVERY UPS AND FEDERAL EXPRESS	\$22.40
	5350007	UTIL-POSTAGE DUE	\$22.00
TOTAL OPERATING SERVICES			\$9,399.31
SUPPLIES	5410001	SUP-OFFICE SUPPLIES	\$1,838.62
	5410020	SUP-COMMUNICATIONS	\$1,200.00
	5410031	SUP-REP & MAINT SUPPLIES-AUTO	\$0.00
	5410006	SUP-COMPUTER	\$472.26
	5410007	SUP-CLOTHING & UNIFORMS	\$0.00
	5410010	SUP-TEXTBOOKS	\$1,005.00
	5410015	SUP-AUTO	\$899.00
	5410021	SUP-ELECTRONICS & ELECTRICAL	\$24.99
	5410035	SUP-SOFTWARE	\$0.00
	5410036	SUP-FUEL TRAC INTERFACE AND CORRECTIONS	\$460.17
	5410400	SUP-OTHER	\$2,586.56
5410510	SUP-CONSUMPTION OF INVENTORY TRADE-IM	\$241.00	
TOTAL SUPPLIES			\$8,727.60
OTHER CHARGES	5620018	MISC-PROJECT ACTIVITY	\$38.97
	5620063	MISC-OPERATING SERVICES	\$12,004.87
	5620065	MISC-SUPPLIES OTHER	\$3,573.30
	5620068	MISC-ACQUISITION/MAJOR REPAIR OTHER	\$0.00
	5620069	MISC-INTERAGENCY (IAT) OTHER	\$0.00
	5620112	MISC-OTHER MISC PUBLIC SAFETY & FRAUD	\$1,620.72
	5620162	MISC-TRAVEL-OUT-OF-STATE HOTEL	\$158.34
	5620900	MISC-ACQUISITION/MAJOR REPAIR OTHER	\$143,580.38
	5620142	MISC-OC-MISCELLANEOUS MAJOR REPAIRS	\$97.50
TOTAL OTHER CHARGES			\$161,074.08
ACQUISITIONS	5710224	ACQ-OFFICE FURNITURE & EQUIPMENT	\$439.96
TOTAL ACQUISITIONS			\$439.96
INTER AGENCY TRANSFERS	5950014	IAT-TELEPHONE	\$9,851.15
TOTAL INTER AGENCY TRANSFERS			\$9,851.15
TOTAL EXPENSES			\$3,777,944.07

Insurance Fraud / Auto Theft Program

Investigative Highlights

Region 1 Investigative Highlights

Auto Theft Ring

In February of 2020, the Louisiana State Police (LSP) Insurance Fraud and Auto Theft (IFAT) Program's New Orleans Field Office began to see a sharp increase in stolen vehicles by way of VIN swaps and clones. LSP, NICB and HSI (Department of Homeland Security) conducted follow-up investigations, which lead to the recovery of more than 35 luxury or "high-end" stolen vehicles from the New Orleans Metropolitan area and various other states. The total value of the recovered vehicles to date is approximately \$1,700,000.00.

Forgery/Auto Theft

In March of 2020, the LSP IFAT Program's New Orleans Field Office began investigating an employee of Premier Honda in Orleans Parish. The investigation revealed that a former employee was using his position to illegally obtain Louisiana temporary tags and use forged documents to have various stolen vehicles registered. After a lengthy investigation, detectives arrested the employee and recovered four stolen vehicles with an approximate value of \$178,400.00.

Identity Theft/Insurance Fraud/Theft

In February 2020, the LSP IFAT Program's Covington Field Office received a Criminal Referral from the Louisiana Department of Insurance regarding the fraudulent activity of an AFLAC salesman, Dustin Dearman. An investigation into the activities of Dearman showed he fabricated 65 insurance policy applications by forging the policyholder's names and falsified other documents in the application process. AFLAC paid Dearman commission on the policies before they learned the policies were fraudulent. Detectives subsequently arrested Dearman on June 30, 2020, at the St. Tammany Parish Jail. He was charged with LRS 14:67.16,

Identity Theft, LRS 22:1924 - Insurance Fraud (Prohibited Activities and Sanctions; LRS 14:67B (2) - Theft. This resulted in a loss of \$9,539.80 to AFLAC.

Long Term Disability Insurance Fraud

In January 2020, the LSP IFAT Program's Baton Rouge Field Office received a complaint from Unum Insurance. According to Unum, Elvis Collins engaged in fraudulent activities after filing a claim for long-term disability. The investigation concluded Collins submitted a fraudulent Social Security award letter to Unum Insurance in support of his long-term disability claim. Due to the fraudulent document, Unum over paid Collins in the amount of \$14,776.07. On March 10, 2020, LSP Investigators arrested Collins and booked him into the East Baton Rouge Parish Prison.

Staged Crash/Insurance Fraud

In December 2019, the LSP IFAT Program's Baton Rouge Field Office received a complaint from Progressive Insurance via the Louisiana Department of Insurance. The complaint alleged Elmer Mejia-Chicas and Mayra Bonilla-Cruz attempted to commit insurance fraud when they filed a claim in relation to a crash that did not occur and subsequent injuries to themselves and five passengers in their vehicle. The LSP investigation determined Mejia-Chicas and Bonilla-Cruz both fabricated the crash and associated injuries. Had the truth not been revealed through the investigation, their actions would have potentially defrauded Progressive out of approximately \$288,080.00. Both individuals were ultimately charged with one count L.R.S. 14:133 Filing or Maintaining False Public Records and 1 count L.R.S 22:194 Insurance Fraud, each through Ascension Parish.

All persons are presumed innocent until proven guilty.

Insurance Fraud / Auto Theft Program

Investigative Highlights

Staged Crash/Insurance Fraud

In March 2019, the LSP IFAT Program's Baton Rouge Field Office received a complaint from RepWest Insurance via the Louisiana Department of Insurance. The complaint alleged Charity McDonald, Quentin Pollard, Lue Pollard, Jennifer McMorris and Norman McNew all committed insurance fraud. RepWest is the liability insurer for U-Haul. The LSP investigation determined McDonald, Quentin Pollard, Lue Pollard, McMorris and McNew participated in a staged crash scheme with the intent of making fraudulent claims to obtain insurance settlement money for which they were not entitled. At the conclusion of the LSP investigation, arrest warrants were secured on McDonald, Quentin Pollard, Lue Pollard and McMorris' for violations of LRS 22:1925 – Auto Insurance Fraud, LRS 14:26 - Criminal Conspiracy and LRS 14:133 - False Public Records. Additionally, detectives secured arrest warrants on McNew for a violation of LRS 22:1925 – Auto Insurance Fraud and LRS 14:133 - False Public Records. During the month of January '2020, IFAT detectives apprehended all of the aforementioned suspects and booked them into the East Baton Rouge Parish Prison in relation to their respective arrest warrants. The potential fraud amount for this claim was \$36,189.81.

Auto Theft

In June 2020, an individual whom stated he purchased a scrap vehicle, which he was going to use for parts, lodged a complaint with the LSP IFAT Program. According the subject, he learned the VIN plate for the scrap vehicle was missing. Detectives were able to identify the vehicle using advanced vehicle identification techniques. A computer check of the vehicle identification number (VIN) revealed the vehicle registered in the name of Michael Lawson, Jr of Livingston Parish. Detectives were able to locate Lawson and conduct an inspection of a vehicle he had in his possession. Upon doing so, detectives discovered the public VIN on the vehicle matched the VIN from the scrap vehicle in the possession of the complainant. Detectives correctly identified

the vehicle in Lawson's possession by locating a secondary C-VIN. A computer check revealed the vehicle in Lawson's possession had been reported stolen years earlier. It was determined the VIN from the scrap vehicle had been placed on the stolen vehicle to hide the fact the vehicle was stolen. Detectives learned Lawson also owned and operated a mechanic shop and was capable of the VIN transfer. In August of 2020, Lawson surrendered to detectives and was charged with LRS 22:1925, Automobile Insurance Policies Fraud; LRS 14:133, Filing False Public Records (2 counts) LRS 14:207, Removal/Alteration of a Motor Vehicle's Identifying Numbers; LRS 14:69, Illegal Possession of Stolen Things (valued at approximately \$17,000.00), all in Livingston Parish.

Region 2 Investigative Highlights

Producer Fraud

In 2020, Region II of the LSP IFAT Program began to see an uptick in investigation referrals for producer fraud. Producer fraud is when someone sells a fake insurance policy to a consumer with the consumer none the wiser. At this time LSP IFAT Region II has multiple active investigations into referrals of producer fraud.

Auto Theft

Region 3 Investigative Highlights

In January 2020, the LSP IFAT Program Monroe Field Office began a vehicle theft investigation involving Anthony Anderson of Monroe, LA. The investigation centered on Anderson purchasing salvaged vehicles from Copart Auto Auctions, then transferring the vehicle identification numbers (VINs) from the salvaged vehicles onto stolen vehicles, therefore disguising the identity of the stolen vehicles. Anderson would thereafter sell the stolen/re-VIN vehicles for profit. (Continued on next page)

All persons are presumed innocent until proven guilty.

Insurance Fraud / Auto Theft Program

Investigative Highlights

At the conclusion of the investigation, LSP IFAT detectives determined Anderson intentionally violated LRS 14:67.26, Theft of a Motor Vehicle (4 counts), LRS 14:67 Theft (4 Counts), and LRS 14:207 Motor Vehicle, and Alteration or Removal of Identifying Number (3 Counts). Anderson committed these violations by taking control of four vehicles which included two Dodge Challengers and two Dodge Chargers, all of which were confirmed stolen from various locations surrounding the Metropolitan Dallas, TX area. The investigation revealed Anderson would purchase salvage/total loss vehicles from Copart Auto Auctions and thereafter remove the public VIN plates and labels. He would thereafter place them on to stolen vehicles to conceal the identity of the stolen cars and to deprive the rightful owner of the automobiles. Anderson sold all four stolen vehicles to unsuspecting buyers in the Monroe, LA area and profited approximately \$27,500.00 from the sale of the vehicles. On September 09, 2020, detectives arrested Anderson at his residence on an LSP arrest warrant on the aforementioned charges. He was booked into the Ouachita Parish Correctional Center accordingly.

Property/Casualty Fraud

In June 2020, the LSP IFAT Program's Bossier City Field Office received a criminal referral from the Louisiana Department of Insurance (LDI). LDI made to referral on behalf of Old Republic Insurance Company and against John Wesley Bailey, Jr of Haughton, LA. According to the complaint, Bailey committed insurance fraud when he provided false statements to Old Republic Insurance Company in support of payment for an alleged bodily injury claim, which reportedly occurred on February 27, 2020 in Bossier City, LA. In summary, Bailey claimed he sustained bodily injuries when the unsecured door of an enclosed box trailer attached to a commercial motor vehicle (CMV) struck him. At the time of the incident, the driver of the CMV was making a delivery at a Tobacco House business located in Bossier City, LA. Video surveillance from the Tobacco House clearly showed Bailey WAS NOT struck by the door of

the CMV nor did it ever make contact with him as he walked by as he so stated. Upon completing the investigation, investigators secured an arrest warrant on Bailey for a violation of LRS 22:1924, Insurance Fraud. On September 8, 2020, investigators took Bailey into custody in Haughton, LA without incident and subsequently booked him into the Bossier Parish Jail. Potential fraud amount: \$2,304.00

Theft by Fraud/Insurance Fraud

In June 2020, the Louisiana State Fire Marshal requested the LSP IFAT Program's Alexandria Field Office assist with an investigation. The investigation was in reference to a fire at Chandler's Grocery in Alexandria and to the legal ownership of the building and business. The initial investigation revealed James Ali entered into a lease contract with Donald Chandler to lease Chandler's Grocery Store located at LA Hwy 9165 28 West, in Boyce, LA. After signing the lease agreement, Ali took the lease agreement and made a fraudulent Act of Sale showing Donald Chandler sold the business to him. Ali then used the fraudulent document to obtain insurance coverage (approximately \$1.5 million dollars) for the business, which he was only leasing. About one month later, Chandler's Grocery Store burned down under suspicious circumstances. LSP IFAT detectives in conjunction with the LA State Fire Marshal initiated an investigation and interviewed individuals pertaining to the case. At the conclusion of the LSP IFAT investigation, detectives determined Ali falsely obtained insurance coverage by creating false documents and forging several individual names. Ali committed these acts in an attempt to collect on the insurance policy he took out on the business. The insurer ultimately denied the claim due to evidence discovered. Detectives obtained arrest warrants on Ali for theft by fraud and insurance fraud. Currently, Ali cannot be located and is a considered a fugitive from justice. Potential fraud amount: \$2,000,000.00.

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Insurance Fraud / Auto Theft Program

LAW ENFORCEMENT TRAINING

One of the ancillary duties of the Louisiana State Police (LSP) Insurance Fraud and Auto Theft (IFAT) Program is to provide education and instruction to State Police members and local law enforcement to raise awareness of insurance fraud and auto theft. To achieve this, the Program offered two standardized training products: an Auto Theft Investigations Class and Certification on the Affidavit of Physical Inspection. These training modules helped the officers gain confidence in the investigation of auto theft, in identifying false claims of auto theft, and in confirming the identity of a motor vehicle by vehicle identification number. In 2020, members of the Program conducted 14 training sessions with a combined attendance of 256 law enforcement officers.



Over the past year, Trooper Jeffrey Theriot of the LSP IFAT Program’s New Orleans Field Office completed a one-week Task Force Officer training course with the US Homeland Security Investigations (HSI). Additionally, both Theriot and Investigative Specialist Chase Gitter participated in a one-day virtual money-laundering course taught by the National White Collar Crime Center’s (NW3C) Financial Investigations Unit.

Between August and October 9, 2020 LSP IFAT detectives S/T Bergeron and Tpr. Kirkland both participated in a 10-week / 400 hours polygraph training program at the Alabama Criminal Justice Training Academy in Selma. Instructors with the American International Institute of Polygraph taught the class. Upon completion of the training, both were certified as an Examiner in the Psychophysiological Detection of Deception.

AUTO THEFT

The investigation of vehicle theft is a core mission of the Insurance Fraud and Auto Theft Program. The Program has made investments to enhance State Police’s ability to identify and recover stolen vehicles, and to capture persons stealing and possessing these vehicles.

As in years past, the National Insurance Crime Bureau (NICB) has been a tried and true supporter of our vehicle theft mission. Through the joint efforts of the LSP IFAT Program, NICB special agents, and the NICB Investigative Assistance Unit, LSP has successfully identified and recovered multiple stolen vehicles in 2020.

2020 IFAT Program Results	
Stolen Vehicles Recovered	195
Value of Recoveries	\$4,034,939.00



Insurance Fraud / Auto Theft Program

Additions

Sergeant Alan Arcana returned to supervise the LSP IFAT Program's New Orleans Field Office in the Fall 2020, after working as a supervisor in the LSP CID New Orleans Field Office for the past several years. Prior to his promotion to CID Sergeant in 2016, Sergeant Arcana served as a detective in the LSP IFAT Unit in New Orleans.

Senior Trooper Keith Bergeron transferred to the New Orleans Field Office from Troop B Patrol in the Spring of 2020.

Trooper William Kirkland transferred to the Lafayette Field Office from Troop A Patrol in the Summer of 2020.

Criminal Investigator Morgan Todd was hired by LSP in the Fall of 2020. She is assigned to IFAT Program's Monroe Field Office. Prior to hiring on with LSP, Inv. Todd worked as a deputy with the Richland Parish Sheriff's Office for nine years.

Retirements

Sergeant Joe Cuccia recently retired from LSP after 27 years of service. Prior to his retirement, Sgt Cuccia served as the Insurance Fraud / Auto Theft supervisor for the New Orleans Field Office.

In December 2020, Master Trooper Greg Hurst retired from LSP after 20 years of service. He was assigned to the Shreveport/Bossier City Field Office in 2015.

Promotions

In November 2020, Lieutenant David Stelly was promoted to the rank of Captain within the LSP Business/Technology Unit. Prior to his promotion, Capt. Stelly served in the capacity of the LSP Insurance Fraud/Auto Theft Program Coordinator.

In June 2020, Master Trooper Debbie Kindrix was promoted to Sergeant in the LSP Evidence Control Unit. Sgt. Kindrix was previously assigned to the Monroe Field Office.

Team Member Spotlights

Master Trooper Todd Marchand graduated from the Louisiana State Police Academy in August of 1997, at which time he was assigned to Troop B. In June 2005, he would transfer into the Insurance Fraud Program and begin his investigative career which spanned nine years. Following a brief stint back to patrol in June 2014, M/T Marchand would return to the Insurance Fraud / Auto Theft Program in Feb 2016, where he has remained since that time. He is an integral part of the Region 1 Insurance Fraud / Auto Theft Program and has become one of the most productive insurance fraud investigators in the region closing a recent insurance fraud case which involved 578 fraudulent insurance policies. M/T Marchand is married and has three children.

Investigator Sonda Lee is a six-year veteran of the LSP IFAT Program and is assigned to the Bossier City Field Office. During his tenure with the department, Inv. Lee has investigated numerous insurance fraud and auto theft related cases and recovered multiple stolen vehicles. In addition to his role as a detective, Inv. Lee also frequently teaches at Louisiana POST academies and assists with the training of law enforcement personnel in common auto theft trends to include the training of LEOs in the proper methods of performing vehicle inspections. Over his tenure, Inv. Lee has become an integral part of the unit and has completed numerous criminal investigations related to insurance fraud and auto theft. Prior to beginning his career with LSP, Inv. Lee served honorably in the USAF for 26 years before retiring in June 2012. He briefly served with the LA Dept. of Probation and Parole as a probation/parole agent prior to joining the LSP family. In his spare time, Inv. Lee loves spending time with his spouse of 33 years, riding his Honda Goldwing and traveling the countryside.

Louisiana Attorney General Jeff Landry's Criminal Division



INSURANCE FRAUD SUPPORT UNIT 2020 ANNUAL REPORT

Insurance Fraud Support Unit



Louisiana Attorney General Jeff Landry is proud of the efforts of his Insurance Fraud Support Unit (the Unit). Through criminal prosecutions and the recovery of restitution from insurance fraud offenders, the unit is a valuable asset in the fight against

criminals who defraud the State and its taxpayers. The Unit operates as part of a tri-agency task force created by the Legislature and dedicated solely to fighting insurance fraud in Louisiana.

The Unit fulfills three primary responsibilities: providing legal advice and consultation in insurance fraud matters to the other two task force agencies – the Louisiana State Police (LSP) and the Louisiana Department of Insurance (LADOI); 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 primary objective of the Unit is to provide superior legal representation to the LADOI and LSP in insurance fraud investigations and prosecutions. Assistant Attorneys General assigned to the Unit prosecute violations of Louisiana's criminal laws under Titles 14, 22, 23, and 47 by conducting – or assisting in – criminal prosecutions upon the request of local district attorneys and by providing legal support to law enforcement agencies investigating criminal insurance fraud.

The Unit also works closely with the Louisiana Department of Revenue (LDR). History shows that if criminals are defrauding insurance companies, then those same criminals are likely defrauding the State when it comes time to pay their taxes. This is why the Unit entered into an

agreement with LDR to investigate and assist in the prosecution of all tax-related fraud in Louisiana. These prosecutions are of tax preparers, who receive a fee for preparing Louisiana state tax returns for others, and individuals who commit tax evasion and/or fraud through the filing of their personal Louisiana state tax returns.

The Unit may handle insurance fraud cases that begin with a complaint made directly to the Attorney General's Office. Additionally, the Unit may consult with – and provide legal support to – all local and state law enforcement agencies regarding insurance fraud matters and questions. This includes, but is not limited to, reviewing drafts of arrest and search warrants; conducting legal research; and evaluating cases 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 still 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.

The Unit's attorneys attend regularly scheduled intelligence-sharing meetings hosted by LSP in Baton Rouge. These meetings are attended by members of special investigative units from many insurance companies that do business in Louisiana. Under a statutory grant of immunity from civil liability, these personnel share information with law enforcement regarding fraud trends and specific active investigations. This level of information sharing allows all participants in the Louisiana Insurance Fraud Task force to stay abreast of the constantly evolving methods that offenders employ to commit fraud, and has resulted in the successful prosecutions of several staged accident rings, producer fraud cases, health care provider fraud cases, and theft of equipment and automobiles.

The Unit's section chief has given presentations on insurance fraud prosecution issues before

Insurance Fraud Support Unit

organizations such as the National White Collar Crime Center, the Louisiana Association of Self Insured Employers, the Orleans Parish District Attorney's Economic Crimes Unit, the Insurance Security Association, the American Council of Life Insurers, the National Insurance Crime Bureau (NICB), the Louisiana District Attorneys' Association, the LADOI, and the Louisiana Claims Association. All of the Unit's attorneys attend continuing legal education training from various sources, including the National Association of Insurance Commissioners (NAIC) and other NICB or NAIC sponsored training. Moreover, the Unit is connected with the Homeland Security Information Network – enabling attorneys to track insurance fraud cases from start to finish. This network allows everyone involved with the cases to have access to relevant information at all times. The Unit's section chief also serves on the board of the Louisiana Auto Theft and Insurance Fraud Prevention Authority (LATIFPA).

The Unit continues to strive to increase its role in active prosecution of Task Force cases statewide to ensure that taxpayers and insurers in Louisiana are protected from fraud. In their role as prosecutors, Assistant Attorneys General work to see justice done in each individual case, and to highlight the important work done by its partners in combatting insurance fraud.

BASIC INFORMATION ABOUT THE UNIT

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

.....

(2) upon the written request of a district attorney, to advise and assist in the prosecution of any criminal case; and

(3) 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.

Insurance Fraud Support Unit

Additional Statutory Authority for Insurance Fraud Support Unit Operations

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

Primary Purpose of Insurance Fraud Support Unit

To provide superior legal representation to LADOI and LSP in insurance fraud investigations and prosecutions.

To participate in LADOI and LSP meetings to screen insurance fraud referrals.

To assist local District Attorneys in prosecuting insurance fraud.

Insurance Fraud Expenditures January 2020 to December 2020	
Salaries	\$585,742.00
Related Benefits	\$295,752.00
Travel	\$9,145.00
Operating Services	\$20,142.00
Capital Outlay	\$382.00
IAT Charges	\$20,708.00
TOTAL	\$931,871.00



Insurance Fraud Support Unit

STATISTICAL INFORMATION FOR THE UNIT

A strategic objective for the Unit is to provide legal support to law enforcement agencies investigating criminal insurance fraud referrals by responding to requests for legal consultation within two working days and by attending 90% of intelligence-sharing meetings hosted by the LSP Insurance Fraud Unit. In 2020, the Unit's attorneys attended all intelligence sharing meetings with the LADOI and the LSP fraud units.

During the 2020 calendar year, the Unit not only reached the standard of 95% percent of requests for legal consultation responded to within 2 working days; but also exceeded this goal in handling 100% of all requests for legal consultation within two working days.

During the 2020 calendar year, 217 new fraud cases were opened through the operation of the multi-agency Insurance Fraud Task Force. 220 cases were closed as either a conviction, a pretrial agreement, or a consult. As of December 31, 2020, the Task Force was working 44 active open cases of fraud.

The Unit meets the State goal for Crime and Safety Reform of bringing security to all Louisiana citizens by protecting our taxpayers from insurance related fraud. LADOI estimates that there are over \$500 million dollars lost annually in Louisiana to 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. The typical Louisiana household pays almost \$1,000 a year in fraud-related charges passed on to them as consumers.

OTHER 2020 ACCOMPLISHMENTS

During the 2018 calendar year, the Unit entered into a prosecution assistance agreement with the 19th Judicial District Attorney's Office – allowing Assistant Attorneys General to prosecute all insurance fraud cases occurring in East Baton Rouge Parish (or where East Baton Rouge Parish is a proper jurisdiction). This agreement has resulted in 28 active prosecutions of Task Force cases as of December 31, 2020. These cases represent actual and potential fraud amounts of well over a million dollars. Nine different Assistant Attorneys General are currently prosecuting Task Force cases in various jurisdictions throughout the State of Louisiana, allowing the development of experience and expertise in insurance fraud cases on a broader level in the Criminal Division of the Attorney General's Office.

The Covid-19 pandemic caused unprecedented disruption to the operation of courts statewide in 2020. The suspension of court proceedings over the course of the year resulted in tremendous challenges to prosecutors working to move their cases forward. Despite these challenges, the Unit was successful in recovering restitution of over a hundred thousand dollars in the course of resolving Insurance Fraud Task Force cases in 2020.

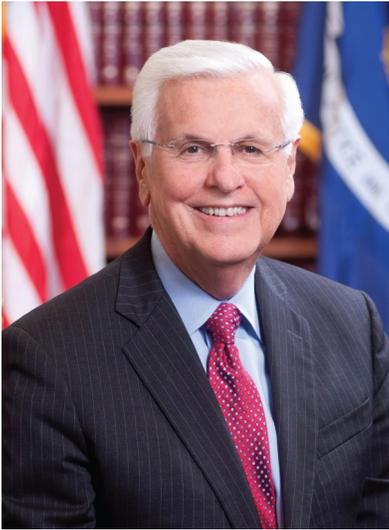
The Unit continues its work of protecting consumers and insurers in Louisiana by actively working with its partners in the State Insurance Fraud Task Force, and by fostering relationships with insurers to ensure that their interests in deterring and prosecuting fraud are fully represented in the justice system.

Louisiana Department of Insurance



Division of Insurance Fraud

Insurance Fraud Support Unit



Claims Fraud...

The Division of Insurance Fraud received 2694 reports of suspected fraudulent claims during 2020. The majority were from insurance companies in accordance with La. R.S. 22:1926. Since its inception in 2007, the Division of Insurance Fraud database has accumulated 40,628 entries of suspected fraudulent claims.

During 2020, the LDI Division of Insurance Fraud referred 1445 claim fraud investigations to the State Police. There were 60 arrests resulting in 106 charges for numerous crimes as a result of criminal referrals related to suspected fraudulent insurance claims.

Charges Against Claimants or Licensees Resulting from Referrals by Category

Category	Number of Charges*	Percent of Crimes
Insurance Fraud	49	46.2%
Obtaining CDs by Fraud	14	13.2%
Automobile Insurance Fraud	12	11.3%
Filing False Public Records	10	9.4%
Criminal Conspiracy	8	7.5%
Forgery of a Certificate of Insurance	7	6.6%
Identity Theft	2	1.9%
Computer Fraud	1	0.9%
Residential Contractor Fraud	1	0.9%
Theft	1	0.9%
Unauthorized use of a Movable	1	0.9 [^]

*An arrest may include multiple charges.

Insurance Fraud Support Unit

2020 Producer, Adjuster and Company Fraud Actions...

Action	Number
Number of Investigations Opened	161
Fines	1
License Revocations	15
License Suspensions	5
Cease and Desist Orders Served	8
Criminal Referrals to Law Enforcement	49
Arrests Made as a Result of Criminal Referrals	1

Background Investigations...

The Division of Insurance Fraud investigates the backgrounds of companies, officers, directors, utilization review organizations, claims adjusters 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.

Action	Number
Company Applications Received	122
Company Applications Approved	118
Company Biographical Affidavits Received	829
Company Biographical Affidavits Approved	809

Louisiana Automobile Theft and Insurance Fraud Prevention Authority...

In 2010, legislation was passed to provide a portion of these funds to LATIFPA, a public agency within the Department of Insurance. La. R.S. 22:2131 established LATIFPA, for the purpose of combating motor vehicle insurance fraud, including fraud by theft and other criminal acts. La. R.S. 22:2134 and La. R.S. 40:1428, amended in 2010, authorized the Commissioner of Insurance to withhold \$187,000 each fiscal year from the insurance fraud assessment to provide funding for LATIFPA. This allocation was used for 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 2020, LATIFPA expended \$109,419.00, to raise public awareness about insurance fraud and vehicle theft and to raise awareness among teen drivers about the consequences of vehicle theft and vehicle theft prevention.

For more information on the Fraud Division and LATIFPA, please refer to the 2019—2020 Louisiana Department of Insurance Annual Report.

Insurance Fraud Support Unit

Calendar Year 2020 Budget Expenditures...

Expenditure Category	Amount
Salaries Classified—Regular	692,350.17
Salaries Unclassified—Regular	153,008.05
Retirement Contributions—State Employee	341,376.09
Post Retirement Benefits	3,942.48
Medicare Tax	11,445.28
Group Insurance	73,821.71
TOTAL PERSONAL SERVICES	\$1,275,943.78
Out-of-State Travel—Conf,Conf,Athl	577.60
TOTAL TRAVEL	\$577.60
Printing	110.00
Rentals—Buildings	1,262.13
Rentals—Other	32.28
Dues and Subscriptions	7,045.40
Mail, Delivery, and Postage	8,324.23
Operating Services	28.00
TOTAL OPERATING SERVICES	\$16,802.04
Operating Supplies—Auto	161.72
Operating Supplies—Other	50.91
TOTAL SUPPLIES	\$212.63
IAT—Printing	677.99
IAT—Postage	150.73
TOTAL IAT	\$828.72
TOTAL DIVISION OF INSURANCE FRAUD EXPENDITURES	\$1,130,810.40

DIVISION OF INSURANCE FRAUD

Total Expenditures	\$1,294,364.77
Means of Financing	
Insurance Fraud Investigation Fund	\$819,325.50
LDI Self-Generated Funds	<u>\$475,039.27</u>
Total Means of Financing	\$1,294,364.77

LA AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION AUTHORITY

Amount Expended of the \$227,000 Appropriation

LATIFPA Fund	\$109,419.00
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Note: This amount does not include the \$109,419.00 shown above for the LA Automobile Theft Insurance Prevention Authority.

Report Insurance Fraud to the Louisiana Department of Insurance

Insurance Fraud is ANY intentional misrepresentation to profit from an insurance entity.

Report Fraud Online:

<http://www.ldi.la.gov/consumers/insurance-fraud/report-insurance-fraud>

By Phone:

(225) 342-4956 or (800) 259-5300

By Mail:

P.O. Box 3096, Baton Rouge, La 70821

Physical Address:

1702 N. Third Street, Baton Rouge, La 70802

Referrals are vetted through the Louisiana Department of Insurance (LDI). When criminal activity is suspected LDI submits the referral to the Louisiana State Police Insurance Fraud and Auto Theft Unit for further investigation and possible arrest(s). The Louisiana Attorney General's Office is notified when a referral is submitted to Louisiana State Police.

HELP LOUISIANA BOOT



OUT FRAUD!



LOUISIANA INSURANCE FRAUD TASK FORCE

LOUISIANA STATE POLICE

Insurance Fraud & Auto Theft Program
7919 Independence Blvd., A-19, Baton Rouge, LA 70806
(225) 925-3536
www.lsp.org
Insurance.Fraud.Unit@La.gov

LOUISIANA OFFICE OF THE ATTORNEY GENERAL

Insurance Fraud Support Unit
1885 N. Third Street, Baton Rouge, LA 70802
(225) 326-6000
www.ag.state.la.us

LOUISIANA DEPARTMENT OF INSURANCE

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Louisiana Auto Theft and Insurance Fraud Prevention Authority
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