

LOUISIANA INSURANCE FRAUD TASK FORCE

2019 Annual Report



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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.

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Letter From The Superintendent

State of Louisiana

Department of Public Safety and Corrections
Public Safety Services

January 29, 2020



KEVIN REEVES, COLONEL
DEPUTY SECRETARY

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

Dear Governor Edwards:

As you know, the Louisiana Insurance Fraud Task Force is a tri-member coalition comprised of the Louisiana State Police Insurance Fraud and Auto Theft Program, the Louisiana Department of Insurance, and the Louisiana Attorney General's Office. Together, the members provide a portal for suspected insurance fraud complaint submission, investigation, and prosecution.

In 2019, the Task Force strived to make a difference in the fight against insurance fraud and auto theft perpetrated against the citizens of Louisiana, and the insurance companies who do business in this fair state. The Task Force filled investigator vacancies, re-domiciled personnel for full-state coverage, incorporated new training opportunities, added new technologies, and strengthened lines of communication with the insurance industry and anti-fraud partners. The Task Force recommitted itself to the Coalition Against Insurance Fraud, representing the State of Louisiana on the Coalition's Board of Directors.

Because of these organizational strategies and actions, the Task Force has once again succeeded in providing a professional work product to its customers. The Task Force remains a driving force in the combat of insurance fraud.

As a reflection of the tireless efforts of the men and women of the Louisiana Insurance Fraud and Auto Theft Task Force, I present to you the 2019 Annual Report.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin W. Reeves".

Colonel Kevin W. Reeves
Deputy Secretary, Public Safety Services
Superintendent, Louisiana State Police

Louisiana State Police



Insurance Fraud / Auto Theft Program

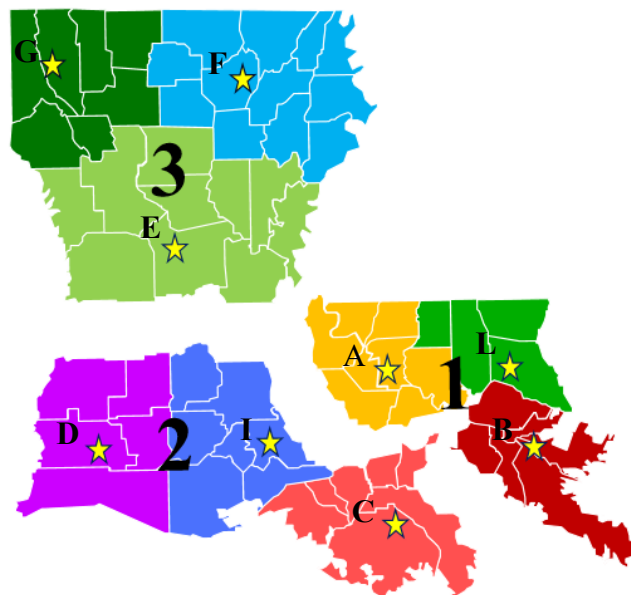
Insurance Fraud / Auto Theft Program

The Program

The Insurance Fraud / Auto Theft Program is a statutorily mandated criminal investigative unit within the Louisiana State Police Bureau of Investigations, Criminal Investigations Division. The Program is dedicated to seeking justice on behalf of the citizens of the state of Louisiana and industry stakeholders by the execution of superior, professional, and effective investigations.

A Sergeant within each field office directly supervises Troopers and Criminal Investigators tasked with investigating criminal referrals from the Louisiana Department of Insurance, and complaints of auto theft and insurance fraud received 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 2019, 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. Joe Cuccia
1450 Poydras St, Ste 1300
New Orleans, LA 70112
(504) 310-7064

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)

Sgt. Michael Wilkerson
4185 Viking Dr
Bossier City, LA 71111
(318) 741-2726

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

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 2019, the Program received 1,090 referrals from the Department of Insurance. Of the referrals received, the Program accepted 281 and declined 809 referrals.

In addition to the referrals received from the Louisiana Department of Insurance, the Insurance Fraud / Auto Theft Program also accepted 155 criminal complaints related to insurance fraud, vehicle theft, and other crimes, which were received from various entities, including Program generated operations, other law enforcement agencies, citizens, etc.

Referrals Received from LDI	1090
LDI Referrals Accepted	281
LDI Referrals Rejected	809
Non-LDI Investigations	155
Total Referrals	1245

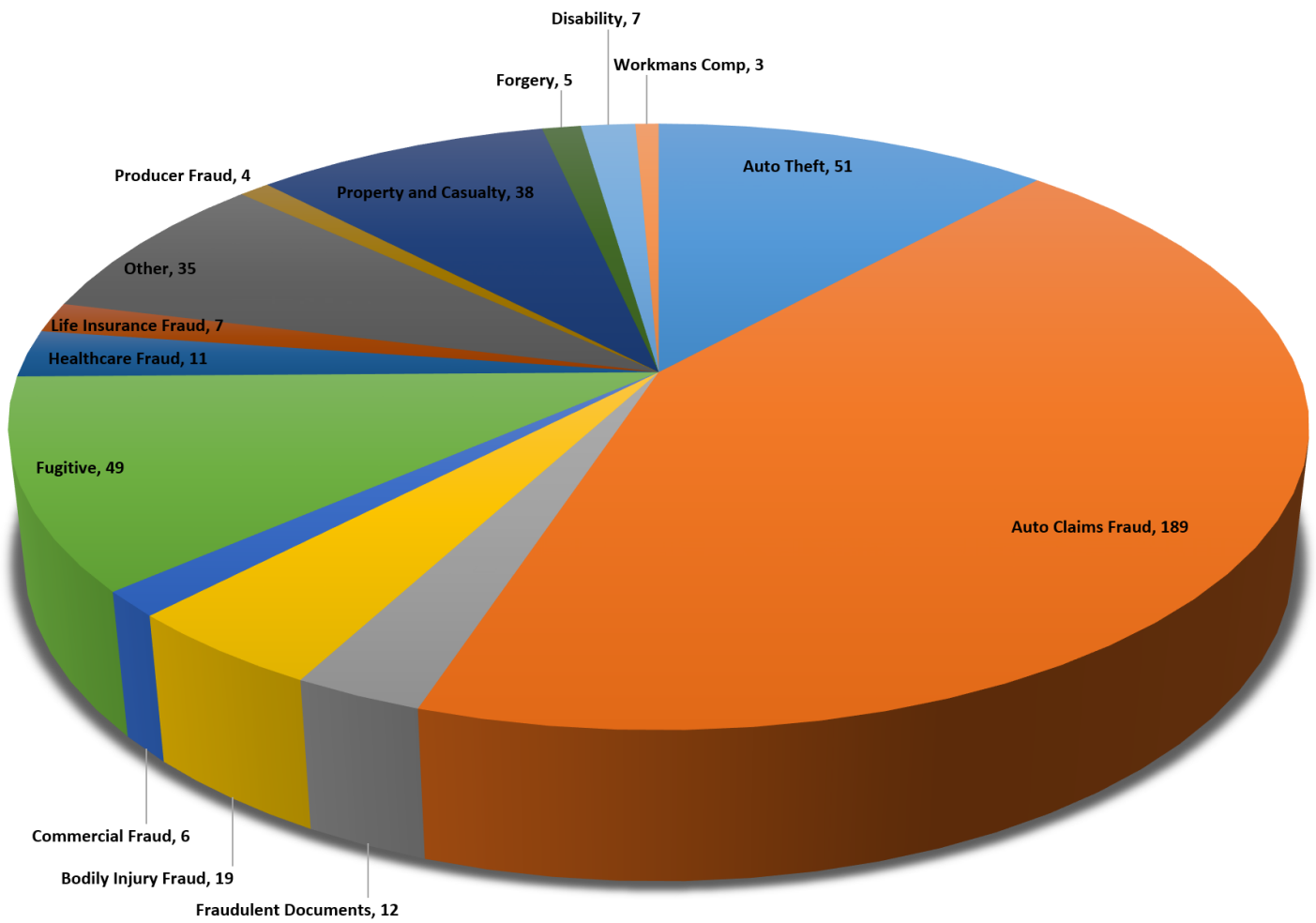
In 2019, 72% of the referrals received from the Department of Insurance were related to auto claims fraud, followed by property & casualty fraud at 10%, healthcare fraud at 5%, and bodily injury fraud at 5%. The remaining types listed in the table to the right make up the remaining 8%.



Type of Investigation...	LDI	Non-LDI
Auto Claims Fraud	788	12
Auto Theft	1	50
Bodily Injury Fraud	50	1
Catastrophe Fraud	1	0
Commercial Policy Fraud	12	0
Disability Fraud	15	0
Forgery	7	2
Fraudulent Ins. Documents	13	4
Fugitive	0	49
Healthcare Fraud	57	0
Life Insurance Fraud	17	0
Other	3	35
Producer Fraud	10	0
Property & Casualty Fraud	112	2
Worker's Compensation Fraud	4	0

Insurance Fraud / Auto Theft Program

2019 Referrals Accepted by Type...



Insurance Fraud / Auto Theft Program

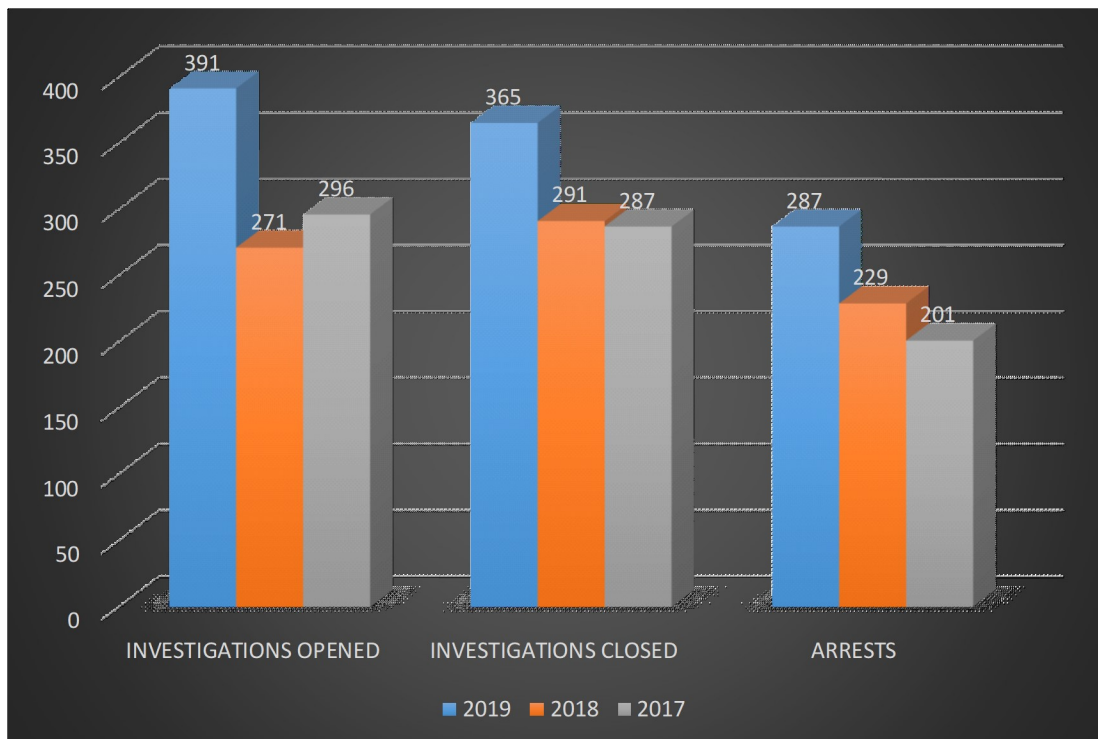
2019 Investigations and Arrests...

Investigations & Incidents Opened	391
Investigations & Incidents Closed	365
Arrests	287

In 2019, the Insurance Fraud and Auto Theft Program opened 391 criminal investigations and closed 365. Region 1 (Baton Rouge, Covington, New Orleans) accounted for 216 of those investigations, Region 2 (Houma, Lafayette, Lake Charles) recorded 62 investigations opened, and Region 3 (Alexandria, Monroe, Bossier) initiated 113 investigations. Of the 365 investigations closed, 222 or 61% were closed by arrest. In 2019, the Program arrested a total of 287 persons throughout the state. Statewide 52% of the arrests were in Region 1, 16% were in Region 2, and 32% were in Region 3.

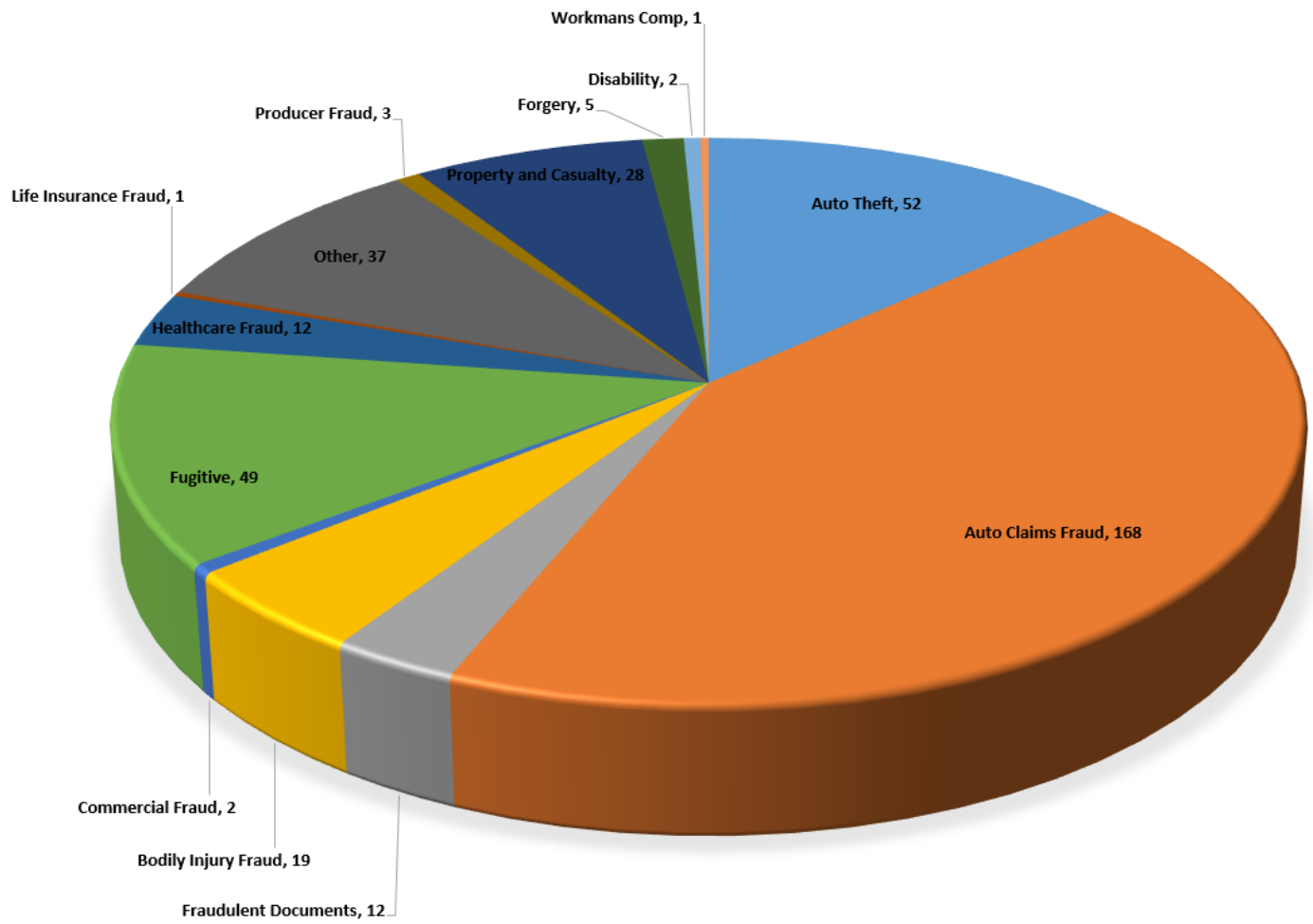
The Program opened 44% more investigations in 2019 than in 2018, and the number of investigations closed increased by 25%. The number of arrests increased by 25% from 2018. A fair portion of the increase in production can be attributed to the support afforded to the Program by State Police Criminal Detectives Squads, who were cross-trained to assist with reducing the case backlog. In all, the Criminal Detectives accounted for 24% of the 44% increase in investigations opened, 17% of the 25% increase in investigations closed, and 10% of the 25% increase in the number of criminal arrests.

Three Year Statistical Profile...



Insurance Fraud / Auto Theft Program

2019 LSP Investigations Conducted by Type...



Insurance Fraud / Auto Theft Program

2019 Judicial Actions...

The total number of people adjudicated in 2019 surpassed each of the previous three years. Between 2016 and 2018, the average number of persons convicted of crimes investigated by the Program was 87 and the average number of people entering a pretrial intervention program was 20. The number of convictions in 2019 was 16% higher than the previous three year average. Persons entering a pretrial intervention program was 30% higher than the previous three year average. In 2019, there was a 28% reduction in the amount of prison time ordered per conviction as compared to the previous three year average, and a 12% reduction in the amount of probation time ordered per conviction based on the three year average.

2019 Judicial Actions

Convictions	101
Jail Time Ordered	83 years 7 months
Probation Ordered	99 years 8 months
Community Service	506 hours
Pre-Trial Intervention	34 entries
Restitution	\$105,424
Court Fines	\$24,361

In 2019, the Program had 21.8% of their convictions declared in Orleans Parish, 11.9% in Caddo Parish, followed by 9.9% in East Baton Rouge Parish. The remaining convictions were spread throughout 28 other parishes. The table to the right shows all convictions and pretrial interventions by parish.

Parish	Convictions	Pretrial Interventions
Acadia	1	0
Ascension	1	2
Assumption	3	2
Bienville	0	1
Bossier	1	0
Caddo	12	0
Calcasieu	3	3
Desoto	1	0
E Baton Rouge	10	4
E Feliciana	2	0
Evangeline	4	4
Franklin	2	0
Jefferson	6	5
Lafayette	4	2
Lincoln	3	0
Morehouse	1	1
Orleans	22	2
Ouachita	2	1
Plaquemines	1	0
Rapides	1	0
Richland	1	0
St. Bernard	2	1
St. Charles	0	1
St. James	1	0
St. Landry	1	0
St. Martin	1	1
St. Mary	2	0
St. Tammany	1	1
Tangipahoa	3	2
Terrebonne	0	1
Union	1	0
Vermillion	5	0
Webster	2	0
W Feliciana	1	0

Insurance Fraud / Auto Theft Unit

2019 Budget Expenditures...

CATEGORY	GENERAL LEDGER	COMMITMENT ITEM NAME	EXPENSED
SALARIES	5110010	SALARIES-CLASSIFIED-T/O-REGULAR	\$1,951,741
	5110015	SALARIES-CLASSIFIED-T/O-OVERTIME	\$153,227
	5110020	SALARIES-CLASSIFIED-T/O-TERMINATION	\$12,278
TOTAL SALARIES			\$2,117,247
RELATED BENEFITS	5130010	RETIREMENT CONTRIBUTIONS-STATE EMPLOYEES	\$170,373
	5130030	RETIREMENT CONTRIBUTIONS-OTHER	\$703,076
	5130060	MEDICARE TAX	\$29,661
	5130070	GROUP INSURANCE CONTRIBUTIONS	\$196,511
	5130090	TAXABLE FRINGE BENEFITS	\$54,234
TOTAL RELATED BENEFITS			\$1,153,855
TRAVEL	5210010	IN-STATE TRAVEL-ADMINISTRATIVE	\$0
	5210015	IN-STATE TRAVEL-CONFERENCES/CONVENTIONS	\$9,631
	5210030	IN-STATE TRAVEL-IT TRAVEL/TRAINING	\$0
	5210050	OUT-OF-STATE TRAVEL-ADMINISTRATIVE	\$686
	5210055	OUT-OF-STATE TRAVEL-CONFERENCES/CONVENTION	\$2,021
TOTAL TRAVEL			\$12,338
OPERATING SERVICES	5310400	SERVICES-MISCELLANEOUS	\$225
	5330007	MAINT-PROPERTY	\$210
	5340020	RENT-EQUIPMENT	\$10,446
	5350005	UTIL-OTHER COMMUNICATION SERVICES	\$2,788
	5350006	UTIL-MAIL, DELIVERY & POSTAGE	\$33
	5350010	UTIL-ELECTRICITY	\$0
TOTAL OPERATING SERVICES			\$13,702
SUPPLIES	5410001	SUP-OFFICE SUPPLIES	\$4,182
	5410006	SUP-COMPUTER	\$319
	5410007	SUP-CLOTHING & UNIFORMS	\$1,693
	5410015	SUP-AUTO	\$0
	5410030	SUP-TOOLS	\$329
	5410031	SUP-REP & MAINT SUPPLIES-AUTO	\$1,979
	5410035	SUP-SOFTWARE	\$0
	5410400	SUP-OTHER	\$10,851
	5410510	SUP-CONSUMPTION OF INVENTORY TRADE-IM	\$304
TOTAL SUPPLIES			\$19,659
OTHER CHARGES	5620018	MISC-PROJECT ACTIVITY	\$0
	5620063	MISC-OPERATING SERVICES	\$18,319
	5620065	MISC-SUPPLIES OTHER	\$4,070
	5620066	MISC-TRAVEL IN STATE	\$2,356
	5620067	MISC-TRAVEL OUT OF STATE	\$6,432
	5620068	MISC-ACQUISITION/MAJOR REPAIR OTHER	\$0
	5620069	MISC-INTERAGENCY (IAT) OTHER	\$0
	5620112	MISC-OTHER MISC PUBLIC SAFETY & FRAUD	\$1,290
	5620142	MISC-OC-MISCELLANEOUS MAJOR REPAIRS	\$3,212
	5620276	MISC-OC-SUP-CONSUMPTION OF INVENTORY TRA	\$24
	5620900	MISC-ACQUISITION/MAJOR REPAIR OTHER	\$389,737
TOTAL OTHER CHARGES			\$425,440
ACQUISITIONS	5710950	TRANSPORTATION - VEHICLES - MA	\$7,802
TOTAL ACQUISITIONS			\$7,802
INTER AGENCY TRANSFERS	5950014	IAT-TELEPHONE	\$10,727
	5950027	IAT-RENTALS-THIRD PARTY LEASES	\$0
TOTAL INTER AGENCY TRANSFERS			\$10,727
TOTAL			\$3,760,769

Insurance Fraud / Auto Theft Program

Region 1 Investigative Highlights

Auto Theft

In August of 2019, Louisiana State Police received information from the National Insurance Crime Bureau concerning numerous vehicles with cloned identities in Baton Rouge and surrounding areas. State Police teamed up with sheriff's offices from East Baton Rouge Parish, East Feliciana Parish and Forrest County in Mississippi. On October 30, 2019, multiple search warrants were served in Louisiana and Mississippi. Three arrests were made and 18 stolen vehicles were recovered estimated to be valued at \$717,000.

Healthcare Fraud

In January of 2019, Louisiana State Police began an investigation into allegations of healthcare fraud regarding Whyllithia and Richard Robinson. A State Police investigation determined Whyllithia and Richard submitted fraudulent and forged medical invoices and documentation supporting fictitious claims. The claims were submitted for both of them, as well as their two minor children. The loss to the insurance company was \$31,107.34. On September 11, 2019, Whyllithia and Richard Robinson were both charged in Iberville Parish for Insurance Fraud, Forgery, and Theft.

Claims Adjuster Fraud

In August of 2019, Louisiana State Police received a criminal referral alleging criminal activity by Michelle Lusk, a licensed insurance agent in Louisiana. Michelle Lusk was employed to handle workman's compensation claims for Louisiana State University. A State Police investigation determined that Lusk was fraudulently generating paperwork to justify the issuance of payments from the university's workman's compensation account. The investigation also determined that Samantha Zayak assisted Lusk with the fraud. State Police obtained warrants in East Baton Rouge Parish charging Lusk with Theft, Insurance Fraud, and Forgery. Zayak was charged with Theft. Both were arrested and booked. The Louisiana Department of Insurance served Lusk with a Cease and Desist Order.

Staged Vehicle Crash

In October 2016, Cadja Bourda reported a claim with a Louisiana insurance company in reference to an alleged automobile crash. Bourda told the insurance company she was struck in the rear of her vehicle by Ann Grant. After the alleged accident, Cadja Bourda, Shardae Folsie, and Megan Matthews reported claims to the insurance company. All parties involved indicated that no one knew any other person in the opposing vehicle. State Police determined persons in the opposing vehicles were in communication prior to the alleged crash. The investigation concluded that the crash was staged. All three subjects were arrested for Insurance Fraud in Jefferson Parish, Louisiana.

Auto Theft

In September 2019, three people carrying candy boxes stole a 2015 Mercedes-Benz and a 2018 Dodge Charger that were parked in a casino parking garage in New Orleans. That same day, officers detained Ditalion Thomas, carrying a similar candy box, for trespassing on the casino property. State Police confronted Thomas, who admitted to being involved in the vehicle thefts and identified the other two parties as Lataijal McNeal and Xavier Glaspie. McNeal, Glaspie, and both stolen vehicles were found by law enforcement in Tennessee. All three have been charged with Auto theft in Orleans Parish.

Disability Fraud

In September 2019, Haydee Santana of Covington, Louisiana, was indicted by a federal grand jury for Theft of Government Funds. According to the indictment, Santana applied for Social Security Supplemental Security Income disability payments. Santana's SSI application allegedly concealed assets. In total, Santana fraudulently obtained over \$31,000.00 in disability benefits. The U.S. Attorney's Office praised the work of the Social Security Administration, Office of Inspector General, and the Louisiana State Police.

All persons are presumed innocent until proven guilty.

Insurance Fraud / Auto Theft Program

Region 2 Investigative Highlights

Vehicle Crash Jump-ins

In 2018, Louisiana State Police received a complaint concerning a suspicious two-vehicle crash, which reportedly occurred in Acadia Parish. The State Police investigation determined that a crash between vehicles driven by Harris Gobar and Lonnie Lambert did occur. After, and for differing reasons, Gobar and Lambert recruited replacement drivers and additional passengers. Upon the arrival of law enforcement, the group falsely identified the drivers and passengers of the two vehicles. The new drivers were identified as Jaclin Trahan and Jernai Campbell; additional passengers included Temesha Lambert and Belinda Hebert. Lonnie Lambert claimed to be a passenger rather than a driver. Lonnie and Jernai claimed to have been injured in the crash; Jernai even opted to be transported to a hospital for her injuries. Upon completion of the investigation, State Police arrested Jernai Campbell, Lonnie Lambert, Temesha Lambert, Belinda Hebert, Harris Gobar, and Jaclin Trahan on criminal charges ranging from Filing a False Police Report to Insurance Fraud.

Stolen Vehicle and Staged Vehicle Crash

In 2017, Louisiana State Police received a request for assistance from the Abbeville Police Department. According to the complaint, the Abbeville Police Department was called to investigate a two-vehicle hit and run crash involving a Nissan passenger car driven by Shandrea Plowden and occupied by Jordan Mitchell, and a City of Kaplan truck, which was later determined to be the subject of a theft. In speaking with law enforcement from Abbeville and from the City of Kaplan, Investigators learned that the crash was captured on a surveillance camera and that one of the occupants of the stolen truck had left footwear at the scene. A review of the surveillance video showed the two vehicles prior to the crash. The Nissan slowed as the stolen truck approached from the rear and struck it. After the strike, the driver and occupant abandon the stolen truck. Mitchell got their attention, and one of the occupants returned to the stolen truck. The stolen truck struck the Nissan a

second time, and the driver fled again. The team of officers from Abbeville, Kaplan, and State Police pooled their resources; serving search warrants for documentary evidence, submitting evidence for DNA analysis, and conducting interviews. The officers were able to determine that one of the occupants of the stolen truck was Antonio Gilbert. At the conclusion of the investigation in 2019, State Police arrested Plowden, Mitchell, and Gilbert on charges ranging from Criminal Mischief, Simple Obstruction of a Roadway, Possession of Stolen Property, Reckless Operation, Filing a False Public Record, and Insurance Fraud. Since their arrests, Gilbert was sentenced to five years in prison and three years of probation, Mitchell was sentenced to two years in prison and two years of probation; Plowden's charges are still pending.

Staged Rental Vehicle Crash

On June 28, 2018, Louisiana State Police received a criminal complaint concerning allegations of insurance fraud. The complainant believed a group of people in Terrebonne Parish staged a vehicle crash. A State Police investigation determined that in May of 2018, Heather Thibodaux, Bonnie Brien, Ashley Burnett, Fredericka Burnett, and Germaine Johnson conspired and participated in a staged vehicle. The crash involved a privately owned vehicle and a U-Haul rental truck. At the conclusion of the investigation, all were arrested by State Police, on charging ranging from Insurance Fraud to Injuring Public Records.

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Insurance Fraud / Auto Theft Program

Region 3 Investigative Highlights

Life Insurance Application Fraud

On August 14, 2018, Louisiana State Police received a complaint from the Grant Parish Sheriff's Department. The complaint originated with the death of Keelien Lewis, where Daniel Aikens attempted to collect \$250,000.00 in life insurance benefits pursuant to a policy Aikens had taken out on Lewis. A State Police investigation determined that in October of 2017, Aikens submitted life insurance applications to Colonial Insurance for himself, Keelien Lewis, Jonathan Sanders, and Jason Miles. Aikens, Sanders, Lewis, and Miles falsely reported themselves as part owners of a business. The policy required the insureds to be owners of the business and have at least ten employees, inclusive of the owners. The fraudulent applications submitted indicated there were four equal owners of the business partnership, and that the business had an additional six employees. The policies were issued. In January of 2019, Jonathan Sanders and Aikens were arrested on State Police warrants charging them with Insurance Fraud in Rapides. An additional arrest is expected.

Watercraft Insurance Fraud

On September 5, 2019, Louisiana State Police was contacted by the Louisiana Department of Wildlife and Fisheries. Wildlife and Fisheries agents believed they had credible information concerning insurance fraud, which they obtained during the investigation of an alleged boat crash. A joint State Police and Wildlife and Fisheries investigation determined that Troy Sproles reported to Wildlife and Fisheries that he was involved in a boat crash in Union Parish. After the loss, Sproles reported to his insurance company that he lost 16 rods and reels, valued at approximately \$10,000.00. Later that same evening, Wildlife and Fisheries agents confronted Sproles and found him to be in possession of the fishing equipment he reported lost to the insurance company. At the conclusion of the investigation, State Police arrested Sproles, charging him with Insurance Fraud.

Automobile Insurance Fraud

On October 11, 2016, Louisiana State Police received a criminal referral from the Louisiana Department of Insurance on behalf of an insurance company. The complaint alleged Diedra Michelle Lee intentionally caused injury to her child following a collision between a City of Shreveport bus and a privately owned vehicle. Following the incident, Lee filed fraudulent bodily injury claims for her daughter and herself. A State Police investigation determined Lee and her daughter were passengers on a Shreveport city bus when it was involved in a crash with another vehicle. After the crash, Lee caused her daughter's head to strike the seat forward of their position. Lee then made fraudulent insurance claims indicating her daughter and she sustained injuries in the crash. On August 7, 2019, Lee was arrested by State Police and charged with Cruelty to a Juvenile and two counts of Insurance Fraud. She was booked into the Caddo Parish Correctional Center.

Healthcare Fraud

In 2019, Louisiana State Police began an investigation into allegations of healthcare fraud against Dr. Mary Beth Jones, a licensed professional counselor. The complainant, an insurance company doing business in Louisiana, alleged that Dr. Jones billed an insurance company for excessive dates of services in relation to healthcare services she reportedly rendered to three patients in Bossier Parish in 2017. The State Police investigation concluded Jones did commit insurance fraud by billing the insurance company for an inflated amount of healthcare services in contrast to what services were actually administered. As a direct result of her actions, Dr. Jones was paid approximately \$26,261.55 by the insurance company for which she was not entitled. On August 23, 2019, Dr. Jones voluntarily surrendered to Bossier Parish Sheriff Deputies on a State Police warrant charging her with two counts of Insurance Fraud. She was booked into the Bossier Parish Jail.

All persons are presumed innocent until proven guilty.

Insurance Fraud / Auto Theft Program

LAW ENFORCEMENT TRAINING

One of the ancillary duties of the Louisiana State Police Insurance Fraud and Auto Theft 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 2019, members of the Program conducted 21 training sessions with a combined attendance of 395 law enforcement officers.

This year, the Program implemented two new training strategies. The Program, in conjunction with the National Insurance Crime Bureau, hosted a three day Insurance Fraud and Auto Theft Summit. The training was made available and free of charge to all Louisiana law enforcement, and was attended by 41 officers. The Program also conducted a one day Insurance Fraud and Auto Theft Program in-service. The in-service was designed to review criminal statutes associated with the investigation of insurance fraud and auto theft, and provide a platform for officers to present summaries on significant investigations for discussion. The in-service was attended by members assigned to the program as well as select members of the State Police Criminal Investigations Division.

State Police sent Sergeants Michael Wilkerson and William Latham to the 2019 National Coalition Against Insurance Fraud annual meeting in Washington DC. Their presence gave State Police the opportunity to learn about current national legal developments in the fight against fraud, show State Police’s support of the Coalition’s efforts to combat insurance fraud, and to showcase our Program, processes, and results.

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 has been a tried and true supporter of our vehicle theft mission.

2019 IFAT Program Results	
Stolen Vehicles Recovered	197
Value of Recoveries	\$3,408,149.00



Insurance Fraud / Auto Theft Program

Additions

Trooper First Class Daniel Graf transferred to the New Orleans Field Office from Troop B Patrol in the spring of 2019.

Senior Trooper Cedric Skinner transferred to the New Orleans Field Office from Troop B Patrol in the spring of 2019.

Trooper First Class Leander Journee transferred from the Criminal Intelligence Unit to the New Orleans Field Office.

Departures

Senior Trooper Cedric Skinner was promoted to Sergeant and assigned to Troop N Patrol.

Criminal Investigator Edward Smith transferred from the Insurance Fraud Squad to the Criminal Detectives Squad within the Breaux Bridge Field Office.

Criminal Investigator Nicholas O'Connor transferred from the New Orleans Field Office to the Criminal Intelligence Unit.

Team Member Spotlights

Trooper First Class Jeffrey Theriot is a member of the Louisiana State Police Insurance Fraud/Auto Theft Program in New Orleans. Prior to coming to the Louisiana State Police, Trooper Theriot was a member of the Slidell Police Department in Louisiana, where he served for 10 years. During his assignment at the Slidell Police Department, Trooper Theriot was awarded Officer of the Year. He was accepted to attend the Louisiana State Police Academy and graduated in April 2015; afterwards, being assigned to Troop L as a patrolman. In the fall of 2018, Trooper Theriot transferred to his current assignment as an auto theft and insurance fraud investigator in the New Orleans Field Office. In 2019, Trooper Theriot

initiated 46 criminal investigations, recovered 47 stolen vehicles, and arrested 40 people for insurance fraud, auto theft, and other criminal offenses.

One of Trooper Theriot's investigations disrupted an international criminal organization that was utilizing stolen or synthetic identities to fraudulently purchase vehicles for international export. Trooper Theriot's investigation fostered close working relationships with local and federal partners, as well as affected companies in the insurance and automotive industries. In the near future, he plans to continue fostering partnerships and implement additional measures such as the use of computer driven evidence, both of which are intended to build better criminal cases for prosecution.

Investigator Edward Smith was hired by Louisiana State Police in August of 2015 and assigned to the Insurance Fraud and Auto Theft Program. He was assigned to the Breaux Bridge Field Office. Investigator Smith previously worked for the Opelousas Police Department and for the St. Landry Parish Sheriff's Office; gaining seven years of experience in all facets of criminal investigations. In addition to his Program assigned investigations, Investigator Smith assisted the Breaux Bridge CID office by responding to aid criminal detectives, criminal intelligence agents, and narcotics officers in their assigned duties and responsibilities.

Investigator Smith served as an instructor for local P.O.S.T. academies, leaning on his experience to provide education on the topics of auto theft investigations and physical inspection certifications. Investigator Smith's thoroughness, attention to detail, team-oriented disposition, and tireless efforts made substantial contributions to the Program and the Breaux Bridge Field Office. In light of his efforts and professionalism, Investigator Smith was awarded the Louisiana State Police Meritorious Service Award in 2019. Investigator Smith will be missed, having transferred from the Program in September of 2019.

Louisiana Attorney General Jeff Landry's Criminal Division



INSURANCE FRAUD SUPPORT UNIT 2019 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 prosecutions and the recovery of hundreds of thousands of dollars in restitution, 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 cases being worked. 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).

As part of our ongoing commitment to working with insurers operating in Louisiana, as well as fostering the professional development and expertise of our individual Assistant Attorneys General – the Unit attended a law enforcement summit event hosted by Blue Cross/Blue Shield on November 7, 2019. Participation in this day-long meeting offered special training to law enforcement in insurance and healthcare fraud-related issues.

All Assistant Attorneys General assigned to the Unit are expected to handle opinion requests. When opinions are assigned, work is done with law clerks to research and draft accurate responses to the requests.



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.

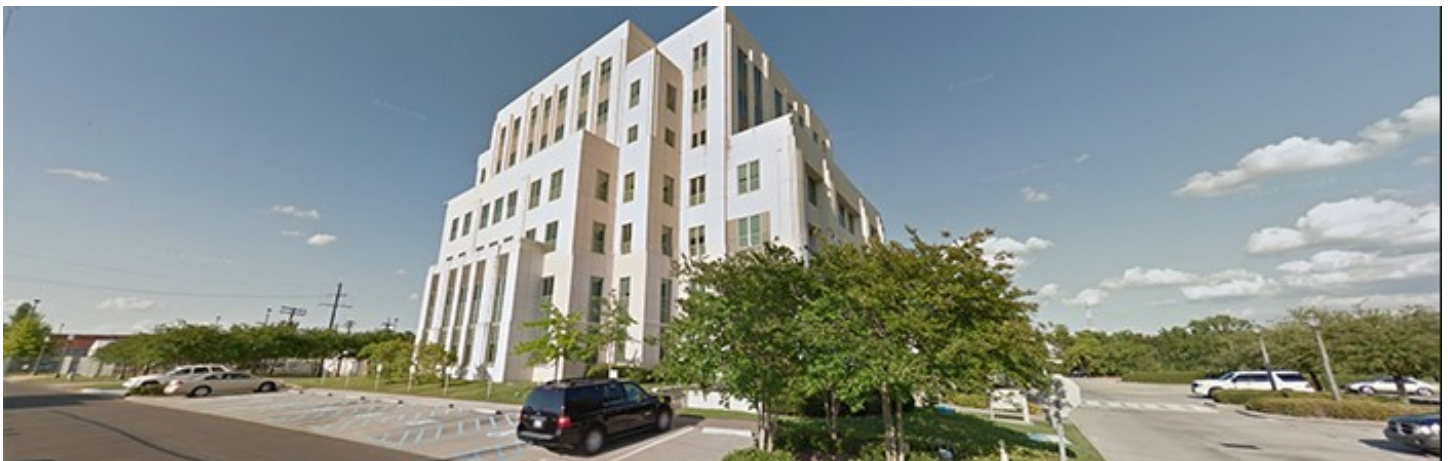
Primary Purpose of Insurance Fraud Support Unit

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

To attend LADOI and LSP meetings to screen insurance fraud referrals.

To prosecute tax fraud cases pursuant to contract with LDR.

Insurance Fraud Expenditures January 2019 to December 2019	
Salaries	\$498,244.00
Related Benefits	\$245,233.00
Travel	\$15,694.00
Operating Services	\$17,216.00
Supplies	\$1,253.00
Other Charges	\$57.00
Acquisitions	\$2,628.00
IAT Charges	\$45,877.00
TOTAL	\$826,202.00



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 2019, the Unit's attorneys attended all intelligence sharing meetings with the LADOI and the LSP fraud units.

During the 2019 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 2019 calendar year, 391 new fraud cases were opened through the operation of the multi-agency Insurance Fraud Task Force. 365 cases were closed as either a conviction, a pretrial agreement, or a consult. As of December 31, 2019, the Task Force was working 87 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 2019 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 19 active prosecutions of Task Force cases in 2019. These new cases represent actual and potential fraud amounts of well over a million dollars. Six different Assistant Attorneys General are currently prosecuting Task Force cases, 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.

Finally, the Unit was successful last year in recovering restitution of over a hundred thousand dollars to various victims – including individuals, insurance companies, and LDR.

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.

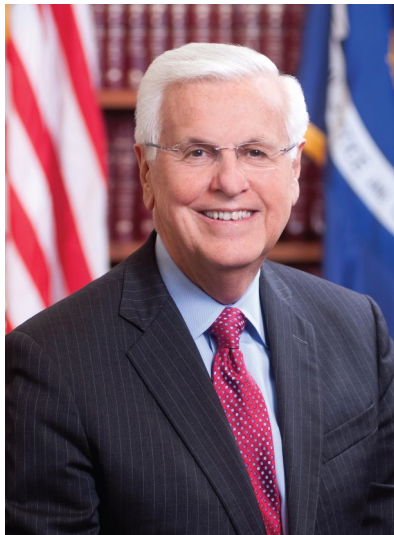


Louisiana Department of Insurance



Division of Insurance Fraud

Insurance Fraud Support Unit



Claims Fraud...

The Division of Insurance Fraud received 2,330 reports of suspected fraudulent claims during 2019. 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 37,934 entries of suspected fraudulent claims.

During 2019, the LDI Division of Insurance Fraud referred 1090 claim fraud investigations to the State Police. There were 171 arrests resulting in 302 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	142	47%
Automobile Insurance Fraud	60	19.9%
Forgery	43	14.2%
Filing False Public Records	17	5.6%
Theft	14	4.6%
Injuring Public Records	10	3.3%
Criminal Conspiracy	6	2.0%
Contributing to the Delinquency of a Juveniles	3	1.0%
False Auto Theft Affidavit	1	.5%
Accessories After the Fact	1	.5%
Criminal Damage to Property with Intent to Defraud	1	.5%
Cruelty to Juveniles	1	.5%
Improper Lane Usage	1	.5%

*An arrest may include multiple charges.

Insurance Fraud Support Unit

2019 Producer, Adjuster and Company Fraud Actions...

Action	Number
Number of Investigations Opened	148
Fines	8
License Revocations	11
License Suspensions	3
Cease and Desist Orders Served	5
Criminal Referrals to Law Enforcement	8
Arrests Made as a Result of Criminal Referrals	2

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	115
Company Applications Approved	115
Company Biographical Affidavits Received	966
Company Biographical Affidavits Approved	954

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 2019, LATIFPA expended \$189,197.00, 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 2018—2019 Louisiana Department of Insurance Annual Report.

Insurance Fraud Support Unit

Calendar Year 2019 Budget Expenditures...

Expenditure Category	Amount
Salaries Classified—Regular	594,227.11
Salaries Classified—Termination	787.54
Salaries Unclassified—Regular	137,074.17
Salaries Unclassified—Overtime	0.00
Wages	7,908.00
Wages—Overtime	420.00
Retirement Contr—State Emp	287,681.22
Post Retirement Benefits	3,754.80
FICA Tax	516.34
Medicare Tax	10,019.08
Group Insurance	67,216.46
Total Personal Services	\$1,109,604.72
In-State Travel—Administrative	0.00
In-State Travel—Conf, Conv	1,340.00
In-State Travel—Field	582.00
Out-of-State Travel—Admin	1,172.64
Out-of-State Travel—Conf, Conv	3,615.51
Total Travel	\$6,710.15
Printing	55.00
Rentals—Buildings	1,532.56
Rentals—Others	31.88
Dues and Subscriptions	4,206.00
Mail, Delivery, and Postage	6,862.39
Operating Services—Misc	10.50
Total Operating Services	\$12,698.33
Operating Supplies—Computers	719.98
Operating Supplies—Auto	347.91
Operating Supplies—Other	96.87
Total Supplies	\$1,164.76
IAT—Printing	480.00
IAT—Postage	152.11
Total IAT	\$832.44
TOTAL DIVISION OF INSURANCE FRAUD EXPENDITURES	\$1,130,810.40

DIVISION OF INSURANCE FRAUD	
Total Expenditures	\$1,130,810.40
Means of Financing	
Insurance Fraud Investigation Fund	\$624,168.00
LDI Self-Generated Funds	<u>\$506,642.40</u>
Total Means of Financing	\$1,130,810.40
LA AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION AUTHORITY	
Amount Expended of the \$227,000 Appropriation	
LATIFPA Fund	\$189,197.00

Note: This amount does not include the \$189,197.00 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!



© Photo by Michelle Cloud

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

Insurance Fraud Section
Louisiana Auto Theft and Insurance Fraud Prevention Authority
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www.ldi.la.gov

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