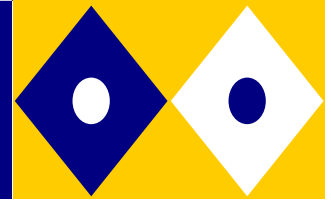


True Blue

Mid-Year Newsletter

July 2009



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A Man of the Cloth or a Professional Fraudster?

Sgt. Rickie Guhman, Baton Rouge

On May 29, 2009, State Police arrested John Stephen Shane Vaughn on multiple counts of identity theft, bank fraud, theft, and insurance fraud. Vaughn's scheme began by stealing the identity of a two-year old child. He obtained the Social Security Number of the minor child and acquired a fake Wyoming driver's license in the child's name. He then used these credentials to obtain a producer's license, under the child's name, to sell life insurance in Louisiana.

The newly licensed Vaughn; under the name of the minor child, contracted with a life insurance company to sell their products. Vaughn sold an annuity to a person named Sandra Seale and received \$212,000 check from Seale for the annuity. The sale garnered Vaughn a \$20,000 commission payment that was electronically deposited in a bank account belonging to Vaughn in the name of the minor child.

The problem was that Sandra Seale did not exist and the \$212,000 check had a lot of bounce in it.

The \$20,000 commission payment was deposited in Vaughn's account before the insurance company realized the annuity sale was fraudulent. Vaughn, using

his burrowed identity, then proceeded to withdraw the money from the bank by going to several bank branches on a Friday afternoon just before they closed.

As a bonus for having to fight Friday afternoon traffic, he was able to draw \$500.00 more than what was in the account.

Senior Trooper Eric Adams, who was assigned to this case, was able to identify Vaughn through bank surveillance photos and other investigative methods. As the case developed he discovered some very interesting background information on Vaughn.

Vaughn was a self-proclaimed evangelical minister who sold inspirational religious books on the Internet. He published an evangelical magazine called the Brides Journal and he recorded and sold gospel music. In addition, he had a weekly evangelical radio program on a local AM station, which would end with him offering life insurance products.

The investigation also found several websites of Vaughn preaching at func-

tions throughout the South and being honored for his dedication to the ministry. He could also be seen dining at restaurants, driving his BMW, vacationing at the beach, and living what seemed to be a very comfortable, if not affluent, lifestyle.

Although Vaughn was all over the Internet, the investigation could not find any vehicles or assets in his name. Any addresses associated to Vaughn had either been abandoned property or did not exist. The investigation eventually found that he did have a Louisiana driver's license. Or it would be more accurate to say that he had one with his picture on it.

Continued on page 6...

Rev. Shane Vaughn
THIS IS ME
the amazing life story of a child preacher



SIU Meeting Dates

(first Wednesday of the month)

August 5, 2009

10:00am
 5903 Coliseum Blvd.
 Alexandria, LA 71303

September 2, 2009

9:30am
 7919 Independence Blvd., 3rd floor
 Baton Rouge, LA 70806

October 7, 2009

10:00am
 5903 Coliseum Blvd.
 Alexandria, LA 71303

November 4, 2009

9:30am
 7919 Independence Blvd., 3rd floor
 Baton Rouge, LA 70806

December 2, 2009

10:00am
 5903 Coliseum Blvd.
 Alexandria, LA 71303

Insurance Agency Employee Arrested

Sgt. Stacey Pearson, Lafayette

In St. Martin Parish, Troopers in the Lafayette Field Office arrested Wendy Dore, an agency employee of State Farm Insurance Company. Dore, who held a Property and Casualty license from September 2007 until the current action, collected then allegedly kept cash premium payments from policyholders. Dore did not remit the payments to the company but instead kept them for her own use while charging the policyholder's premiums to a credit card illegally obtained in her employer's name. She also allegedly

made several withdrawals from two life insurance policies without the knowledge and consent of the policyholders. Dore is suspected of making changes to the policyholder's addresses sending all company correspondence and checks to her home address, which she endorsed and cashed. Dore was arrested by the State Police Insurance Fraud and Auto Theft Unit on one count of felony theft, one count of unfair trade practices, two counts of forgery and two counts of identity theft.

She was also served by the Louisiana Department of Insurance with a cease and desist order, notice of license revocation and a \$10,000 fine notice.



New Program Coordinated Named - Trooper Robert Bennett

Michele Aucoin, Baton Rouge

In May of 2009, upon Lt. Allen Carpenter retiring from LSP; Trooper Robert Bennett was asked to accept the position as Criminal Program Coordinator.

Trooper Robert Bennett has been in law enforcement for 21 years, 15 of those years have been with Louisiana State Police. In 1988, he began his career in law enforcement with the New Orleans Police Department, as a patrol officer he was assigned to the Sixth District for a year then he was assigned to the Special Operation Division as a member of the S.W.A.T. team.

In January 1995, he began his career with Louisiana State Police at Troop B in New Orleans. In 1998, Bennett was transferred to BOI to assist in creating the LSP Insurance Fraud Unit. In

2000, the Louisiana State Police Insurance Fraud Unit was officially created and Bennett has been in the Unit ever since assigned to the New Orleans office. During his time spent in the IFU- New Orleans office he has worked many different and interesting cases. One of his most memorable cases involved an International Ponzi Scheme, which caused unsuspecting investors to lose \$177,000,000.00. This case resulted in the successful federal prosecution of all parties and recovery of some of the investments.

Trooper Bennett is married to Karla Bennett and has two children; Ashley and Matthew.

Trooper Bennett accepted his new position with great enthusiasm and is look-

ing forward to working with his law enforcement partners as well as the insurance industry to combat fraud in Louisiana.



Trooper Bennett with Lt. Carpenter at Retirement Party held for Carpenter on May 28, 2009 at DPS HQ

Working with Narcotics - Prescription Drug Fraud

Sgt. Belinda Murphy, Alexandria



Recently, Central Louisiana has seen a sharp decline in referrals. In an effort to remain vigilant against Insurance Fraud, Region II Insurance Fraud Detectives in Alexandria have proactively initiated many investigations through active communication with business owners, Insurance Agencies, Local Law Enforcement and Local Hospitals.

Furthermore, Narcotics Investigators are experiencing a growth in Diversion Drug investigations, which by working together has netted several investiga-

tions for Insurance Fraud Detectives. Working together within Region II has allowed us to initiate fraudulent prescription investigations where the suspects have initiated claims on prescriptions through private insurance providers. These prescriptions were fraudulent in nature and not authorized by a medical provider. Prescription fraud in the past would have gone unnoticed and never referred as an insurance complaint, but now every chance to work alongside other sections or agencies has broadened our scope of focus.

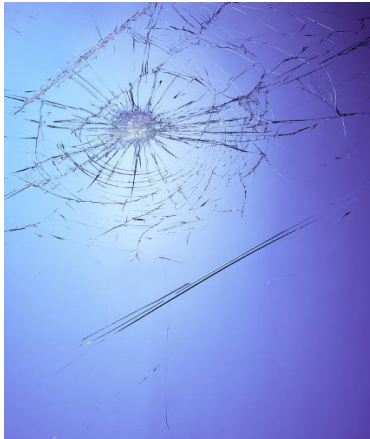
Windshield Repair Schemes... Still Around

Sgt. Rickie Guhman, Baton Rouge

In May 2009, the Baton Rouge Field Office concluded an investigation into allegations of fraudulent billing by Crack-Attack; a windshield repair company operating in the Baton Rouge metropolitan area. Several insurance companies filed complaints when they discovered they were billed by Crack-Attack for repairs that were never performed.

The scheme was a simple and similar to past cases.

The investigation found that a contract employee of Crack-



Attack, Bradley Businger, submitted fraudulent repair claims from February 2008 through December 2008.

Businger would perform legitimate repair work and collect a customer's insurance and vehicle information in order to submit the legitimate claim. Shortly after he filed the legitimate claim he would use the customer's information to file additional, but bogus, claims.

Businger was paid a commission on the amount of work he performed. Therefore he profited by inflat-

ing the number of repairs he performed. The insurance companies paid out almost \$2,000 on these fraudulent claims.

Businger was charged with multiple counts of forgery, theft, and insurance fraud.

It is interesting to note that in the past several years the Baton Rouge Field office has handled several windshield repair schemes similar to this one. In each of these cases the suspect used the customer's insurance information from a legitimate claim to sneak-in bogus claims. The suspect did allude this type of false billing is common in the windshield repair business.

Unfortunately this not the last windshield repair scheme we will see.

Woman Lied About Working as a Musician/Choir Director for a Local Church to Collect Money

Sgt. Keith Phenix, Monroe

A Caddo resident needs to ask God for forgiveness after she lied about working for a local church to support her loss wages claim.

On March 23, 2006, Flossie S. Sears was allegedly injured in a work related accident in Shreveport, Louisiana. She filed a workers compensation claim with her employer's insurance company. Sears claimed she was losing income, due to her inability to work, from two part-time jobs in addition to her full time job. On November 27, 2007, she submitted W-2 forms to support her lost wages claim for the part-time jobs. One of the part-time jobs was with a local church where Sears claimed she was employed as a musician/choir



director with an annual income of \$29,300.00. However, investigators with the Monroe office spoke with the pastor and learned Sears was not employed there and hasn't been employed during his 11 years tenure.

Louisiana State Police Insurance Fraud / Auto Theft Program

Advisory Board Members

Mr. Paul Boudreaux
DOI, Fraud Director

Captain Barry Branton
LSP, Commander

Ms. Denise Cassano
LATIFPA, Director

Mr. Howard Goldblatt
Coalition Against Ins. Fraud/Gov. Affairs, Director

Mr. Darrell Langlois
BCBS of LA, Director

Mr. Fred Lohmann
NICB, Area 4 Director

Mr. Tom McCormick
LA DOJ/IF Support, Section Chief

Major David Staton
LSP, Command Inspector

Mrs. Patti Todd
IASIU- LA, President

Advisory Board Liaisons

Trooper Robert Bennett
Criminal Program Coordinator

Ms. Michele Aucoin
Inv. Specialist

2009 Legislative Activity

Trooper Robert Bennett, Baton Rouge

HB 820

The Louisiana Omnibus Auto Theft Prevention and Recovery Act (LOATPRA)

This bill provides a method for tracking vehicles that have been salvaged, assembled, dismantled, or crushed and insures these vehicles have been reported to the State. This makes it possible for the State to track vehicles from “cradle” to “grave”. This will also greatly enhance our ability to track vehicles with a switched vehicle identification numbers (VIN’s) and cloned vehicles (2 vehicles with the same VIN). Cloned vehicles and vehicles with switched VIN’s are an extremely costly type of fraud. It affects 3 parties, the original owner of the stolen vehicle; the insurance company that paid a claim on the stolen vehicle; and the cloned vehicle’s owner who will have to pay the lien holder even though the vehicle has been seized by local law enforcement.

As of May 2009, the Federal Government (DOJ) mandated that all states comply with the National Motor Vehicle Titling Information System (NMVTIS). This system requires the salvage industry doing business in Louisiana to enter vehicle information into NMVTIS. Currently, the salvage industry incurs a variable cost per entry to NMVTIS. Once HB 820 is implemented, the DOJ has stated they will allow the State of Louisiana to submit the information on behalf of the salvage industry at no cost to either party. This financially benefits many small Louisiana businesses and insures compliance with State and Federal requirements.

This bill also makes changes to the Physical Inspection process currently in operation. When implemented, this bill would require any Post Certified Officer who wants to perform Physical Inspections to attend extensive training classes on the Physical Inspection process. This would provide the State with a certified list of those able to perform Physical Inspections and would substantially reduce the problem of forged inspections.



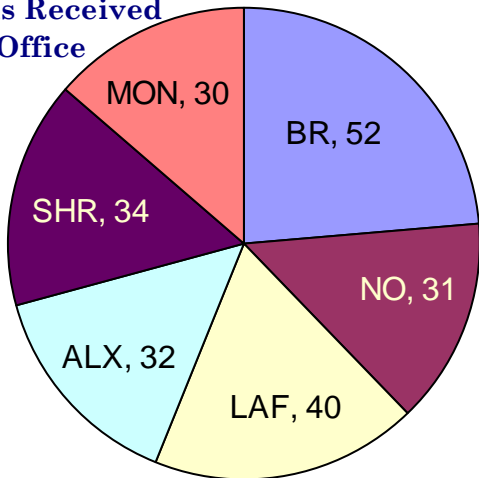
Currently there is a problem with insolvent dealerships improperly using their remaining inventory of State issued temporary license plates and dealer inventory plates. State authorities are unable to enter the premises of these insolvent dealerships to retrieve these items. HB 820 provides the State the authority to retrieve the items thereby reducing the improper usage of these plates.

HB 820 not only assists the State of Louisiana in its fight against fraud, but it also protects the innocent citizens of Louisiana from purchasing vehicles that have been compromised through illegal practices.

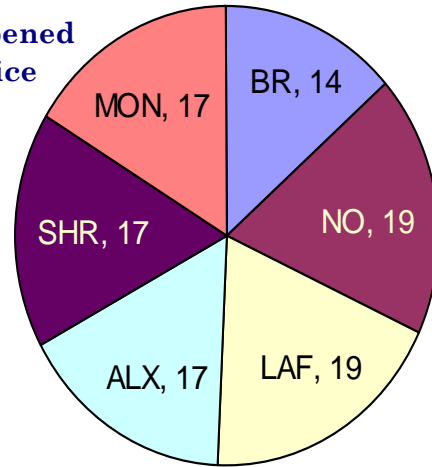
Statistical Information

2009 Statistics (Jan-June)			
Referrals Received	219	Cases Closed	103
Cases Opened	103	Arrests	69

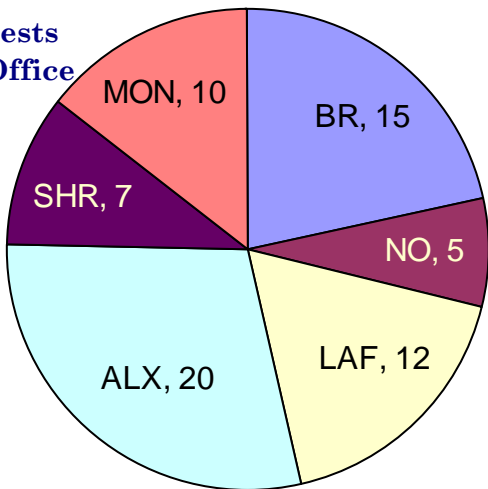
Referrals Received by Office



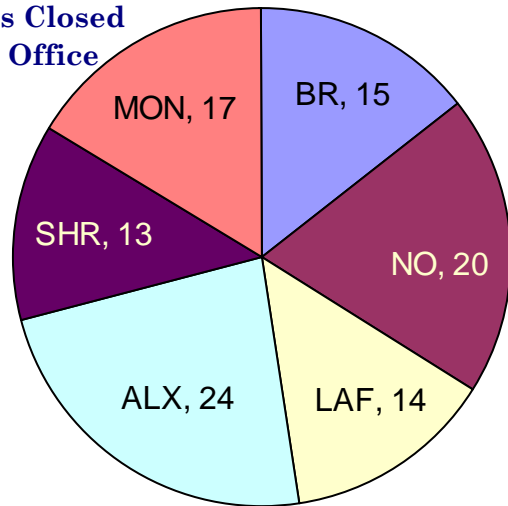
Cases Opened by Office



Arrests by Office



Cases Closed by Office



1st QTR Stats	BR	NO	LAF	ALX	SHR	MON	Totals
Refferrals Received	30	18	23	17	14	20	122
Cases Opened	7	5	11	11	10	10	54
Cases Closed	9	5	8	11	6	9	48
Arrests	8	2	7	16	1	3	37
2nd QTR Stats	BR	NO	LAF	ALX	SHR	MON	Totals
Refferrals Received	22	13	17	15	20	10	97
Cases Opened	7	14	8	6	7	7	49
Cases Closed	6	15	6	13	7	8	55
Arrests	7	3	5	4	6	7	32

A Man of the Cloth or a Professional Fraudster?

Continued from page 1...

Because Vaughn's actions involved several illegal acts ranging from identity theft to insurance fraud, arrest warrants were obtained in the parishes of East Baton Rouge, Jefferson, and Livingston. It was also discovered that he was wanted in Franklin, Tennessee. Vaughn allegedly defrauded a business by ordering laptops in their name and then sold the laptops to other businesses.

Vaughn was located and arrested in Abita Springs, LA. He was booked into the Livingston Parish Jail where as of June he was still waiting to make bond. He will eventually be booked in the other jurisdictions in Louisiana before being extradited back to Tennessee.

SSA / CDI

Statistical Information

Cases Opened	74
Cases Closed	56
SSA Savings	\$4,036,420
Non SSA Savings	\$1,640,965
Total Savings	\$5,677,385



<http://www.lsp.org/ifu.html>

INSURANCE FRAUD / AUTO THEFT SQUAD PHONE NUMBERS

PROGRAM COORDINATOR'S OFFICE

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Brandon Poe (225) 925-3822
Vacant (225) 925-3834
Vacant (225) 925-3794
Vacant (225) 925-4527
Allen Applewhite(NICB) (225) 925-4526

NEW ORLEANS OFFICE

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Joe Cuccia (504) 471-2714
Will Pike (504) 471-2715
Todd Marchand (504) 471-2809
Gerry Coleman (504) 471-2820

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Wayne Vidrine (337) 262-2052
Kevin Dies (337) 262-1677
William Latham (337) 262-3327

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Jerry Johnson (318) 484-2190 x-147

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Ted Raley (318) 862-9984
C.D. Lee (318) 862-9983
Lawrence Hartsfield (318) 862-9982
Hackley Willis (318) 862-9961

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Sgt Keith Phenix (318) 362-4588 (Primary)
Debbie Gibson (318) 362-4578 x-103
Ron Huey (318) 362-4578 x-123

SSA

CDI Unit (225) 298-5566

CDI Unit Fax (225) 298-5567

OIG (225) 298-5560

Sgt. Frank Coates (225) 925-3810 (Primary)

Wayne Presley (225) 298-5573

Liz Matherne (225) 298-5583

Daryle Graham (225) 298-5580

Stan Howard (225) 298-5569

Mark Barnes (225) 298-5577

Dirk Bergeron (225) 298-5564

Bridget Newman (225) 298-5562

Lam Huynh (225) 298-5563

Tiffany Hose (225) 298-5585