

The International Fight Against Insurance Fraud

It Begins at the Local Level

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THE INSURANCE FRAUD BUREAU



Early History of Fraud in the US

- Late 1800's, to early 20th Century
 - Slip and fall fake accidents
 - Using Banana Peels on Trains

Source: ACCIDENTALLY ON PURPOSE
by Ken Dornstein

Early History of Fraud in the US

- Arson for Profit has been around for years
- Fake Death Claims
- Auto Accident Injuries
 - The rise of “ambulance chasers”
 - Subculture of stain and sprain injuries
 - Runners and cappers working for attorneys
 - The rise of “No-fault insurance” as response

Early History of Fraud in the US

- State Insurance Fraud Bureaus
 - Only 6 formed by 1986
- Florida, New York and California joined with Toronto, Canada to form:
 - The International Association of Insurance Fraud Agencies (IAIFA) in 1986

IAIFA

- Growth of membership since 1986
- Now truly an international organization
- Annual conferences held around the world

Recent conference sites:

- Brussels, Belgium
- Orlando, FL, USA
- Budapest, Hungary
- Washington, DC, USA
- London, England- *June, 2003*

IAIFA

- Goals of the organization
 - Break down the borders
 - Allow for networking
 - Cooperation in investigations
 - Sharing of fraud-fighting ideas that work
 - Helping the developing countries

Latest Trends in Insurance Fraud

- COMPANY (FINANCIAL) FRAUD
- CLAIM FRAUD
- PREMIUM AVOIDANCE

Company Fraud

- Focus of insurance regulators
 - Asset raiding
 - Money laundering
 - Offshore lax regulation
-
- The Martin Frankel Story

Claim Fraud

- Most Common Type of Fraud
- Focus of the Insurance Fraud Bureaus
- Auto
- Workers Injuries
- Life Insurance Fraud
 - Viatical Settlements

- Impact on the premium payer

LAWRENCE BACK & NECK

QUIROPRACTICO/ QUIROPRACTICO/ QUIROPRACTICO

SPRING PROMOTION 2001

Dear Friend,

While treating at our office, you were able to see first hand just how effective the care provided at our office is. how concerned we are with making you feel better, how kind and courteous our doctors and entire staff were, but most of all, we hope you were comfortable when you treated at our office and from the large number of patient referrals, we are sure your experience was a positive one at *Lawrence Back & Neck, the #1 Chiropractic Office in Lawrence.*

Lawrence Back & Neck, the number one Chiropractor in Lawrence since 1995, has successfully treated thousands of your friends, family and neighbors for injuries sustained through automobile accidents. You have made our office the number one choice for so long, we have decided to say thank you for your continued support.

Effective immediately, *each time you refer a patient injured in an automobile accident, or work related injury, "WE WILL PRESENT YOU WITH A VOUCHER WORTH \$200 (TWO HUNDRED)". Simply call our office with the names of your friends, family members or co-workers, make the appointment with one of our office staff and this FANTASTIC GIFT CAN BE YOURS.*

Lawrence Back & Neck:

- 1) Chiropractic, physical rehabilitation, massage therapy
- 2) Treated 10,000 people injured in automobile accidents
- 3) Spanish speaking doctors
- 4) Free transportation
- 5) Call now for an appointment

Thank you for your support.

* (200) (YOUR NAME HERE) (200)

AUTHORIZED SIGNATURE REQUIRED
ONE HUNDRED & FIFTY DOLLAR NON-NEGOTIABLE VOUCHER

(200) (200)*

LAWRENCE BACK & NECK

QUIROPRACTICO/ QUIROPRACTICO/ QUIROPRACTICO

333 Essex Street Lawrence MA 01840 Tel. (978) 683-0700 Fax. (978) 683-5900

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Spring promotion 2001

...each time you refer a patient injured in an auto accident..."WE WILL PRESENT YOU WITH A VOUCHER WORTH \$200"...

...Free transportation

...Treated 10,000 people injured in auto accidents

That's 5 new patients per day!

But Lawrence only has 7 auto accidents per day!!!



Premium Avoidance Fraud

- Usually Workers Comp in the US
- Pay less than you should by:
 - Hiding payroll, or employees
 - Misclassifying employees
 - Illegal use of subcontractors
 - Employee leasing arrangements
- Usually involve large \$\$\$ of fraud

Other Recent International Initiatives



- IAIS Fraud Subcommittee Conference
 - Guernsey, UK 9/2000
- Data Mining Fraud Conference
 - Newport, RI 11/2002
 - Sponsored by CAIF, IRC, IFB
 - Speakers from US, Canada, Spain, France, Belgium

IAIFA Membership - 2002

-  Regular-members-2002
-  Associate-members-2002



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IAIFA

www.iaifa.org

Thank you for having me...

