

Colorado Department of Law Insurance Fraud Unit – 2006 Annual Report

The insurance fraud unit is part of the Department of Law's financial fraud unit within the criminal justice section of the office. The unit investigates and prosecutes criminal offenses relating to insurance fraud. For the majority of 2006, the insurance fraud unit consisted of one attorney, one investigator and a half time administrative assistant. In 2006, Senate Bill 38 provided funding for an additional attorney, three additional investigators and a unit paralegal. As of October 2006 the three investigators were hired and a paralegal was hired in November 2006. The additional attorney has been hired and will begin with the unit in January 2007.

During 2006, the insurance fraud unit received 358 referrals of potential criminal cases relating to insurance fraud. As a result, the unit opened 36 new felony investigations, most which are currently being investigated. Two of the cases opened in 2006 have already been filed and are currently being litigated in various Colorado state courts. The unit has 14 additional open investigations (opened prior to 2006), some involving multiple potential defendants.

In 2006, the insurance fraud unit filed seven cases by either summons or arrest warrant. Additionally, the unit utilized the statewide grand jury on a multi-jurisdictional auto theft ring which resulted in an indictment in January 2006, leading to the arrests of 14 individuals on felony charges. The auto theft cases are now being handled by the Adams County District Attorney's Office. Two of those defendants have entered guilty pleas in Adams County.

During 2006, the unit obtained 6 felony convictions, one misdemeanor conviction and 5 probation revocations. As a result of the convictions, the unit achieved restitution orders totaling \$179,264 and orders for fines and costs totaling \$22,781.