

2015 COLORADO ATTORNEY GENERAL'S OFFICE

INSURANCE FRAUD TEAM - ANNUAL REPORT

Overview:

The Insurance Fraud Team at the Colorado Attorney General's Office investigates and prosecutes criminal offenses relating to insurance fraud statewide. The Team has six investigators, four attorneys, one and one half paralegals, and a program assistant.

Insurance Fraud Metrics for 2015:

For calendar year 2015, the Team received 1778 referrals of potential fraud. Referrals come from various sources including insurers, citizen complaints, and law enforcement. Of these referrals, 153 cases were opened for investigation. A total of 80 criminal cases were filed in district courts throughout the state. All filed cases were initiated by way of a criminal summons or arrest warrant. The Team worked seven major cases. Major cases are defined as cases where at least 100 hours of investigation time has been logged. Often times, many more than 100 hours are invested. \$620,325.89 thousand in restitution was ordered payable to victims in the course of the criminal prosecutions and \$126,516.32 in fines and costs were ordered. The Team did not initiate any civil forfeiture actions in 2015.

Among the filed cases, the following sets forth the line of insurance identified in the case:

Automobile – 50

Agent/Producer/Broker – 5

Health & Accident – 3

Renters – 3

Automobile/Homeowners – 2

Homeowners – 11

Commercial – 4

Workers Comp – 1

Other - 1

Insurance Fraud Case Example:

Mike Tee was charged with multiple felony counts for engaging in a variety of criminal acts directly and indirectly related to insurance fraud. Tee purchased stolen credit card numbers and made purchases from a retailer for auto parts or other merchandise he could sell overseas. Some merchandise was used to repair cars he used in staged automobile accidents to sell for profit. Tee purchased salvage vehicles for a small cost, transferred title to a friend and then had the friend falsely report it as stolen in order to collect the insurance settlement based upon an undamaged car. Tee used vehicles he owned to report hit-and-run accidents. The vehicles had pre-existing damage. Tee then called in police reports to provide cover for filing false insurance claims. Tee worked with others to intentionally damage vehicles so that each party could submit false insurance claims. Tee even conspired with others to develop a false story about a car accident so that they could submit false insurance claims based upon that story where both vehicles had pre-existing damage. After a jury trial, Tee was found guilty of 24 felony counts and was sentenced to 18 years in prison.

Additional Activities of the Team:

Members of the Insurance Fraud Team hosted the *Second Annual Insurance Fraud Workshop* at the Ralph L. Carr Judicial Center on February 19, 2015. The Workshop is an annual event hosted by the Attorney General's Office and is designed to present current topics and training to insurance company investigators and industry representatives. Attorneys Cynthia Kowert, Crystal Littrell, Dave Cosson and Dan Pietragallo and investigators James Rasmussen and Michael Jones presented well received legal and technical trainings. Guests to the conference were welcomed by remarks from Attorney General Cynthia Coffman. The conference received many positive reviews and evaluations.

Investigator James Rasmussen was awarded two prestigious awards in the last year. In December, the International Association of Fraud Crimes Investigators (IAFCI) named him as the Investigator of the Year. This is a statewide organization that awards investigators for exceptional work on a case. Investigator Rasmussen was nominated for his work on the Mike Tee and Kevin Rodriguez cases. In addition, Investigator Rasmussen was given the Investigator of the Year award by the Rocky Mountain Association of Special Investigation Units (RMASIU). This award recognizes outstanding achievement in the area of insurance fraud investigations. It is particularly noteworthy considering that he is the only law enforcement officer to ever win the award. Historically, it has been awarded to insurance company investigators.

Attorney Dave Cosson and Investigator James Rasmussen presented at the IAFCI Annual Conference on the Mike Tee prosecution.

First Assistant Attorney General Sean Clifford provided the keynote address at the annual Rocky Mountain Association of Special Investigation Units meeting held in Lone Tree, CO.