What to Watch for to Avoid Becoming a Victim

By knowing more about staged automobile accident fraud schemes, you can avoid being victimized by criminals who prey upon innocent motorists. Here are a few helpful tips:

- Avoid tailgating; be sure there's plenty of distance between your vehicle and the one in front of it in case that car stops suddenly.
- Call the police to an accident scene, and obtain a police report with the officer's name, even if the damage is minimal. If the report describes damage to the claimant's car as a nick, it's harder for criminals to intentionally damage the car later and try to collect a larger claim against your insurance policy.
- Use the camera function on your cell phone or carry a disposable camera in your car to document any accident damage and the number of passengers in other vehicles.
- Avoid "runners" and "cappers" – people who suddenly appear at an accident scene and try to direct you to doctors and attorneys. They're usually part of the criminal scheme.
- Be wary of physicians who insist you file a personal injury claim after an accident, especially if you are not hurt.
- Steer clear of tow trucks that arrive on the scene without anyone having called for service. These are often cappers for body shops.

To report suspicious automobile accident activity, contact the NICB in one of three easy ways:

1. Text "FRAUD" and your tip to TIP411 (847411).
2. Call 1-800-TEL-NICB (1-800-835-6422).
3. Submit a form on www.nicb.org.

Your tip can be anonymous.

For More Information

The National Insurance Crime Bureau (NICB) is the nation's leading nonprofit organization exclusively dedicated to leading a united effort of insurers, law enforcement agencies and representatives of the public to prevent and combat insurance fraud and crime through data analytics, investigations, training, legislative advocacy and public awareness.

Learn more about staged automobile accident fraud schemes and how to protect yourself from these and other crimes on the NICB's Web site at www.nicb.org.

NATIONAL INSURANCE CRIME BUREAU

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NATIONAL INSURANCE CRIME BUREAU

Staged Automobile Accident Fraud

That Was No Accident

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When an Accident Becomes a Crime

Automobile accidents are a daily occurrence on our nation's roads and highways, costing the U.S. property/casualty insurance industry billions of dollars in paid accident claims each year. While the great majority of accidents are unintentional, others are purposely committed.

We're all victimized by automobile accident fraud schemes, paying hundreds of dollars more each year in auto insurance premiums because insurers unknowingly settle fraudulent accident claims in an effort to pay claim submissions in a timely manner.

The consequences are even greater, however, for you as an innocent motorist when you become an unwitting participant in a fraud scheme. You could face dramatic increases in your insurance premiums, have your automobile insurance policy cancelled, face disruption to your life due to claim settlements and vehicle repairs, and worse, be injured or even killed.

Criminals see staged accidents as an easy and profitable scheme to score big payouts from insurance companies. While the potential for profits may be high, so are the consequences.

The NICB, along with member company SIUs and our law enforcement partners, worked on a case involving a man allegedly involved in staging auto accidents and operating fraudulent physical therapy clinics and billing offices. In addition to a stiff 10-year prison term, he was ordered to pay back his gains to the affected insurance companies, which totaled more than $3.7 million.

Staging a Criminal Production

Just like a movie production, criminals involved in staged automobile accidents script details of the collision and injuries: Paid witnesses are positioned near the accident scene to support the criminal's account and contradict the innocent driver's testimony, unethical attorneys represent criminal drivers and passengers, and unscrupulous medical providers inflate billings for nonexistent or exaggerated accident injuries. Some criminals will even hit, cut or gouge themselves before the accident to create phony injuries. Other scams involve staged collisions where no one is even in the other car at the time of the accident and criminals "stuff" the vehicle with people only after it has already been hit.

Fraudulent automobile accidents occur more frequently in urban areas where there is a greater volume of vehicles and in wealthier communities because drivers there are perceived to have better insurance coverage. Criminals oftentimes target new, rental or commercial vehicles because they are typically well-insured. Further, criminals prey upon women driving alone and senior citizens since they are perceived to be less confrontational at accident scenes.

Here are a few common caused accident schemes to look out for to avoid being victimized and potentially injured while driving:

Swoop and Squat

This scheme has two basic variations. On a surface street, a swoop-and-squat scheme usually involves three vehicles: two are driven by criminals and the other by the victim. The driver of the "squat" vehicle positions his vehicle in front of the victim's car. The driver of the "swoop" vehicle pulls ahead of the squat vehicle and intentionally cuts it off, thus causing the squat vehicle driver to hit his brakes. The victim cannot react in time and rear ends the squat vehicle. The swoop vehicle races off and is not seen again. The innocent motorist states the swoop vehicle caused the accident, but because that driver cannot be located, the victim has to pay the vehicle damage and personal injury claims of passengers in the squat vehicle.

The freeway swoop-and-squat scheme works in a similar manner; however, four vehicles are typically involved in the scam: three belong to criminals and the fourth is driven by the victim. In this variation, the third criminal vehicle boxes in the innocent motorist so he cannot change lanes when the swoop vehicle cuts off the squat vehicle. Following the collision, the swoop and box-in cars drive off, thus forcing the innocent driver's insurer to pay the claim.

Side Swipe

This caused accident scheme typically occurs at busy intersections with dual left turn lanes. The criminal positions his vehicle in the outer lane. As soon as the victim's vehicle drifts into the outer turn lane, the criminal side swipes it. To help ensure the scheme's success, the criminal conducts advance surveillance to identify heavily traveled intersections with a high volume of newer vehicles, and ones where vehicles in the inner turn left lane oftentimes drift across lane divider lines into the outer left turn lane.

Panic Stop

In this scheme, the criminal typically drives an older vehicle filled with passengers. The criminal positions his car in front of the victim's while a backseat passenger in the criminal's vehicle watches and waits for the innocent motorist to be distracted, such as by a cell phone call. Sometimes criminals will intentionally damage their brake light bulbs so that they do not function, thus providing no warning to the victim that the scheme is about to occur. Once the victim is distracted, the backseat passenger tells the driver to slam on the brakes, thus causing the innocent motorist to rear end the criminal's vehicle. Even though the victim suspects that the criminal's vehicle "suddenly stopped for no apparent reason," the victim's insurance company must pay for vehicle damage as well as injuries that passengers claim to suffer from the accident.

Drive Down

In the drive down scheme, the victim merges his vehicle into traffic after being motioned in by the criminal. As the innocent driver begins to merge, the criminal speeds up and causes a collision. When questioned, the criminal denies motioning the victim to merge into traffic or gives an excuse, such as "I was swatting a fly." This type of caused accident scheme works well where vehicles have to merge, such as at four-way stops signs, t-intersections, merge and yield signs, lane reductions and closures, freeway ramps, and parking lots.

The left turn drive down is a new spin on this scheme. Criminals target innocent motorists who are often trying to complete a left turn into a strip mall or other parking structure. The criminal enlists an accomplice such as another car, a pedestrian or even a security guard to block the innocent motorist's path. The criminal then quickly drives up and causes a collision. Even though the criminal caused the accident, the innocent motorist is still at fault because a car making a left turn is almost always liable to a car coming straight in the other direction.