

Decide Without Doubt™




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The Use of Innovative Investigative Strategies to Mitigate Insurance Claims

Presented by: FRASCO INVESTIGATIVE SERVICES


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What is the Problem



- The cost of insurance fraud in the U.S. is over \$80 billion each year, or \$1,850 per household.
- If insurance fraud was a legitimate business enterprise, it would rank among Fortune 500 Companies.
- Insurance fraud is the second most committed crime after income tax evasion.
- Over the period from 2011 to 2015, there was a 29.9% increase in QCs referred to NICB, going from 93,111 in 2011 to 120,951 in 2015.
- In 2015, the top five states generating the most QCs were: California, Florida, Texas, New York and Michigan. These five states account for 49% of all questionable insurance claims in the U.S.

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How Did We Get Here?

- Over 38% of the people interviewed in a 2015 NICB poll thought there was nothing wrong with exaggerating injuries to get more money.
- 78% of those surveyed felt they could commit insurance fraud and get away with it because the insurance company would not thoroughly investigate their claim.
- In most cases insurance fraud is not a high dollar or "high profile" case and as such there has been a failure of state and local governments to aggressively prosecute fraud.

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Abuse vs Fraud

- **Abuse** - Any practice that uses the insurance claims system in a way that is contrary to either the intended purpose of the system or the law.
 - Approximately 55% to 60% of all insurance claims have abuse
- **Fraud** - These claims have the elements of fraud, a material lie that was told intentionally and knowingly. But these cases of fraud can only be prosecuted if these elements are uncovered through investigation and can be proven beyond a reasonable doubt.
 - Approximately 8% to 10% are fraudulent



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Current Tools & Techniques

- **Vehicle Sighting Reports**
- **Medical Canvassing**
- **Social Media Investigations Technology**
 - Keyword Searching across multiple profiles
 - Geolocation
 - Geo-fencing
 - Hashtag Search

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Vehicle Sighting Reports

- Determine the locations a vehicle has visited
- Date, time, latitude, longitude and address
- Photos of vehicle and license plate.
- Not real-time
- Good for establishing patterns and locations of activity
- Coverage in all states



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Medical Canvassing

- Pre-existing and intervening injuries
- Undisclosed treatment
- Undisclosed medical providers
- Identify drug abuse
- Pain Management Treatments



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Social Media Facts

- Over 200 well-known Social Media websites
- Top 5 Social Media Websites
 - = 1.65 billion monthly users (1.09b daily login)
 - = 310 million monthly users
 - = 300 million monthly users
 - = 200 million monthly users
 - = 100 million monthly users
- 1.51 billion mobile users on Facebook
- 72% of people who use the Internet use Facebook
- 8% of Facebook users do not change privacy settings

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Smartphones and Tablets

- More Internet connections made with smartphones & tablets than wired connections
- 500 hours of Video uploaded to YouTube every minute
 - 100 Hours in 2013
- 300 million photos uploaded to Facebook daily



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Outside The Vatican Pope Benedict's First Appearance

2005

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Pope Francis' First Appearance

2013

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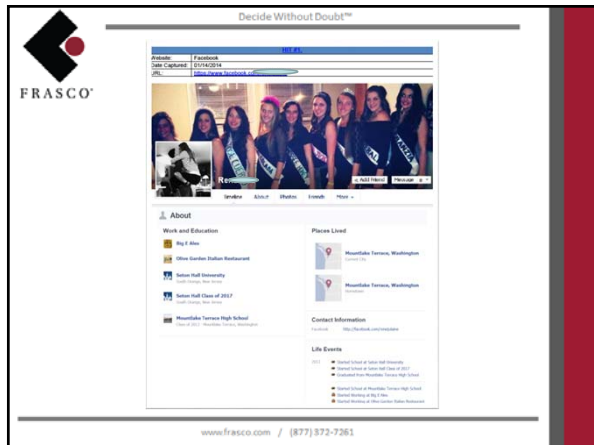
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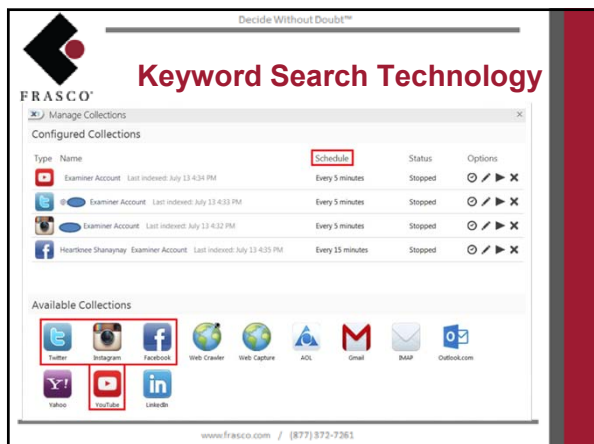
Case Example

- 19 year old female
- Soft Tissue Back Injury
- Social Media completed on 1/16/2014
 - Active on Facebook, Twitter, Instagram, YouTube
 - Active with cheerleading and softball
 - Identified a future date when the subject would be active
- Conducted a Targeted Surveillance on 1/25/2014
 - Video obtained of subject cheerleading

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Geolocation Technology

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Geolocation Technology

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Targeted Surveillance

- **Surveillance conducted on January 25, 2014**
 - Using the information on her *Facebook* we determined the next game she would be cheerleading, alerted the client and coordinated surveillance.

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Targeted Surveillance


SUMMARY OF SURVEILLANCE

Saturday, January 25, 2014 - Investigator D.A. commenced surveillance of Prudential Center in Newark, New Jersey, at 4:45 p.m. It was believed the subject was to perform as a cheerleader for a basketball game. The subject was observed throughout our coverage as she performed as a cheerleader. This included running onto the court carrying flags, pom-poms, raising pom-poms up and down in time with the music, sitting on the floor, assisting with the lifting another cheerleader up into the air with the subject holding the cheerleader's ankle, performing cheers, holding and throwing t-shirts up into the stands, jumping, twisting and waving while performing. Surveillance was terminated at 8:15 p.m.



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Geo Fencing

Geo-fence searching allows investigators to create a perimeter for a real-world geographic area and filter any items indexed with Geo-Data that fall within that area. This technology allows for the potential to obtain the following information:

- Potential witnesses to an incident
- Video or images taken of an incident
- Comments posted about a particular incident
- Comments posted by a party to a claim

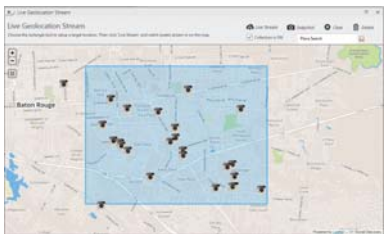
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Geo Fencing

Real-world geofence perimeter of the location where three police officers were killed in Baton Rouge, LA on 7/17/2016.



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Hashtag Search

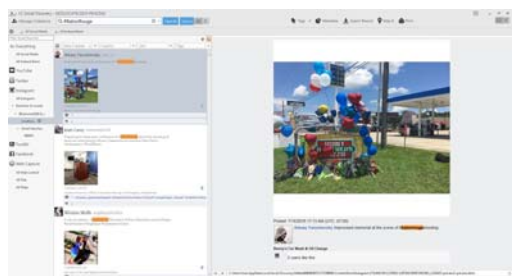


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Benefits

- **Reduce surveillance costs**
 - Gone should be the days of doing surveillance at the first sign red flags.
- **Help to paint a true picture of the claim/claimant**
 - Utilize these techniques and services at the onset of a claim.
- **Assist in a surveillance strategy**
 - Allow your findings to dictate when and how surveillance should be utilized.
 - Let your claimant tell you when to conduct surveillance.
- **Ultimately help to facilitate fraud convictions**

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Traits of a Fraud Fighter

- **Be Tenacious**
- **Be Prepared**
- **Work as a TEAM**
 - Insured/Employer, Claims Examiner, Defense Attorney, Investigator, Law Enforcement
- **Create a Plan of Action and be flexible**
- **Be Willing to Spend the Money to Win**

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High Exposure Claim



- The subject was involved in a three vehicle minor impact accident.
- He was claiming severe back and neck injuries that required surgery.
- He was also claiming a variety of physical limitations including no prolonged sitting or standing.
- He claimed he was no longer able to work and his claim included future loss of earnings.

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High Exposure Claim



- Subject lived in very rural area of Northern CA making surveillance extremely difficult.
- A comprehensive background and social media investigation was conducted and revealed the following:
 - Lawsuits involving pre-existing injuries to the same body parts
 - Involvement in selling occult/horror dolls at horror conventions
 - Determined he would be selling these items at an event at the Sacramento Convention Center

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Targeted Surveillance



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Q & A

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