

PRESS RELEASE

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GOVERNOR



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Arizona Insurance Fraud Awareness Day at D-Backs Game; McGruff the Crime Dog Takes a Strike at Fraud

Sponsored by the Arizona Department of Insurance, an Insurance Fraud Awareness event is set for Wednesday, May 24, at Bank One Ballpark where the Arizona Diamondbacks will face the Pittsburgh Pirates.

Prior to the 7:05 p.m. game, McGruff the Crime Dog will be on the field to take a strike against insurance fraud.

Governor Jane Dee Hull has issued a proclamation declaring May 24 as Arizona Insurance Fraud Awareness Day. The Governor states in her proclamation that "fraudulent insurance claims inflate the cost of insurance policies needed by honest consumers to protect themselves from personal and business risk."

Insurance fraud is the No. 2 white-collar crime in America, according to state Insurance Director Charles R. Cohen.

"It is important for the public to realize that when someone defrauds an insurance company, that crime affects the rates we all pay," Cohen said. "Fraud awareness benefits honest consumers by helping to keep insurance premiums from increasing more than they otherwise would."

Terry Cooper, chief of the Insurance Department Fraud Unit, said, "Insurance fraud carries a nationwide price tag of \$100 billion a year. Every family in Arizona pays approximately \$300 a year more for various types of insurance to cover the increased cost of insurance fraud."

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One of the keys to combating insurance fraud is community awareness, Cooper said. "If the public is able to recognize insurance fraud and realize how much these acts are costing each of us, hopefully consumers will report suspected fraud to the Fraud Unit. And we're trying to eliminate a public attitude tolerating small-scale insurance fraud. That's why we're putting the spotlight on insurance fraud."

At the Ballpark, Insurance Department staff members will be joined by McGruff, the Crime Dog. A brochure produced by the Insurance Department describes the most common types of insurance fraud and will be distributed at the Ballpark. The brochure tells consumers what they can do about insurance fraud and whom to notify if they suspect fraud. Among the frauds listed are those that involve slip-and-falls, workers compensation, medical providers, auto repair shops and insurance agents. Another Insurance Department publication spells out the legal ramifications of insurance fraud.

"We must dispel the notion that it's OK to defraud an insurance company because its pockets are deep," said Cooper, a former Phoenix Police sergeant who spent 24 years on the force working on organized crime, white collar and narcotics cases. "Insurance fraud is not a victimless crime. We're all victims."

Insurance fraud is a class 6 felony, and conviction for fraudulent schemes is a class 2 felony, carrying prison terms ranging from 1.5 years to 10 years.

The Fraud Unit, created in 1994 as part of the state Insurance Department, opened 668 criminal cases last year and obtained 89 convictions, including 20 that resulted in prison terms of from one to eight years, plus probation and restitution. A total of 116 cases still are pending, and others are under investigation. Last year, the unit obtained restitution for insurance companies totaling more than \$1.5 million, and recovered \$120,000 in property that was reported stolen.

The unit, which has 10 investigators and four support staff, collaborates with the Arizona Attorney General's Office, the Maricopa County Attorney's Office, and the Department of Public Safety.