

Did a theft really occur? RED FLAGS for Vehicle Theft Fraud – a six part series presented by ProNet Group

Part #4

Issues Related to Recovery

In the June segment we discussed issues related to the vehicle. This installment of the six part series "Did a theft really occur?" examines red flags related to recovery.

Reporting & Recovery

In a typical fraudulent claim, the vehicle is not reported stolen by the insured until after it is recovered. This is likely due to the insured's apprehension after the act. Many times, law enforcement and/or firefighters recover the burned vehicle within hours of the alleged theft. Often, these burned vehicles are recovered in rural areas or sometimes where other vehicles have been burned in the past.

The interview process is extremely important – get exact time frames. If a vehicle is reported stolen at 3:00 p.m. and recovered 60 miles away burned to the ground at 4:00 p.m., there is likely a problem.

Missing Components

It is a simple fact that vehicle parts are very expensive and there are profit-driven people that steal cars to sell parts. With that in mind, why would an allegedly stolen vehicle be recovered with no missing components, especially when it is EXTREMELY difficult to steal most modern day cars? I am not referring to the theft of aftermarket wheels on a car. Wheels can be stolen without driving the vehicle away and burning it. In fact, the wheels – which the insured paid for – can sometimes be located at the residence or a local wheel center. Items typically observed missing in a vehicle theft include the airbags, electronic equipment, body paneling, and engine and driveline components.

Mechanical

No matter what condition the vehicle is recovered in, damaged or undamaged, the steering column, ignition assembly and shifter should be examined for potential compromise. If no visible damage is observed, further analysis should be performed. Additionally, fluid samples from the engine, transmission and coolant should be obtained for potential mechanical failure of components.

Vehicle History

When the vehicle is recovered stripped and the insured is interested in purchasing the vehicle – be alert. A prior vehicle history should be performed to determine if the insured has a similar type claim and/or has purchased stripped vehicles in the past. This type of recovery has netted fraudulent “theft” rings in the past.

Raymond Thompson

Stay tuned for the August issue of *TASIU Observer* as we discuss Red Flag #5: Issues Concerning the Insured.

For the full article, or if you have any questions or comments, please contact Ray Thompson with ProNet Group at rthompson@pronetgroup.com, or 800-216-7268. Email and/or phone consultation is encouraged as questions can be quickly answered. Additionally, a course of action may be recommended.

ProNet Group has been providing vehicle forensic consulting and property and vehicle fire O&C investigation services to the insurance industry since 1990, covering the entire state of Texas and the U.S. Gulf Coast Region.