



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Insurance Division

DCCA News Release

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AUTO INSURANCE FRAUD RESULTS IN PRISON TIME AND MONETARY FINES

HONOLULU – The Department of Commerce and Consumer Affairs Insurance Division is continuing its fight against insurance fraud. Four cases were successfully prosecuted recently. One of the four cases resulted in a prison sentence.

Patricia Birtodaso

- On January 10, 2004, Birtodaso was involved in an auto accident on Fort Weaver Road. Even though her insurance policy had lapsed, Birtodaso drove to the AIG office located in the Kunia Wal-Mart and renewed her policy. One hour after renewing her policy, Birtodaso called AIG and filed a claim for an auto accident in an attempt to obtain proceeds for damages.
- Last month, Circuit Judge Michael Town sentenced Birtodaso to perform 50 hours of community service and to pay \$100.00 to the victim compensation fund.

Kitsana Khamphaphanh

- On August 27, 2003, Khamphaphanh falsely reported his car stolen to Progressive Insurance. He submitted fake receipts for after market parts in an attempt to obtain \$4000.00 in insurance money.
- Circuit Judge Steven Alm sentenced Khamphaphanh to a term of imprisonment of 8 days. He was also ordered to perform 50 hours of community service and to pay \$100.00 to the victim compensation fund.

Michael Gomez

- On July 14, 2003 Michael Gomez (an active member of the U.S. Navy) was in an accident, but did not have car insurance. An hour later, he contacted GEICO Insurance to obtain a car insurance policy, but failed to disclose his prior accident. The next day, he called GEICO and tried to file a claim. Gomez attempted to obtain over \$1000.00 in insurance money from GEICO.
- Judge Virginia Crandall Fined ordered Gomez to pay \$100.00 to the crime victim compensation fund.

Georgian Katsuda

- On February 9, 2004, Katsuda called AIG Hawaii Insurance to obtain car insurance for her 1997 Honda Civic. She received her insurance three days later (February 12, 2004) and proceeded to report her car stolen on the same day. However, evidence revealed that her car was stolen on February 4, 2004 while she was uninsured. Katsuda attempted to obtain over \$1700.00 in insurance money from AIG.
- Judge Derrick Chan ordered Katsuda to perform 200 hours of community service and to pay \$100.00 to crime victim compensation fund.

Insurance Commissioner J.P.Schmidt stated, "Insurance fraud hurts every person in Hawaii. Motor Vehicle Insurance Fraud costs each family in Hawaii an additional \$165.00 per year in increased insurance premiums. Fraud in all lines of insurance can cost each family as much as \$900.00 per year in added costs. That is why we are aggressively pursuing those who break the law by committing auto insurance fraud. And that is why we have been seeking the authority from the Legislature to pursue fraud in all lines of insurance."

Under current law, the insurance fraud unit only has authority to investigate fraud relating to motor vehicle insurance. The Lingle-Aiona Administration has introduced legislation to expand the unit to include the investigation and prosecution of workers compensation and other lines of insurance. That bill (HB 650/SB 759) is still pending in the Legislature.

To anonymously report insurance fraud on Oahu, call the insurance fraud hotline at 587-7416.

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