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WAYNE METCALF
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PRESS STATEMENT
FOR IMMEDIATE RELEASE

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Auto insurance fraud perpetrators ordered to pay nearly \$27,000

HONOLULU – May 20, 2002 – Insurance Commissioner Wayne Metcalf today announced that the State Insurance Division has obtained convictions from nine persons for the crime of auto insurance fraud.

“The Division’s Fraud Investigation Branch has successfully prosecuted nine people for auto insurance fraud and related offenses. The court has ordered these individuals to pay fines and restitution totaling over \$26,900.

“These types of fraud cases are sometimes difficult to detect because the people involved try very hard to make sure that no one knows that a crime was committed. However, when the law does catch up, the penalties can be quite severe,” Metcalf said.

Based upon a 1997 report by the Coalition Against Insurance Fraud, it is estimated that the average Hawaii family pays an additional \$164.56 per year because of auto insurance fraud. “By vigorously prosecuting fraud cases, we hope to deter others from engaging in this illegal activity and lessen the amount that ratepayers have to cough up for auto insurance,” Metcalf stated.

Among those sentenced were:

Lori Nobu, for Insurance Fraud and Attempted Theft in the Second Degree. Nobu was ordered to pay a fine of \$2,500 to the State General Fund, work full-time or attend educational/vocational training, pay to the Crime Victim Compensation Fund \$200.00 and perform 50 hours of community service. Nobu filed a false claim with AIG

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Hawaii Insurance Company, Inc. requesting payment for damage to her automobile in the amount of \$1,119.00, even though the damage she reported existed before she obtained coverage.

Damon L. Thomas for Insurance Fraud. Thomas was ordered to send a letter of apology to the President of First Insurance Company of Hawaii, pay \$100.00 to the Crime Victim Compensation Fund, contribute \$100.00 to the State General Fund, sign a waiver of extradition, and work full-time or attend educational/vocational training. Thomas assisted another individual who filed a false insurance claim with First Insurance Company of Hawaii after abandoning his vehicle and falsely reporting the vehicle stolen. Thomas assisted this individual by providing him with transportation away from the site where the vehicle had been abandoned and agreeing to support his story that the vehicle had been stolen. Defendant Thomas's co-conspirator was also indicted on charges of Insurance Fraud and Attempted Theft in the Second Degree.

Joelyn Piilani Victor for Insurance Fraud and Attempted Theft in the Second Degree. Victor was ordered to pay restitution in the amount of \$7,217.74, pay the Crime Victim Compensation Fund \$100 and work full-time or attend educational/vocational training. Victor filed a claim with AIG Hawaii Insurance Company, Inc. after abandoning and burning her vehicle then falsely reporting that the vehicle had been stolen. As a result of the fraud AIG Hawaii Insurance Company, Inc. paid \$7217.00 to the vehicle's lien holder.

Christopher Keliheleua for Insurance Fraud and Attempted Theft in the Second Degree. Keliheleua was ordered to serve a term of imprisonment of 30 days with credit for time already served, work full-time or attend educational/vocational training, pay \$100.00 to the Crime Victim Compensation Fund and perform 150 hours of community service. Keliheleua initiated a policy with Progressive Insurance Companies, Inc. after being involved in an auto accident in which his passenger's medical bills totaled more than \$120,000.00. Subsequently, he made a false claim that the accident took place while he was insured.

John B. Limon for Insurance Fraud, Attempted Theft in the Second Degree and False Reporting to Law Enforcement Authorities. He was ordered to pay a fine of

\$100.00, contribute \$5,000.00 dollars to the State General Fund and complete 250 hours of community service. Limon falsely reported the theft of his motor vehicle to Allstate Insurance Company after abandoning the vehicle in Waianae. The estimated amount of his claim was \$18,000.00.

Catherine Paoao pled No Contest to charges of Insurance Fraud and Attempted Theft in the Second Degree on March 27, 2002. Paoao was ordered to work full-time or attend vocational training, make a contribution to the State in the amount of \$500.00 and sign a waiver of extradition. Paoao filed a claim with AIG Insurance Hawaii, Inc. for damages and injuries sustained as a result of an auto accident and falsely claimed that she had initiated the policy prior to the accident. The estimated value of her claim was \$6325.00.

Charles L. Fisher and Jessica Fisher both pled No Contest to Insurance Fraud and Theft in the Second Degree on April 1, 2001. They were each ordered to work full-time or attend vocational training, pay restitution in the amount of \$10,926.60, pay \$100 to the Crime Victim Compensation Fund, and perform 200 hours of community service. The Fishers staged the theft of their vehicle, had co-workers dispose of the vehicle and falsely reported the theft of their vehicle to GEICO Indemnity Company in order to collect 10,926.00 in insurance premiums.

Insurance companies are not the only victims of this crime. Auto insurance fraud costs everyone money in the form of higher premiums. Anyone who would like to report a suspected case of auto insurance fraud is encouraged to call the Insurance Fraud Hotline at (808) 587-7416. If you live on a neighbor island please call one of the following toll free numbers and ask for extension 7-7416: Hawaii 974-4000, Maui 984-2400, Kauai 274-3141 and Molokai/Lanai 1-800-468-4644.

The Hawaii Insurance Division oversees the insurance industry in Hawaii; issues licenses; examines the fiscal condition of Hawaii-based companies; reviews rate and policy filings; and investigates insurance related complaints and prosecutes motor vehicle insurance fraud cases.

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