

A PUBLICATION FOR EXECUTIVES DEDICATED TO FIGHTING INSURANCE FRAUD AND CRIME

NICB

VOL. 2
ISSUE 1
SPRING 2021

INFORMER

18 Uptick of Vehicle Thefts, Thanks to Their Owners

22 Thieves Cashing in on Cargo



**SHATTERING
TRENDS
IN AUTO THEFT**



NICB STRATEGIC PARTNER

ARKHOS Counter Fraud Provides Intuitive Applications for Detecting and Analyzing Insurance Fraud.

The image displays three panels of the ARKHOS application interface:

- ARKHOS™ Data Fusion:** Features a 'DataCap' section with icons for various data sources and a 'Streams' section with a network diagram. A bottom bar includes buttons for NICB, TL0xp, Whooster, CLEAR, DHS, and Dow Jones.
- ARKHOS™ Insights:** Titled 'Machine Learning & Recommendation Engine', it shows a network diagram and lists 'Continuous Evaluation Of:' (Claims, Policies, Service Providers, Employees Activities, Transactions) and 'All Above Across:' (Phones Records, Addresses, Identifiers, Persons, Organizations, Associations). A bottom bar includes buttons for Proactive Alerts, Identity Resolution, and PCI Monitoring.
- ARKHOS™ Robotics Automation:** Features a blue network diagram and text stating 'SIU Analysts' ARKHOS Bot Assistant allows unparalleled performance increase by prioritizing decision over repeatable tasks.' A bottom bar includes buttons for External Sources, Alerts Check, and Events Notification.

“

ARKHOS provides great insights on detecting and analyzing insurance fraud, by proactively increasing the referral rates while reducing false positives.

- Stephen Spinner | Manager, SIU Analytics

”

ARKHOS helps customers make sense of complex data challenges. Learn more at www.globlue.com.



10

Auto Thefts and Carjackings on the Rise

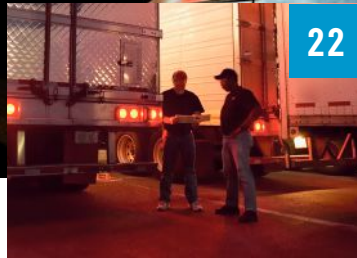
A CEO's perspective on the fight against auto crime.



18

Uptick of Vehicle Thefts, Thanks to Their Owners

Some trends are a positive reflection on society. But other trends are not.



22

In for the Long Haul

Cargo thieves are taking advantage of COVID-19 and natural disasters.



30

2020 Hurricanes Underscore Importance of the CAT Response

"Unprecedented" could certainly describe many things in 2020. From an unforeseen pandemic that has disrupted all human life to the record-setting Atlantic hurricane season.

COLUMNS

3
LETTER FROM THE CEO
Thwarting opportunistic crime.

6
GOVERNMENT AFFAIRS
Auto glass claims shatter records.

14
OF INTEREST
Combatting medical fraud task-force style.

28
NICB RESPONDS
Catalytic converter thefts skyrocket across the nation.

DEPARTMENTS

4 **CONTRIBUTORS**

8 **VIRTUAL DEALINGS**

15 **LEARNING & DEVELOPMENT**

26 **CRIME CENTER**

34 **INDUSTRY MATTERS**

- OIA's Analytical Approach
- Happy Birthday, VINCheck®
- Vehicle Crimes

38 **EVENTS**

40 **LEADER PERSPECTIVE**

It's not
about
how
much
data
we
have
but
what
we're
doing
with it.

At the National Insurance Crime Bureau, we're using Big Data and various intelligence sources to help identify insurance crime risks and anticipate emerging threats. Being one step ahead for our members is how we're staying intelligence-driven and operationally focused.

To learn more, visit www.nicb.org/BigData

NICB
NATIONAL INSURANCE CRIME BUREAU



Thwarting Opportunistic Crime



DAVID J. GLAWE
President & CEO
National Insurance
Crime Bureau

We are proud to share the Spring edition of *The NICB Informer*, our quarterly magazine dedicated to helping senior executives identify risks, trends, and emerging threats to the insurance industry. This edition focuses on the alarming increase in crimes involving vehicles in 2020 and the reasons behind this troubling trend.

Analysis conducted by the National Insurance Crime Bureau (NICB) for 2020 shows a significant increase in auto theft compared to the prior two years. In fact, data indicates that 2020 had the highest overall thefts in more than a decade. Auto thefts have increased across the U.S. in almost every major city. Carjackings in major metropolitan areas have increased including a 134% increase in Chicago since 2019 and a 50% increase for New York and Washington, D.C. for the same time period. As we examine in this issue, there are other more systemic causes for the increase in thefts beyond individuals simply leaving their keys or fobs in their vehicles.

In the pages following, you will find articles centered around the dramatic increase in auto theft and carjackings (page 10), as well as a look at auto glass fraud and proposed legislation to help curb the continued abuse (see page 6). We also have feature pieces on cargo theft (page 22) and the uptick in catalytic converter thefts (page 28). You'll also see NICB's response to this emerging threat to consumers and insurers and get a preview of our continued efforts to lead the industry in finding data-driven solutions.

We believe this publication showcases NICB's unique position within the industry as the only organization that proactively identifies, combats, and prevents crimes affecting the insurance industry, all to achieve mission effectiveness and ensure the highest level of service to our members. We are focused on utilizing multiple intelligence sources combined with Big Data to deliver a high velocity of outputs and information to inform our industry leaders and partners. Through strategic innovation, our goal is to provide maximum value and service to our members and lead the fight against fraud and crimes affecting the insurance industry.

Over the next several months, you can anticipate a continued aggressive NICB public affairs campaign to encourage car owners to take proactive steps to secure their vehicles and contact local law enforcement if they suspect questionable activity in their neighborhoods.

Thank you for your continued support of *The NICB Informer* and of NICB. We are proud of this new product and encouraged by the positive feedback from many of you regarding our inaugural edition. By providing actionable intelligence and highlighting emerging trends, it is our hope this publication will become a powerful tool in the industry's fight against insurance fraud and crime.

CONTRIBUTORS



Josh Cahill is an analyst in NICB's Intelligence and Analysis Department. He graduated from Eastern Illinois University with a bachelor's degree in English in fall of 2012 and started at NICB in 2013. Since starting at NICB, he has held various positions before being promoted to analyst in 2016.



Michelle Curtis is the marketing director at the National Insurance Crime Bureau headquartered in Des Plaines, Ill. She has been with the organization for more than 11 years, and currently leads marketing, branding and online efforts to support the organization's strategies and increase public awareness of insurance fraud by consumers.



Ashleigh Faulhaber has been with the National Insurance Crime Bureau for over two years, and is currently the Content Producer for the NICB. She is responsible for video production, creative design, and the NICB's blog. Ashleigh graduated from the University of Illinois with a Bachelor of Arts in Communications Studies.



Katherine Gonzales is a Field Information Analyst for the National Insurance Crime Bureau — Mid-Atlantic Region. Katherine has been with the NICB for three years and she is responsible for managing information within her region. In her role, she assists NICB agents, law enforcement, and member companies with investigations.



Howard Handler serves as Government Affairs Director for the National Insurance Crime Bureau. Howard manages state government affairs for NICB's west, northwest, and southwest regions. Prior to joining NICB, Howard was a Government Affairs Director for Illinois' largest trade association, and an aide to several high-ranking elected officials.



Michele Howley joined the NICB Public Affairs department as Communications Manager in the summer of 2020. She brings with her a background in multimedia communication and branding work. In her current role as Communications Manager, Michele is responsible for managing and writing for NICB's social media platforms.



Brooke Kelley is the vice president for communications for the National Insurance Crime Bureau. She is responsible for developing and managing communications activities and media inquiries for the NICB. She works directly with local experts to advance the NICB goals through effective communications and marketing to key audiences.



Rocky Krivijanski has nearly two decades of experience in the communications profession. Having written for CEOs of publicly traded companies, Army Generals, executives at trade associations, college administrators, and even a former President of the U.S., Rocky understands how to work with leaders to deliver impactful communications products that meet the needs of his clients.



Cassie LaSorsa is a Senior Field Information Analyst for the National Insurance Crime Bureau — DC Major Medical Fraud Task Force, located in Fairfax, VA. Prior to working at the NICB, Cassie was a crime analyst for law enforcement, and she was a broadcast meteorologist for eight years.



For nearly 20 years, **Tully Lehman** has worked as a public relations professional. He joined the National Insurance Crime Bureau in June of 2020 and is the Senior Public Affairs Manager. He has worked in public relations firms handling a wide range of clients including insurance, technology, education, sports marketing, and hospitality.



Chris Longino began his career with NICB as a Strategic Analyst in 2007. Chris is currently a Senior Field Information Analyst assigned to the Central Florida Major Medical Fraud Task Force. He has a master's degree in Criminology, where his thesis explored the relationship between organized crime and insurance fraud.



Danielle Naspinski is the Marketing Content Creator for the National Insurance Crime Bureau. She has been with the organization since 2009, and currently oversees production of *The NICB Informer*, as well as provides marketing and communications support to NICB staff, member companies, and partners.



Wendy Provazek has been the Administrative Assistant for the Southwest Region of the National Insurance Crime Bureau for over 15 years. She grew up in Bryan — College Station, Texas and graduated from Texas A&M University with a Bachelor of Science degree in 1995.



Maggie Shimkus is the Membership Specialist on the Partner Engagement & Member Services Team. She has been at the National Insurance Crime Bureau for seven years. Maggie graduated from Loyola University Chicago with bachelor's degrees in Journalism and English. Maggie lives with her husband Wes, who also works for the NICB.



Based in its Chicago-area headquarters as Vice President of Learning & Development, **Michael Sinno** leads NICB's Learning and Development team, and is responsible for overseeing and developing the organization's training-related initiatives. He also directs the National Insurance Crime Training Academy (NICTA), which offers online, anti-fraud training to the insurance industry.



Ciara Sandborg joins the National Insurance Crime Bureau as an Administrative Assistant in the Communications department. Ciara comes to the NICB with eight years of illustration, graphic design, and photography experience as well as two years of customer service experience.



Katelynn Zofkie is an Instructional Designer in Learning and Development, located at NICB Headquarters. Katie has been with the NICB for over five years and she is currently an Instructional Designer. Katie has used her skills to upgrade NICB's online training programs which include courses on Contractor, Vendor, and Provider Fraud.

NICB INFORMER

Volume 2 | Issue 1 | Spring 2021

BOARD OF GOVERNORS

Chair

Michael Capuzzi,
Allstate Insurance Group

Vice Chair

James McSheffrey,
The Hanover Insurance Group

Robert W. Bowers,

Westfield Insurance Group

Jeremy T. Connor, Government
Employees Insurance Company (GEICO)

Paul D. Diemer, Enterprise Holdings, Inc.

Jim Gadberry,

Nationwide Insurance Companies

Jean Guan, Liberty Mutual Group

Mike Keating, State Farm Mutual
Automobile Insurance Companies

Patrick Meyer,

MetLife Auto & Home Group

Matthew C. Murphy,

The Hartford Insurance Group

Tim Murray,

Farmers Insurance Exchange

Mark Oppenheim, Progressive Group

Steve Piper, CNA Insurance Companies

Peter Raubenheimer, United Services
Automobile Association (USAA)

Claudia Rodriguez, Auto Club Enterprises

Nicholas Seminara,

Travelers Companies, Inc.

ASSOCIATION STAFF

Chief Executive Officer & Publisher

David J. Glawe

Senior Vice President & Chief of Staff

James Berry

MAGAZINE STAFF

Executive Editor

Brooke Kelley

Managing Editors

Michelle Curtis

Danielle Naspinski

Contributing Writers

Josh Cahill

Ashleigh Faulhaber

Katherine Gonzales

Howard Handler

Cassie LaSorsa

Tully Lehman

Chris Longino

Wendy Provazek

Maggie Shimkus

Mike Sinno

Katie Zofkie

Contributing Graphic Designers

Michelle Curtis

Ashleigh Faulhaber

Michele Howley

Danielle Naspinski

Ciara Sandborg

Guest Editor

Rocky Krivjanski, Trine Strategies

trinestrategies.com

Publication Design

TGD Communications

creative@tgdcom.com

Advertising Sales

For information on advertising, please
contact TheNICBInformer@nicb.org.

©2021 by the National Insurance Crime Bureau (NICB). The NICB Informer is published quarterly by NICB, 1111 E. Touhy Ave., Ste. 400, Des Plaines, IL 60018. SUBSCRIPTIONS: Annual subscription included with membership. For additional copies, contact NICB at TheNICBInformer@nicb.org. Reproduction of any part of this magazine without express written permission of the NICB law department is strictly prohibited.

POSTMASTER: Please send changes of address to The NICB Informer, NICB Member Services, 1111 E. Touhy Ave., Ste. 400, Des Plaines, IL 60018; t: 800.447.6282 or email MemberServices@nicb.org.

Available online in a responsive format capable of being enlarged for the visually impaired. To request reprint permission or for general inquires, contact TheNICBInformer@nicb.org.

DISCLAIMER: The ideas and opinions expressed in The NICB Informer are those of the authors, and do not necessarily reflect any position of the editors, editorial advisors, or the National Insurance Crime Bureau (NICB). NICB prohibits preferential or adverse discrimination on the basis of race, creed, color, gender, age, national or ethnic origin, sexual orientation, disability, or health status in all areas including, but not limited to, its qualifications for membership, rights of members, policies, programs, activities, and employment practices. NICB is committed to promoting cultural diversity throughout the profession.

ADVERTISING: Advertisements are accepted when they conform to the ethical standards of NICB. The NICB Informer does not verify the accuracy of claims made in advertisements, and publication of an ad does not imply endorsement by the magazine or NICB. Acceptance of ads does not imply review or endorsement by the NICB. NICB has the right to approve or deny all advertising prior to publication.

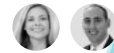


National Insurance Crime Bureau (NICB)
1111 E. Touhy Ave., Ste. 400
Des Plaines, IL 60018
800.447.6282 or 847.544.7000
TheNICBInformer@nicb.org

TRENDS, RESOURCES, NEWS

FOLLOW ALONG ON SOCIAL





Auto Glass Claims Shatter Records

Across the nation, auto glass claims are on the rise. Examining claims data with loss dates of 2015 through 2019, auto glass claims increased 20% over that five-year period with a total of nearly 27 million claims. We know a portion of those claims are fraudulent and pose an economic threat to insurers.

“It’s not just auto glass shops periodically sneaking in a fraudulent claim, but we see particularly egregious, aggressive shops in which a large chunk of their revenue is driven by fraud,” said NICB Supervisory Special Agent Malisa Trimble.

For example, owners of an Arizona auto glass business pled no-contest to defrauding insurers out of nearly \$135,000 in just four months. In Washington state, an auto glass shop owner was convicted of billing more than \$1.6 million in fraudulent claims. While auto glass repairs and replacements can cost as little as \$50 to several thousand dollars for high-end vehicles with tinting or advanced technology

features, unscrupulous auto glass shops hope to fly under the radar by cashing in on a large volume of relatively low cost, quickly paid claims.

Insurers, depending on the number of their auto policies, will process thousands to millions of auto glass claims each year. While most claims are legitimate, the large volume of those that are fraudulent, coupled with the legal costs related to these claims, drives up insurance prices for all consumers.

The Scams

Trimble said the type of scams vary widely but identified the more common ones:

- “Repairing” unrepairable, cosmetic chips, cracks, or pits. The repair may look good in the short term but were not necessary to ensure the integrity of the glass and will degrade over time.
- Replacing glass when a repair is appropriate.

Insurers, depending on the number of their auto policies, will process thousands to millions of auto glass claims each year.

- Billing for higher priced pieces of glass when lesser priced glass was installed.
- Billing for recalibration of advanced driver assistance systems when not warranted.
- Submitting claims without the policyholder's knowledge.
- Evading vehicle inspections by the insurer.
- Falsely claiming repair was conducted in a geographic location with higher billing rates.
- Adding nebulous, miscellaneous fees, such as for VIN etching or clean-up.

Legislative Fixes

A state's regulatory environment seems to correlate with auto glass claims and may invite increased fraud. Arizona and Florida are prime examples. These two states lead the nation, comprising one-fifth of all auto glass claims. The unique commonality found in both states is that no-deductible repair is mandated, customer rebates are pervasive, and use of assignment of benefits is widespread.

"Together with industry partners we are aggressively pursuing legislation, particularly in Arizona and Florida, to curb auto glass fraud," shared Alan Haskins, NICB's vice president of government affairs.

"There are some tough political obstacles in the path toward reform, but we are incrementally making progress."

Among the legislative fixes in the NICB Government Affairs legislative toolbox are:

Allowing deductibles. In states that prohibit auto glass deductibles, some auto glass shops take advantage of this environment. Consumers are often aggressively solicited in public places like gas stations and malls by auto glass shop scouts who seek to drum up business by pointing out even the most innocuous glass imperfections, even in cases where repair may not be useful. With no skin in the game, and often misled about the danger of their auto glass, consumers will authorize repairs because it seemingly will cost them nothing. Allowing a small deductible could help reduce unnecessary and fraudulent claims as policyholders would have a greater stake in the claim, resulting in more thoughtful decision-making.

Prohibiting inducements. Where allowed, auto glass shops will often entice vehicle owners by offering gift cards, movie tickets, cash, or other inducements in exchange for authorizing an auto glass repair. In fact, it's not unheard of for vehicle owners to file several glass claims per year in order to reap these gifts. Capping or prohibiting inducements could reduce

the number of unnecessary or fraudulent repairs by not rewarding claims.

Addressing assignment of benefits.

Insurance policyholders assigning their rights and benefits under a policy to auto glass shops is spreading fast, and so is the abuse that accompanies it. A state's legal environment can invite abuse, particularly as it relates to attorney's fees and insurer consent. Reasonable assignment of benefits laws are a critical component to curtailing auto glass fraud.

Certifying technicians. Automotive glass repair technicians do not need to meet any minimal training standards. Subsequently, the barrier to entry for automotive glass repair is alarmingly low and workmanship can be spotty. Minimum certification standards may be advantageous in helping ensure honest, quality workmanship.

Facilitating inspections. Requiring auto glass repair facilities to participate in onsite or photographic inspections would allow insurers or third-party administrators, if they desire, to inspect the damaged glass to help ensure the vehicle is appropriately repaired. ■

** Auto glass claim figures are derived from the aggregate of auto glass claims entered into the Insurance Services Office (ISO) ClaimSearch® and third-party administrator records shared with NICB.*

Florida and Arizona: Standouts in Glass Claims

ARIZONA

- In 2019, there were 594,320 auto glass claims in Arizona. Comparatively, California, the state with the largest population (5.4 times larger than Arizona), had only 488,250 claims, and Texas, with a population nearly four times larger than Arizona's population, saw only 379,704 claims.
- In 2019, total Arizona auto glass claims represent the equivalent of 10% of all privately owned automobiles, buses, trucks, and motorcycles registered in Arizona.
- Between 2015 and 2019, Arizona auto glass claims constituted nearly 10% of the nation's auto glass claims but only about 2% of the nation's population.

FLORIDA

- Auto glass claims have increased 52% from 2015 to 2019.
- Despite their respective populations being 84% and 34% larger, California and Texas trail Florida in 2019 auto glass claims by 94,733 and 203,909.



NICB is available to help member companies fight back against auto glass fraud.

For training on identifying auto glass fraud, contact NICB Learning and Development at learning@nicb.org or **800.447.6282**.

To partner on legislative efforts, contact NICB's Office of Government Affairs at governmentaffairs@nicb.org or **800.447.6282**.

For investigative assistance, please contact the NICB office in your region; a list of regional offices and respective contact information can be found at nicb.org/about-nicb/office-locations.



Who You Gonna Call? Not the Ghost Brokers!

“Ghost brokers” might sound like a bad Halloween movie, but unfortunately, they are more than just an apparition. Ghost brokers are a relatively new type of fraudster who is taking advantage of the increase in virtual interactions between insurers and prospective policyholders.

The most basic description of a ghost broker is a self-appointed intermediary between insurers and consumers. Ghost brokers pretend to be a helpful clearing house for consumers looking for a better deal on insurance, such as drivers looking for inexpensive car insurance. Ghost brokers may falsely claim to be a broker applying for another person’s insurance policy, but they’re

really just committing online third-party application fraud.

Ghost brokers can work alone, or as part of a larger network, and often will develop websites and other social media accounts to advertise cheap insurance. They prey upon consumers short on funds who fail to notice the red flags when something seems too good to be true.

They will then either purchase legitimate insurance policies

with false details, often resorting to forgery, or create false documents that look like they are from a legitimate insurance carrier.

Victims often pay for policies via transactions through PayPal, Zelle, and Venmo. Once the policy is paid for, the ghost broker will sell or cancel the policy, leaving the victims with useless policies, liability, and financial exposure.

Consumers falling for these scams may think they are insured and place themselves in potentially serious legal trouble. Driving without legitimate insurance could result in their vehicle

Ghost Broker Cases

The National Insurance Crime Bureau (NICB) has investigated numerous recent cases involving ghost broker schemes.

NICB Case A

Policies were sold and purchased via the internet by individuals using fake names. Once the policies were purchased for a cheap price, fake insurance cards and other materials were sent to the customers. This resulted in hundreds of policies being sold. It's very hard to trace and prove, and only came to light because someone who had purchased one of the policies had an accident and reported it. They were told by the insurer that the policy didn't actually exist.

NICB Case B

A claim was filed with an insurance company involving a vehicle accident. A non-employee of the company had allegedly sold a fraudulent auto policy to the claimant. Further investigation indicated that the same non-employee was previously issued a cease and desist order granted by the court to stop selling policies. The person of interest then allegedly obtained a bank routing number belonging to an out-of-state business and set up electronic funds transfer (EFT) for people to purchase the bogus insurance policies. The NICB is assisting authorities as they investigate alleged wire fraud.

Some companies are unsure of their exposure, but others are reporting from eight to 10 claims, and one insurer is reporting their exposure is 1,500 claims!

NICB Case C

An individual was allegedly posing as an insurance agent on Facebook and selling fake insurance policies. Court documents and research indicate the person pled guilty in 2017 to running an Unauthorized Insurance Business, a third-degree felony, and was sentenced to two years in the Texas Department of Corrections.

NICB Study

A February 2019 ghost broker NetMap study found that for just a single member company, there were a total of 74 claims in ISO ClaimSearch® in Arkansas (1), Kansas (1), Louisiana (1), and Texas (71). From these, NICB received 13 referrals and opened three cases. Ten of these involved a ring investigation.

Once the policy is paid for, the ghost broker will sell or cancel the policy, leaving the victims with useless policies, liability, and financial exposure.

possibly being seized by law enforcement. They would also be held liable for any damages they cause while driving without valid coverage and would have to spend more money—in addition to what they lost to fraudsters—in order to obtain a legitimate insurance policy.

Research shows that ghost brokering began to appear in the United Kingdom as early as 2015, and perhaps even earlier. In 2019, one of Britain's largest insurers detected "3,100 applications with possible links to fake policies and is investigating another 4,000 possible cases" (Shale-Hester, 2020). This scheme can now be found in many other countries, including the United States.

Here is wise advice that you can pass along to prospective customers to protect them from falling victim to this scheme.

- Be vigilant.
- Be wary of agents advertising cheap insurance via social media and online platforms.
- If it sounds too good to be true, it likely is.
- Watch out for difficult-to-reach agents.
- Be wary of agents that require "cash-only payments."

- Make your payments directly to insurance companies.
- Do your research before you sign anything.
- Check with your state's insurance department to verify that the agent is legitimate and licensed.
- Verify your policy status. ■

REFERENCES

- Shale-Hester, T. (2020). Ghost broker car insurance scams on the rise, investigators warn. Auto Express. Retrieved from: <https://www.autoexpress.co.uk/car-news/108954/ghost-broker-car-insurance-scams-on-the-rise-investigators-warn>
- What is ghost broking? USWITCH (2020). Retrieved from: <https://www.uswitch.com/car-insurance/ghost-broking/>
- Insurance Fraudsters: A Study for the ABI. Perpetuity Research (2015). Retrieved from: <https://perpetuityresearch.com/1851/insurance-fraudsters-a-study-for-the-abi/>
- Ghost Brokers. Insurance Fraud Bureau. Retrieved from: <https://insurancefraudbureau.org/insurance-fraud/ghost-brokers/>

By Brooke Kelley

AUTO THEFTS AND CARJACKINGS ON THE RISE

A CEO'S PERSPECTIVE

The National Insurance Crime Bureau (NICB) has been an industry leader in the fight against auto theft for more than 100 years.



As the only organization in the United States that convenes the collective resources needed to analyze auto theft data, NICB has unique insights into trends that directly impact our members. Unfortunately, the rate of auto theft in the United States has increased dramatically over the last year, especially in major metropolitan areas.

Analysis of 2020 data shows a dramatic increase in auto thefts compared to 2019. Overall, thefts increased 9.2%, with some months seeing year-over-year increases as high as 18%. While the first five months of the 2020 saw moderate increases of less than 5%, thefts accelerated rapidly in June and continued at double digit rates for the remainder of the year. In total, there were 873,080 thefts in 2020, the most thefts in more than a decade.

Carjacking trends are equally concerning. Major metropolitan areas such as Chicago, New York, and Washington, D.C. saw year-over-year increases ranging anywhere from 50% to well over 100%.

Unfortunately, it is unlikely that we'll see a break in this crime trend anytime soon. This year, NICB analysts are predicting 10 of the 12 months—January through September and December—will see more thefts compared to 2020. So, the big question remains: Why are there so many auto thefts and

Auto Thefts: 2019 vs 2020

MONTH	2019	2020	% CHANGE
Jan	67,342	68,049	1.00
Feb	58,361	60,859	4.30
Mar	62,453	63,838	2.20
Apr	61,723	65,337	5.90
May	67,538	69,641	3.10
Jun	67,493	75,621	12.00
Jul	72,202	80,015	10.80
Aug	70,910	80,121	13.00
Sep	67,686	75,974	12.20
Oct	68,867	79,643	15.60
Nov	65,851	77,702	18.00
Dec	69,218	76,280	10.20

carjackings over the past year? And more importantly, how can leaders in the insurance industry help their policyholders protect themselves and their vehicles?

We sat down with NICB's President & CEO David Glawe to talk about the trends, causes, and responses to auto theft. As the former Under Secretary and Chief Intelligence Officer at the U.S. Department of Homeland Security (DHS), Glawe provides a unique perspective on why auto thefts are taking a significant turn and addresses what NICB is doing to help bring awareness to policyholders.

Can you describe the trend you're seeing with respect to auto thefts?

"We have seen a significant increase during the pandemic. It's an opportunistic crime. Many vehicles are stationary and parked because people are not going into the office and are working from home. We are at a 10-year high, up nearly 10%, and in some metropolitan areas, it's even higher."

Why is there suddenly such an increase?

"The pandemic has had significant impacts on society. We have a lot of disenfranchised youth that are unemployed, and outreach programs are shut down or limited due to COVID. There is frustration and anger in society. We also are seeing public safety resource limitations and withdrawal of proactive policing due to budget constraints. I've been studying this for almost 30 years; when you have a perfect storm like this, we see that manifest in crimes against automobiles."

Theft Prevention Measures:

NICB recommends a layered approach

1. Common Sense — Remove your keys or fobs from the vehicle!

2. Warning Device — the second layer of protection is a visible or audible device which alerts thieves that your vehicle is protected. Popular devices include.

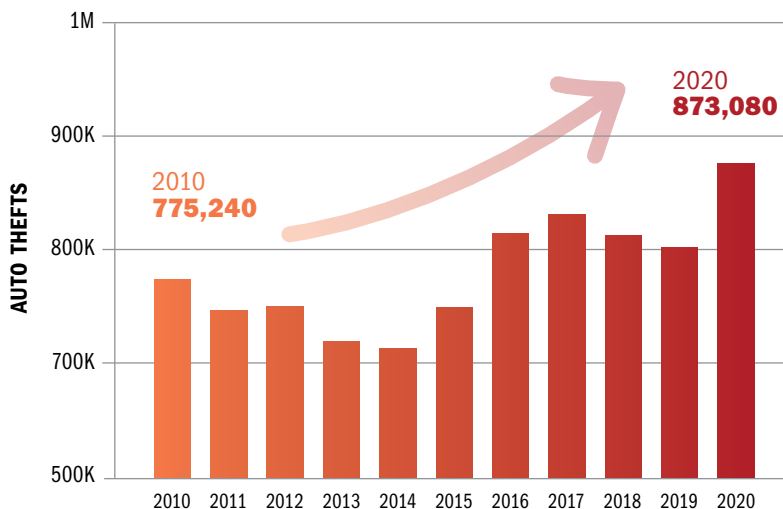
- a. Audible alarms
- b. Steering column collars
- c. Steering wheel/brake pedal lock
- d. Brake locks
- e. Wheel locks
- f. VIN etching
- g. Micro dot marking

3. Immobilizing Device — the third layer of protection is a device which prevents thieves from bypassing your ignition and hot-wiring the vehicle. Other devices inhibit the flow of electricity or fuel to the engine until a hidden switch or button is activated. Some examples are:

- a. Smart keys
- b. Fuse cut-offs
- c. Kill switches
- d. Starter, ignition, and fuel pump disablers
- e. Wireless ignition authentication

4. Tracking Device — the final layer of protection is a tracking device which emits a signal to police or a monitoring station when the vehicle is stolen. Tracking devices are very effective in helping authorities recover stolen vehicles. Some systems employ “telematics” which combine GPS and wireless technologies to allow remote monitoring of a vehicle. If the vehicle is moved, the system will alert the owner and the vehicle can be tracked via computer.

A Decade of Auto Thefts



What can the public do to prevent auto theft?

“It starts with good personal security. Secure your vehicle, park in well-lit areas. Make sure your anti-theft device is active. Take your keys and fobs with you. More often than not, people are leaving their keys in their vehicles. Work with law enforcement and your neighbors. If you see something, say something. If you see something suspicious, call 911.”

What can a person do if they're a victim of a carjacking?

“Stay calm and cooperate. Don't try and be a hero and try and stop the crime. Cooperate with the suspect, give them your keys, and be a good witness by remembering the criminal's description. But I can't say enough, do not try and be a hero because you are putting yourself at greater risk.

“While, of course, vehicle theft is already illegal across the country, NICB's Government Affairs team works closely with legislators across the country to allocate greater resources to combat vehicle theft and modify existing laws to better identify and prosecute criminals. This year, among a number of other bills, we advocated for increased funding for the Texas Motor Vehicle Crime Prevention Authority and supported New Mexico legislation to create the crime of illegally dismantling a motor vehicle, which was aimed at pursuing 'chop shop' operators.

“Over the next several months you can anticipate a continued aggressive public affairs campaign from NICB to encourage vehicle owners to take proactive steps to secure their vehicles and contact local law enforcement if they suspect questionable activity. We have already conducted several media interviews (FOX 32, WGN, The New York Times, and NU Property Casualty 360) to publicize this data and share advice that citizens can take to protect themselves and their vehicles.

“Reversing this trend will take a coordinated effort—one that NICB is uniquely positioned to support. NICB will continue to raise public awareness through an aggressive media campaign focused on target markets where we're seeing the highest number of crimes.” ■



PASSENGER VEHICLE IDENTIFICATION MANUAL

The 2021 Passenger Vehicle Identification Manual is **coming soon!**

The National Insurance Crime Bureau's (NICB) covered annual manual contains vehicle identification number (VIN) structure and decoding for most U.S. and Canadian passenger vehicles, including light duty trucks, motorcycles/ATVs and some snowmobiles. Look for the 2021 edition on NICB's website in April!

Proceeds from your order go toward furthering NICB's mission of fighting insurance fraud and vehicle crime. NICB members and our law enforcement partners are eligible for free and/or discounted copies.

www.nicb.org/VINManuals



Combating Medical Fraud Task-Force Style



NICB believes that work on the ground is one of the best ways to identify the fraud in any case.

When you think of common fraud schemes, does medical fraud come to mind? It should.

According to the National Health Care Anti-Fraud Association, medical fraud costs the United States approximately \$68 billion per year—about 3% of total health care expenses. Losses such as these can cause insurance companies to increase the rate of premiums.

That’s why the National Insurance Crime Bureau (NICB) created the Medical Fraud Task Force (MFTF), a unit that works on targeted medical providers and/or claimants who are known to, or are suspected of, committing insurance fraud from a medical perspective. The MFTF was created in 2002 and has since served as the liaison between all aforementioned groups.

The day-to-day activities of the MFTF can be vastly different. The task force can gather and analyze questionable claims relating to medical fraud. Any actionable intelligence that is discovered is shared with members and law enforcement.

Such as when Supervisory Special Agent (SSA) Richard Muller assisted on a case concerning non-licensed individuals providing physical therapy services. Due to the resources that the task force had put together, SSA Muller was able to provide intelligence from referrals, exposure data, and other pertinent information to help the investigation.

Or when SSA John Hodge opened a case on an individual allegedly attempting extortion. The individual demanded a university hospital system pay \$25 million or an online campaign would be launched claiming doctors had transplanted diseased organs without patient’s knowledge. SSA Hodge shared all known information with member companies.

There is also a great amount of field work that the MFTF conducts. In fact, NICB believes that work on the ground is one of the best ways to identify the fraud in any case. Field work includes assisting on multi-claim and multi-carrier investigations, meeting with partners to discuss needs and trends, and training SIU and law enforcement.

The MFTF’s connection with SIU and law enforcement is critical to executing our mission. Since its inception, the task force has held weekly meetings in all regions of the United States. These meetings are used to network, share industry insights, and other significant information. During these meetings, NICB special agents also provide intelligence to identify new investigations and combat insurance fraud.

NICB’s Medical Fraud Task Forces were created to better tackle the ongoing medical fraud crimes that severely affect NICB members and the American public. As an industry, fighting medical fraud is crucial. As an organization, the constant evolution and development of programs to anticipate these threats is key to successfully combatting them.

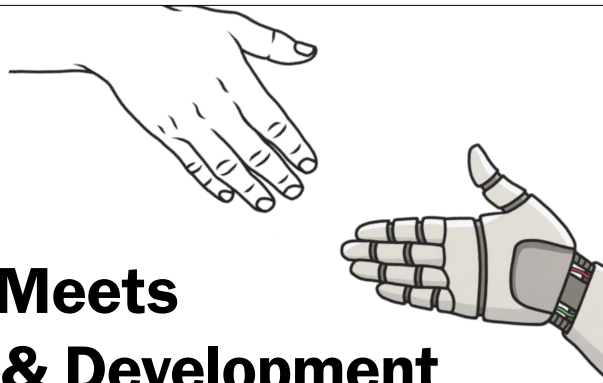
To find the task force group nearest you, contact your local NICB agent. ■

REFERENCES

The Challenge of Health Care Fraud - The NHCAA. (n.d.). National Health Care Anti-Fraud Association. <https://www.nhcaa.org/resources/health-care-anti-fraud-resources/the-challenge-of-health-care-fraud.aspx>



By Katie Zofkie



When AI Meets Learning & Development

When asking the average person about artificial intelligence (AI), their reply might include something like video games, Siri from their iPhone, or the Alexa in their home. When considering corporate learning, these electronic references don't even scratch the surface. You are more likely to see AI as a chatbot that pops up on the bottom of your learning management systems (LMS) asking if you need help.

It's interesting to note that across our personal and professional lives, AI already surrounds us. So, we must look at how this could potentially transform learning and development platforms in the coming years.

At NICB, our Learning and Development Team has been working hard over the last year and a half to advance most—if not all—online training with artificial intelligence. Our focus has been to use more interaction in our courses to reach multiple types of learners.

Given how fast technology is changing, learning and development programs must stay ahead of the newest approaches, training modules, and methods of learning. The one-size-fits-all model is not going to continue to work. Instructional designers already use AI in their programs through the text-to-speech function, but is that all we need for better learning?

In a video titled “Why E-Learning is Killing Education,” Dr. Aaron Barth states that in e-learning, we have forgotten the one and only

The one-size-fits-all model is not going to continue to work.

thing that matters in education: the students. With AI, you can gather insights from differing sources of employee data and use all this information for the creation of customized learning. This may also help develop a wider understanding of learner behavior.

While this is only the beginning, every year AI makes rapid advancements. Imagine a future where AI instructional designers are taking charge of virtual classrooms, powered by real-time case studies and simulations. Undoubtedly, we live in exciting times, and AI is truly an incredible tool for employee engagement and workforce productivity. ■

REFERENCES

<https://www.hrtechnologist.com/articles/learning-development/3-ways-ai-will-transform-learning-and-development/>

<https://www.youtube.com/watch?v=iwSOeRcX9NI&feature=youtu.be>



By Mike Sinno

NICB Learning & Development: A Year in Review

With travel restrictions in place and large group training sessions all but extinct, organizational learning pivoted 180 degrees to a fully virtual environment in 2020. The enhancements that the National Insurance Crime Bureau (NICB) and National Insurance Crime Training Academy (NICTA) learning and development underwent in the past 18 months ensured we were ready.

Here's a recap of 2020, as well as a preview of enhancements designed to ensure that our member's experience and administration is more efficient.

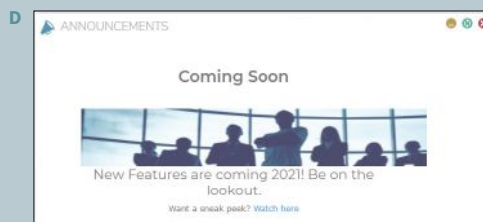
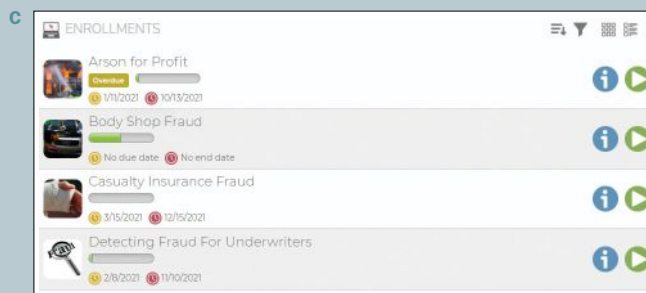
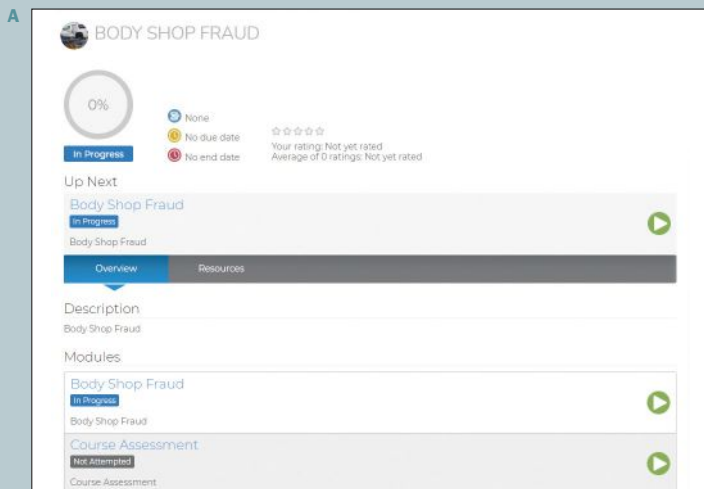
Accomplishments

- Over 83,000 users are in the system, with 557 group administrators
- 97,577 online courses completed since 1/1/2020
- 97,677 credit hours for online courses completed since 1/1/2020
- Over 7,738 instructor-led training (ILT) enrollments
- 21 custom learning paths created for member companies

Awards

NICTA's growth and success was recognized by *Chief Learning Officer* magazine as NICTA was awarded its Trailblazer and Innovation awards for 2020.





- A. Updated Course Details Screen
- B. Enhanced Enrollments Widget, Tile View
- C. Enhanced Enrollments Widget, List View
- D. New Announcements Widget

Top Courses

- Body Shop Fraud
- Hit While Parked
- Insurance Fraud Basics
- Introduction to Insurance Fraud Investigation

New Courses

- Foreign Ops 101—Recorded playback
- Indicators of Fraud
- Listening for Deception—Early Detection for Customer Service/Claims Associates
- Pandemic Field Safety—Recorded playback
- Vehicle Finance Fraud
- VIN Decoding

New Learning Paths

- *Early Detection of Fraud Activity for Customer Service/Claims:* The best way to combat fraud is to identify it as early as possible. Focused on customer service and claims personnel, the new Early Detection learning path educates learners on how to detect possible fraud from the initial call/report of a claim. The learning path includes listening indicators of fraud, as well as courses providing an opportunity to practice listening for deception.
- *CA Department of Insurance (CDI) learning paths and reporting:* In collaboration with CDI, the Learning program provides tracking and completion for all requirements at all levels. Simple reporting will allow easy submission for an entire workforce.

Administrative Enhancements

- *The ability to request outside training be added to a user's NICTA transcript:* Learners can now track all training course completions in one system by uploading a completion certificate or transcript to NICTA. This allows for single transcript reporting.

Course Integration

Would you rather track all employee training through your internal learning management system (LMS) and keep everything in-house? Well, now you can. With NICTA course integration, we supply you with the necessary course zip files to load directly to your LMS. This puts you in full control. The integration includes the entire NICTA catalog of online courses, as well as new and updated courses as they become available. We will also continue to process continuing education (CE) requests for all eligible courses. For a one-time nominal fee, you get the same great NICTA content; no need to access a separate system.

2021 Additions and Enhancements

Intrigued about integration but worried your employees may miss out on the instructor-led FraudSmart® webinars? Those are included as well!

Enhanced Enrollments Widget

This feature allows you to launch modules directly from the dashboard. There are also new sort and filter options, as well as the ability to toggle between a tile or list view.

Updated Course Details Screen

This screen allows you to quickly view course progress and launch the next course module.

New Announcements Widget

Each group administrator will have the ability to create customized group announcements and set start and end dates for the announcement to display. Multiple announcements can run at once as they automatically cycle through the widget carousel. ■

**We offer a
variety of
courses to make
your learning
more enjoyable.**

**NATIONAL INSURANCE CRIME
TRAINING ACADEMY**

NICTA's on-demand and virtual webinars assist your employees in maintaining a consistent, high level of fraud awareness in your company's claims organization.



NICTA

LEARNING@NICB.ORG



Uptick
of Vehicle Thefts,
Thanks to Their Owners

Some trends, like those shown during February’s New York Fashion Week, are a positive reflection and become accepted in society. But other trends are not.

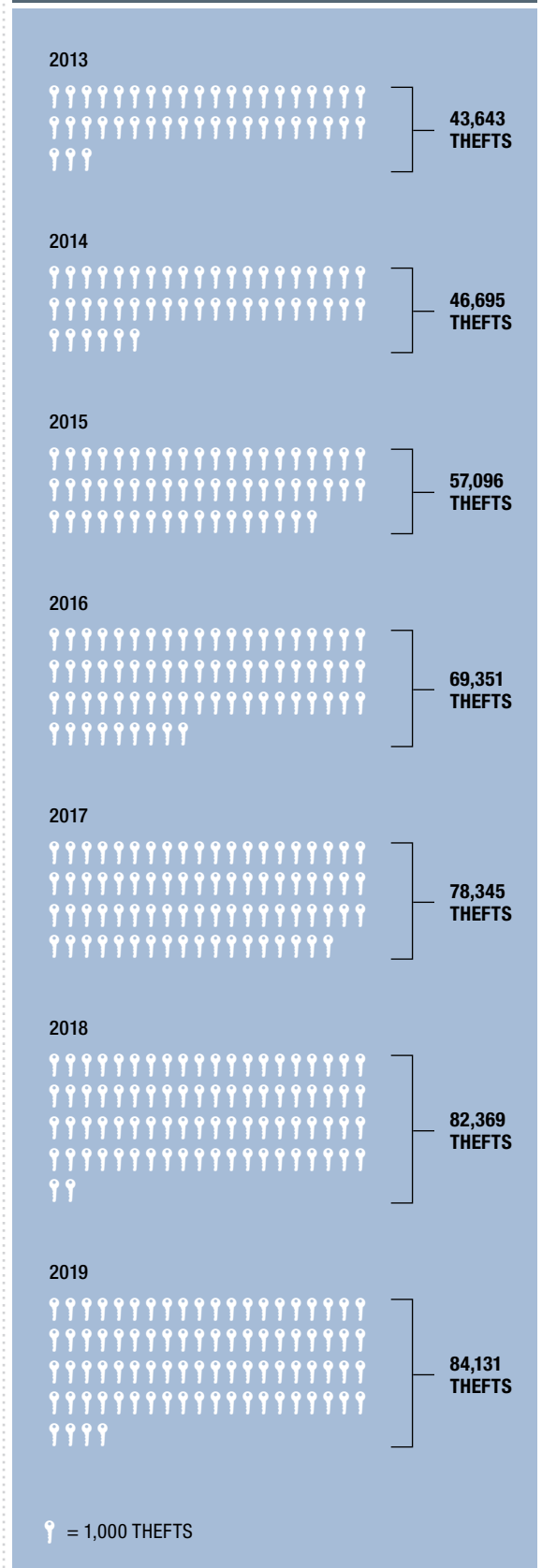
By Tully Lehman

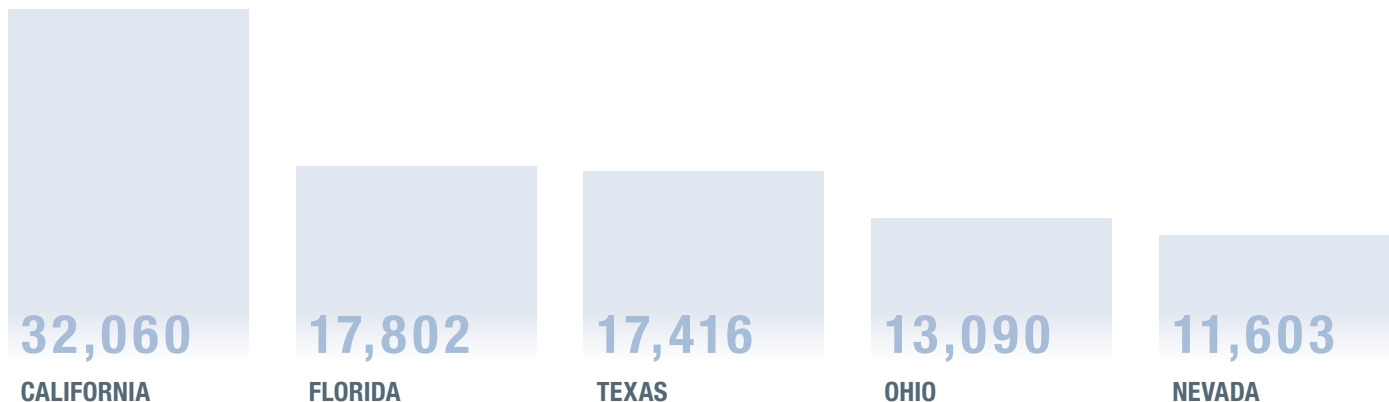
Thefts with keys left in vehicles have increased for the past seven years—an alarming and not-positive trend. In 2019, there were more than 84,000 vehicles stolen with the keys left inside, nearly 11% of the total number of auto thefts for the year.

A new report from the National Insurance Crime Bureau (NICB) shows there were around 873,000 cars stolen across the United States in 2020, an increase of 9.2% over 2019. If this trend holds, the theft of vehicles with keys left inside could get close to the egregious 100,000 theft mark. It’s a trend that the insurance industry doesn’t want to see happen.

According to Kelley Blue Book, the median new car price in 2020 was about \$38,000. So imagine having a briefcase with \$38,000 in cash instead of a vehicle. Would an owner still leave that unattended in their driveway or a hotel parking lot? Thieves are looking for the easiest targets, and a vehicle unlocked with the keys inside may as well say “FREE CAR!” to opportunistic criminals.

FIGURE 1.
THEFT OF VEHICLES WITH KEYS





For the last seven years, thefts of vehicles with keys inside have been steadily increasing. The top five states seeing the most thefts with keys over a three-year stretch include California (32,060); Florida (17,802); Texas (17,416); Ohio (13,090); and Nevada (11,603).

According to the NICB report, the months that see the most activity of this kind of theft include December (7,852); January (7,711); and November (7,349). These months tend to be the coldest months of the year in many parts of the country, indicating a potential reason for theft with keys.

Here's a plausible scenario: A person goes outside and starts their car to warm it up before heading off to work. Then, while the person goes back inside their home for a last cup of coffee, an observant thief passing by notices the running vehicle, sees that it's unlocked, and jumps in the car and is gone in seconds.

Warming your vehicle in the winter unattended is called "puffing," an act that is illegal in some states. If you must warm your car up in the morning, take the time to scrape

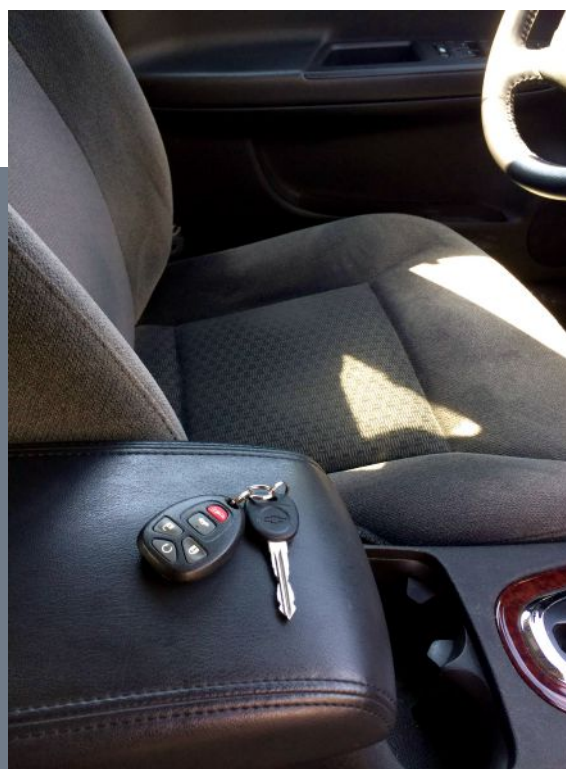
ice off the windshield, mirrors, and rear window. Not only is it something to do while waiting for your car to heat up, but it's also a prudent safety measure.

But not all is doom and gloom when it comes to these thefts. The silver lining is that most thefts with keys are recovered. Of 244,845 thefts of cars with keys, only 12,355 remain unrecovered—a 95% recovery rate.

Though the theft recovery rate is fairly good, NICB recommends that you let your auto policyholders know to do their part to keep their vehicle in their possession and protect their belongings inside. This includes:

- Lock the vehicle, set the alarm, and take all keys or fobs.
- Do not leave the garage door opener in the vehicle.
- Take a picture of your vehicle registration on your cell phone, and do not leave the registration or other papers with personal information in the vehicle.
- Never leave a car unlocked and running to warm it up or while stopping for a quick cup of coffee. It only takes a moment for the opportunistic thief to jump inside and drive off.

For puffing graphics or additional thefts with keys tips for your customers, contact TheNICBInformer@nicb.org. ■



“It’s just one of those things that people think will never happen to them... [but] it really can happen anywhere, anytime. It happens in well-lit areas. It happens in safe neighborhoods.”

The above quote was part of a recent news story in South Carolina, which involved a 2-year-old girl and her puppy who went missing for three hours after a man hopped into the running vehicle she was in that was left unattended outside a Lexington County, S.C. hotel. The driver’s side door was wide open.

Stories like this happen all too often around the country and are the tragic by-product of a driver’s poor decision. Thankfully, this story had a favorable ending.

REFERENCE

The Post and Courier Columbia. “Toddler, puppy abducted while inside idling SC car found safe but scare serves as warning.” www.postandcourier.com. Feb. 10, 2021.

Congratulations to the 2021 Class of Emerging Leaders Representing the Following Companies:

AM Best	Co-operative Insurance Companies	Nonprofits Insurance Alliance Group
Accredited Surety and Casualty Company, Inc.	CopperPoint Insurance Companies	Pacific Compensation Insurance Company
Alaska National Insurance Company	COUNTRY Financial	Protective Insurance Corporation
Ally Insurance	Crum & Forster	Questpro
ALPS Property & Casualty Insurance Company	CRC	RLI
American Agricultural Insurance Company	CSAA Insurance Group	Sentry Insurance
American Contractors Insurance Group	Erie Insurance Group	Society Insurance - a mutual company
American Family Mutual Insurance Company	Farm Bureau Insurance of Michigan	The Hanover Insurance Group, Inc.
American Modern Insurance Group	Farm Bureau Property & Casualty Group	The Hartford
Amerisure Companies	FBalliance Insurance Company	The Jacobson Group
Arthur J. Gallagher & Co.	GSFSGroup	Transverse Insurance Group
Assurant, Inc.	Hamilton Re	United Educators Insurance, A Reciprocal Risk Retention Group
Builders Mutual Insurance Group	Hartford Steam Boiler Group	Utica National Insurance Group
Church Mutual Insurance Group	IFG Companies	Vermont Mutual Insurance Group
Cincinnati Financial Corporation	Illinois Casualty Company	Vymo
CM Regent Insurance Company	Johnson Lambert LLP	WCF Insurance
CNA Financial	Lancer Financial Group, Inc.	Westfield Group
	Marsh & McLennan Companies	Weston Insurance Company
	Michigan Farm Bureau Group	Zurich North America
	Munich Re US	
	Noblr, Inc.	



In for the **Long Haul**

Cargo Thieves are Taking Advantage of COVID and Natural Disasters

By Josh Cahill

The rise in cargo thefts amidst the COVID-19 pandemic is forcing the shipping world to evolve and adapt faster than ever before. From big ticket items like flat-screen TVs to pallets stacked high with snacks, the cost of merchandise lost to cargo thieves has forced businesses to re-evaluate protocols at every level of the supply chain.



The Numbers Tell the Story

A report from Sensitech, an organization that tracks trends in cargo transportation and logistics, found that in the second quarter of 2020, as the COVID-19 pandemic emerged and lockdowns were mandated across the country, there was a 56% increase in cargo theft activity when compared to the second quarter of 2019. In April 2020 alone, cargo thefts increased by a staggering 109%.

Sensitech calculated the average value of cargo theft losses to be \$219,364 in the second quarter 2020, an 80% increase in value compared to the same time frame in 2019. Though the average value of cargo thefts decreased in quarter three of 2020 to \$153,272, when compared to the third quarter of 2019, this still accounts for a 7% increase.

What's Driving These Thefts?

While shipments of miscellaneous retail items and electronics will always be the most heavily targeted, it seems criminals have taken notice of the nation's demand for personal protective equipment (PPE) items and cleaning supplies. Masks, hand sanitizer, disinfecting wipes, and even ventilators are all new prey for cargo thieves. CargoNet, NICB's partner in the investigation and recovery of cargo theft, assisted law enforcement in Florida with the recovery of approximately \$440,000 worth of important medical supplies meant for first responders.

COVID isn't the only factor in the rise of cargo thefts. Due to a record-shattering hurricane season, tornadoes, wildfires, and, most recently snowstorms that have paralyzed parts of the country un-prepared for below-freezing temperatures, thieves are targeting loads containing building materials meant to help in disaster recovery efforts. The theft of building materials in the third quarter of 2020, such as lumber and tools, increased by 241% when compared to quarter two, according to Sensitech.

How Thieves are Hitting Loads

Coyote, a Chicago-based company specializing in shipping logistics and supply chain solutions, warns that while some criminals may resort to "spur of the moment stick ups," professional groups are more likely to pre-plan robberies.

Intelligence gathering is becoming a valuable tool for criminals looking to gain an edge on their victims. When thieves plan their scores, they station themselves around busy loading docks where workers are too busy to notice intruders. At the dock, they scope out the scene, watching when and how shipments move in and out. Some groups plant accomplices in companies, either by having them pose as company personnel or by having them get hired as a real employee. From the inside, these infor-



The theft of building materials in the third quarter of 2020, such as lumber and tools, increased by **241%**

mants take detailed notes on the inner workings of the company, relaying information on security measures and operating procedures.

Cyberattacks are becoming increasingly common as groups recruit criminals with hacking skills to break into company computer systems through the use of phishing or the installation of malware. This allows them to gain access to financial records and tracking information on high-dollar shipments.

One emerging scheme is the fictitious pickup. This type of theft involves multiple layers of fraudulent activity and can go months before being discovered and are sometimes not reported at all. By using insider knowledge of a company's logistics, gathered from employees in on the scheme or obtained through the use of social engineering, thieves pick up a shipment appearing to be a totally legitimate carrier, only to take the haul to a "fence," or buyer, who purchases the goods to re-sell on the black market.

According to Coyote, more sophisticated criminal operations will go as far as creating dummy motor carriers, complete with their own trucks and fake licenses. Some groups even register these fake companies with the U.S. Department of Transportation.

Under the guise of being a seemingly legitimate business, criminals can make pickups or manipulate contracts that allow brokering and subleasing, enabling thieves to prey on loads through the use of double-brokering. Scams that target brokered or subleased loads can get carriers with no criminal connections to transport shipments to any location that thieves desire.

These type of schemes often include the purchasing of commercial surety bonds that insure debt. Criminal organizations purchase these



Though the end of the COVID-19 pandemic is on the horizon, the scourge of cargo theft isn't going anywhere.

type of bonds, and once they have brokered a load, use advertisements posted online to hire drivers. After the driver drops off the load, and the criminals have been paid, the driver is left empty handed. Thieves instead tell the driver to take the matter up with the company that insured the load who is obligated to then pay the debt.

Even though cargo theft groups are using newer, less confrontational techniques, some unscrupulous individuals still prefer a more direct approach to pull off their crimes. Opportunistic thieves who engage in cargo pilferage are always a threat across the country, taking advantage of unattended freight. Thieves target loaded trailers in parking lots, breaking into several trailers at the same time. Once they make off with the merchandise, drivers deliver the load like they normally would, only to find their haul is gone. Sometimes, instead of just breaking into the trailer and swiping the merchandise, cargo thieves take off with both the trailer and the load.

Evading the Law

Hiding from the watchful eyes of law enforcement is no easy task and criminals have upgraded their technology in order to keep their activities as inconspicuous as possible. Using gadgets called “sniffers,” thieves find trackers

within a load and either remove the devices or use jammers to prevent shipping companies and police from locating the stolen cargo.

Though the end of the COVID-19 pandemic is on the horizon, the scourge of cargo theft isn't going anywhere. The National Insurance Crime Bureau (NICB) is working diligently with its member companies, industry personnel, and law enforcement to combat those looking to take advantage of a panicked public willing to pay any price to feel safe. NICB suggests taking the following steps to stay one step ahead of criminals:

- Beware of social engineering as con artists use phone calls and emails to manipulate all parts of the supply chain in order to access important and private information.
- Have drivers park with the opening of the trailer against a wall or another trailer.
- Outfit company trucks with a wide variety of locking devices to help protect against angle grinders, bolt cutters, and lock picking tools.
- Be careful when picking business partners, including security, transportation, and intermediaries. Be thorough and be confident that all parties involved in an agreement are legitimate. Make sure business contracts are ensured and sub-leasing authorization is not included. ■

REFERENCES

- SENSITECH Q2-2020 Cargo Theft Report. SENSITECH (2020). Retrieved from: https://scripartnership.com/wp-content/uploads/2020/10/2020_q2_us.pdf.
- SENSITECH Q3-2020 Cargo Theft Report. SENSITECH (2021). Retrieved from: https://scripartnership.com/wp-content/uploads/2021/01/2020_q3_us.pdf.
- How the COVID-19 Pandemic is Impacting Cargo Security. Coyote Logistics (2020). Retrieved from: <https://resources.coyote.com/shipper/cargo-security-covid-19>.



For more information on how to help protect against criminals targeting supply chains, read NICB's primer on cargo theft at [nicb.org/prevent-fraud-theft/cargo-theft](https://www.nicb.org/prevent-fraud-theft/cargo-theft).



Fraud Ring or Criminal Enterprise?



These criminal enterprises are industrious in finding illicit ways to line their pockets.

Whether you have 20 years of investigative experience or are simply a fan of HBO's *The Wire*, you've most likely heard the investigative strategy of "following the money." The reason this is a successful strategy is that it mirrors the mentality of criminal organizations. Most criminal organizations aren't driven by ideals or principles, they are driven by greed.

Perhaps a more appropriate label for these organizations would be criminal enterprises due to their capital-driven nature. These criminal enterprises are attracted to crimes and locations that are lucrative and low risk. The auto insurance industry, where large amounts of money are at stake and there is less law enforcement attention and lower risk than traditional crimes, becomes a target of these groups.

During their investigations, many special investigation units (SIU) tend to focus on specific fraudulent incidents and the associated claims, but a more global perspective may reveal that these individuals are part of larger groups operating in multiple states, perpetrating crimes additional to insurance fraud, or both. These criminal enterprises are industrious in finding illicit ways to line their pockets.

Criminologists refer to the movement of criminal activities to a new, less monitored location as spatial displacement. The National

Insurance Crime Bureau (NICB) anecdotally witnessed such a phenomenon in 2011 and 2012 when individuals from South Florida and Tampa began opening personal injury protection (PIP) clinics in Jacksonville. Many of these individuals were associated with suspicious clinics or involved in alleged staged accidents in their previous location. In just over a year, 13 clinics were incorporated in Jacksonville associated with these individuals.

Through shared intelligence gathered by member companies, law enforcement, and NICB, these clinics were identified, investigated, and eventually closed. The cooperation between all parties allowed for a quick and efficient response to this tactical movement by this criminal enterprise.

Unfortunately, since this investigation, the NICB has observed similar tactics being employed by criminal enterprises that are moving outside of Florida, particularly to other no-fault states such as Kentucky and Michigan. Ever the profiteers,

NICB has identified criminal enterprises associated with auto injury clinics that are involved in many other aspects of the health care industry.

these organizations do not limit their criminal activities to fraudulent auto insurance claims.

As NICB observed the migration of clinics and people from Florida to Kentucky, investigations indicated that an individual, heavily involved in auto injury clinics, was also associated with clinics involved in Medicare fraud, for which she was later arrested.

This crossover may be more rampant than we realize. NICB has identified criminal enterprises associated with auto injury clinics that are involved in many other aspects of the health care industry, including home health care clinics, durable medical facilities, adult daycares, and assisted living facilities, just to name a few. Individuals belonging to these criminal enterprises may also participate in more traditional criminal activities, such as identity theft, drug trafficking, and money laundering.

In one example, an individual was arrested as part of an alleged credit card skimming ring based out of Colorado, while at the same time being listed as the manager of a Tampa PIP clinic. Although many of us in the auto insurance industry are acutely aware of the individuals and businesses involved in insurance fraud rings, we may not realize the scope of the criminal enterprise, especially the parts of the organization operating outside of our purview.

Intelligence that Assists Law Enforcement

The intelligence obtained from SIU's investigations of insurance fraud rings may have the potential to substantially assist

law enforcement with cases against large criminal enterprises. In the recent Homeland Threat Assessment report, the Department of Homeland Security listed criminal organizations as one of the largest risks to national security. Throughout the country, these criminal organizations are seeking illicit avenues to substantiate their enterprises.

With limited resources and increased demands, law enforcement agencies are challenged by the time and bandwidth required for such investigations. The NICB, with cooperation from the SIU community, may be able to assist law enforcement with these investigations by providing well-developed, relevant intelligence gathered through insurance fraud investigations.

Although law enforcement resources may be stretched thin, the insurance industry employs an army of SIU investigators and analysts throughout the country. These investigators and analysts thoroughly research and investigate individuals, providers, and rings involved in alleged insurance fraud, some of whom may be involved in larger criminal enterprises. The intelligence developed through these investigations may be of great importance to an open criminal enterprise investigation. When this intelligence is passed on to NICB, we are strategically positioned to analyze and recognize the relevance and importance of the intelligence through our law enforcement partnerships. This intelligence can then be provided to NICB contacts within the appropriate law enforcement agencies and fusion centers to assist in their investigations of these criminal enterprises.

“Big Picture” Approach

Identification of these criminal enterprises in the insurance industry starts with a “big picture” approach. These criminal groups are not bound by borders and are wide-ranging regarding their criminal and fraudulent activities.

Luckily, current trends in our industry may allow the adaptation of a more global perspective. Major case units, operating in multiple states, are greatly suited to identify interstate activity by these groups. Well-constructed analytics departments can employ a more nationwide outlook and better recognize links between groups, locations, and criminal activities.

The more intelligence is developed and shared regarding these criminal enterprises, the better understanding we'll all have of who they are and how they operate. Then, tracking them down is just a matter of following the money. ■

REFERENCES

Department of Homeland Security. (2020). *Homeland Threat Assessment*. Retrieved from: https://www.dhs.gov/sites/default/files/publications/2020_10_06_homeland-threat-assessment.pdf

Up & Away!

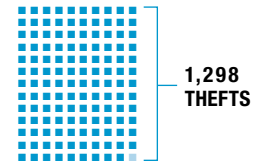
**Catalytic Converter
Thefts Skyrocket
Across the Nation**



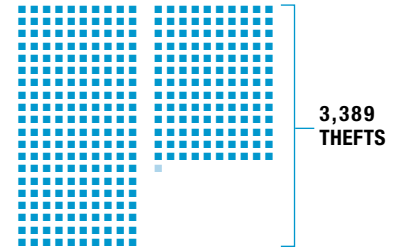
For more general information on protecting your vehicle, go to [nicb.org/prevent-fraud-theft/prevent-auto-theft](https://www.nicb.org/prevent-fraud-theft/prevent-auto-theft).

REPORTED CATALYTIC CONVERTER THEFTS IN THE U.S.

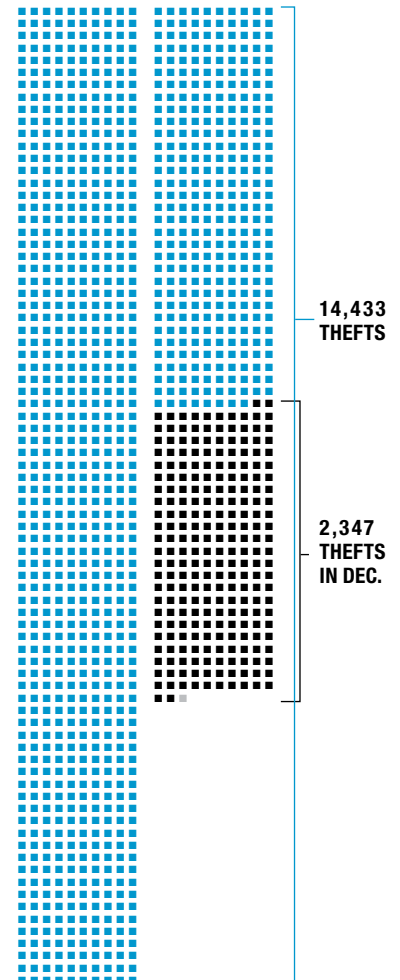
2018



2019



2020



A vehicle is an integral part of everyday life, taking people to work, kids to school, or families on weekend trips. And most people will take steps to protect their vehicle by locking the doors, rolling up the windows, removing valuable items from it—maybe even installing an aftermarket alarm or a steering wheel lock to protect it from thieves.

How safe really are a vehicle's exterior parts?

Thieves are ripping catalytic converters from vehicles at an alarming rate, and it's a theft that is tough to combat as well. As these thefts continue to sweep across the nation, motorists just wanting to get around town find they need to fix a major and unexpected problem, a repair that costs upward of several thousands of dollars.

According to an NICB's Operations, Intelligence, and Analytics report, in 2018, there were 1,298 catalytic converter thefts reported. In 2019, that number was 3,389 thefts. In 2020, catalytic converter thefts jumped massively to 14,433, with December leading the way with 2,347 thefts in just one month.

So, what exactly is a catalytic converter?

A catalytic converter is a device that looks like a small muffler along the exhaust system. It is designed to convert the engine's environmentally hazardous exhaust into less harmful gasses. To do this, it uses platinum, palladium, or rhodium.

In recent years, however, the value of these precious metals has skyrocketed. As of year-end 2020, rhodium was valued at \$14,500 per ounce, palladium at \$2,336 per ounce, and platinum was going for \$1,061 per ounce. Typically, recyclers will pay \$50 to \$250 per catalytic converter.

Historically, thefts of catalytic converters increase when the price per ounce for these precious metals increases.

As of the end of February 2021, these 18 states are evaluating potential legislative

actions to curb the theft problem: Arkansas, Georgia, Hawaii, Illinois, Indiana, Iowa, Minnesota, Missouri, New Mexico, New York, North Carolina, North Dakota, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia.

Removing a catalytic converter takes only minutes using some basic, readily available battery-operated tools from a local hardware store. For the criminal, it's cheap and easy. But for the vehicle owner, it's costly and burdensome—requiring finding and paying for alternate transportation, and then paying anywhere from \$1,000–\$3,000 to get the car fixed.

To reduce the chance of having a catalytic converter stolen, the NICB recommends sharing with your auto policyholders these tips:

- Install a catalytic converter anti-theft device. These are available from various manufacturers and can provide a level of security from theft.
- If parking a fleet truck at a business overnight, consider enclosing the vehicle in a secured area that is well lit, locked, and alarmed.
- For personal vehicles, if possible, park in a garage. If that's not possible and it must be parked in a driveway, consider installing motion sensor security lights. While lights may not provide complete security, it may make some thieves think twice, instead opting to leave the area and the car untouched.

In some cases, this theft is covered by insurance. The optional comprehensive portion of an insurance policy—the portion that covers damage not caused by accident—covers this kind of loss. However, the owner will be responsible for paying the deductible. If a policyholder's deductible is \$1,000 and the cost to repair the damage is also \$1,000, or maybe a few hundred dollars more, drivers may not opt to file a claim.

The NICB advises drivers to contact their insurer to report the theft and determine the best course of action. ■

2020 HURRICANES Underscore Importance of the CAT Response





“Unprecedented” could certainly describe many things in 2020. From an unforeseen pandemic that has disrupted all human life to the record-setting Atlantic hurricane season.

By Cassie LaSorsa and Katherine Gonzales

According to the National Oceanic and Atmospheric Administration (NOAA), an average hurricane season produces 12 storms. The grand total of named storms for 2020 was 30, with 12 hitting the United States. This was high enough that after exhausting the traditional list of names, the National Hurricane Center was forced to delve into the Greek alphabet by September. Unprecedented indeed.

The Atlantic hurricane season officially runs from June through November, but the 2020 season got off to an early start with Tropical Storm Arthur on May 16 and Tropical Storm Bertha on May 27. Both had minor impacts on the Carolinas. More storms went on to impact the U.S. coastline through June and July, most notably Hurricane Hanna, the first storm of the season to be classified as a hurricane, which hit South Padre Island, Texas, on July 25.

Then there was Isaias. On Aug. 3, Hurricane Isaias made landfall and brought significant storm surge, wind, and even tornadoes as it moved up the Mid-Atlantic coast. Risk Management Solutions (RMS) estimated that Isaias caused between \$3 to \$4.5 billion in damage to the U.S.

Not unprecedented was NICB’s response to these disasters. After Isaias, several special agents from the NICB’s Mid-Atlantic Region were deployed to assess damage and coordinate with law enforcement, NICB member companies, and local residents to prevent fraud and identify suspicious activity in states ranging from South Carolina to New Jersey.



WECT interviewing Supervisory Special Agent Ken Pedigo of the Mid-Atlantic Region about contractor fraud following Hurricane Isaias, which occurred at the end of July, beginning of August 2020.

Between Aug. 26 and Sept. 4, 2020, 100,822 claims were submitted to NICB member companies in Louisiana, Texas, and Arkansas.

NICB Mid-Atlantic Region Supervisory Special Agent Ken Pedigo was interviewed by WECT News immediately following Isaias, and he advised the following regarding suspicious contractors:

“It’s a bad time for you, we understand that ... but you need to slow down or get help from family members to help you take the right path and don’t rush into anything. As badly as you want it repaired right away, you start trying to get things done quickly or someone knocks on your door, and you say go to work, here’s the money—that’s where you make the mistake, and that’s where we see people become a victim of fraud.”

Not to be outdone, the Gulf Coast then endured four landfalling hurricanes:

- Hurricane Laura (Category 4) made landfall near Lake Charles, La., on Aug. 27
- Hurricane Sally (Category 2) made landfall near Gulf Shores, Ala., on Sept. 16
- Hurricane Delta (Category 2) made landfall near Creole, La., just several miles east of Hurricane Laura, on Oct. 9
- Hurricane Zeta (Category 2) made landfall near Cocodrie, La., on Oct. 28

RMS estimated that Laura caused up to \$13 billion in damage and estimated both Sally and Delta caused up to \$3.5 billion in damage each. After the same areas got hit repeatedly, worsening the damage, it was a priority to remain vigilant for questionable claims and suspicious contractors, tow truck companies, and flooded vehicles. In addition to sending NICB special agents into catastrophe zones, the NICB’s Intelligence and Analytics Division began adding claim models to catastrophe alerts. Aaron Soline, a director for NICB’s Office of Intelligence and Analytics, discussed the model’s importance.

“The heat maps included in the CAT alerts give NICB members up-to-date information on where claims are occurring and where they are not occurring. It can be important to know where the claims are occurring so you can direct appropriate resources to that area. Knowing where claims are not occurring can tell you areas that may be so devastated that they cannot report claims. This data allows our members to make better decisions and make sure funds are not diverted from the victims of the CAT to fraudsters trying to make money.”



Download NICB’s *Catastrophe Claim Guide* to help better prepare your claims and/or SIU team for when disasters strike. Look for the guide in the *NICB Services* tile within ISO ClaimSearch®. More tips and information for the public is available at [nicb.org/disaster-tips](https://www.nicb.org/disaster-tips).



The aftermath of Hurricane Isaias in Somerset County, N.J.

It is not uncommon for suspicious claims to come in months — even years — after a catastrophe.

Claims Impact and Concentration

Between Aug. 26 and Sept. 4, 2020, 100,822 claims were submitted to NICB member companies in Louisiana, Texas, and Arkansas, with claimants seeking help from insurers to cover flood, wind, and hail damages among other loss types.

Catastrophe fraud primarily falls into three categories: claims related, property repair related, and fraud associated with the claims process. Because of the nature of a catastrophe situation, fraud is occasionally overlooked as a cost of doing business. As a result, usually only the most blatant fraud is referred to a special investigation unit (SIU).

NICB Special Agent Ted Raley of the Southwest Region received several referrals specific to the Lake Charles, La., area after Hurricanes Laura and Delta. He noted, “most of the CAT-related referrals we are seeing out of the Lake Charles area are vehicle related because so many of the structures were destroyed. Two named storms making landfall in three weeks, 12 miles apart, has devastated the area.”

NICB Special Agent Dave Sicilian of the Southeast Region remarked that it is not uncommon for suspicious claims to come in months—even years—after a catastrophe. He has noticed trends around the Tampa Bay area of Florida related to Hurricane Matthew, which occurred back in 2016.

“We have had a number of complaints in my area, as well as in and around the state of Florida, wherein allegedly suspicious contractors are going into certain communities and are soliciting work for alleged instances of roof damage as a result of purported ‘hurricane wind damage.’ What we have learned thus far is that not only are these cases difficult to prosecute, but there have been a significant number of these complaints that have involved senior citizens. Although we do not have enough evidence to say with certainty that these alleged contractors are categorically targeting seniors, we must be cognizant of the fact that there are a sufficient number of potential victims in this category which we cannot ignore.”

NICB Takes an Aggressive Stance on Anti-fraud Campaigns

As NICB has communicated after every storm, there are a number of tips that your policyholders need to be aware of to help avoid contractor fraud:

- Be suspicious of any contractor who tries to rush you, especially on non-emergency or temporary repairs. If possible, shop around for a contractor by getting recommendations from friends and neighbors. Be wary of anyone knocking on your door offering unsolicited repairs to your home.
- Never pay for work up front. Always inspect the work and make sure you’re satisfied before you pay. Most contractors will require a reasonable down payment on work, but don’t pay anything until you have a written contract.
- Get three written estimates for the work and compare bids. Check credentials with the Better Business Bureau or state attorney general’s office to see if the business has any outstanding complaints.
- Always have a written, detailed contract that clearly states everything the contractor will do, including prices for labor and materials, clean-up procedures, and estimated start and finish dates. Never sign a contract with blank spaces, which a crooked contractor can alter after they have gotten your signature.
- Don’t believe a contractor who says they are supported by the government. The Federal Emergency Management Agency (FEMA) does not endorse individual contractors or loan companies; call FEMA toll-free at 800.621.FEMA for more information.
- Avoid paying with cash; use a check or credit card instead. This creates a record of your payments to the contractor. ■



The aftermath of Hurricane Isaias in Kent County, Del.



The aftermath of Hurricane Isaias in Cape May County, N.J.

REFERENCES

- Named storms includes tropical storms and hurricanes. <https://www.noaa.gov/media-release/extremely-active-hurricane-season-possible-for-atlantic-basin>
- <https://www.nhc.noaa.gov/>
- <https://www.rms.com/newsroom?pressRelease=>
- <https://www.wect.com/2020/08/11/avoiding-post-isaias-scams-red-flags-watch-while-coastal-towns-rebuild/>


 By Josh Cahill

Diamonds in the Rough

The NICB's Analytical Approach to Identifying and Recovering Lost or Stolen Vehicles

Since the organization's inception as the National Automobile Theft Bureau (NATB), the National Insurance Crime Bureau's (NICB) vehicle recovery operations have been a foundational focus of the organization.

When NICB agents are called to assist law enforcement, government agencies, and member companies with vehicle recovery efforts, the vehicle team in the Office of Intelligence and Analytics (OIA) is ready to provide comprehensive analysis.

"The vehicle team's main goal is to provide actionable intelligence to our field agents in order to help them locate and recover stolen vehicles and dismantle organized vehicle theft rings," said Jessica Rust, Analyst Supervisor of OIA's Vehicle Team.

The vehicle team's methodology has evolved over the years in order to better meet the needs of NICB agents, law enforcement, and members. Rust elaborates:

"Our analysis process has changed dramatically since I started," she said. "We now employ advanced queries to more efficiently mine our data in SQL (structured query language), allowing us to expand the types of vehicle fraud

we analyze, and by utilizing Accurant for Insurance Plus and Python coding, we are able to proactively identify vehicle networks by extracting and combing registration data."

Piecing a VIN

The vehicle team provides NICB agents with informational leads on vehicles that were stolen and re-registered after having their vehicle identification number (VIN) altered. A common way to hide the stolen status of a vehicle is to counterfeit the VIN, either by changing parts of the number or by creating a new number altogether.

By analyzing registration data provided to NICB, vehicle team analysts are able to compare VINs to shipping information and examine vehicle history reports to identify vehicles that were recently registered but aren't found in manufacturer records. If a vehicle lacks a shipping record and has little to no vehicle history, analysts can conclude the VIN may be counterfeit.

Everyday vehicles like pickup trucks and SUVs are common subjects for leads. But sometimes the cars analysts identify can cost a small fortune.

"We've helped recover just about any type of vehicle you can imagine—high performance sports cars, luxury

vehicles—we've recovered them all. As a car enthusiast, I really enjoy writing leads that can aid in the recovery of high value, interesting vehicles," said Ben Gordon, vehicle analyst.

Rings on Fire

Many of the vehicle team's leads are on individual vehicles, but the identification of organized rings, which are of special interest to law enforcement, have increasingly become the focus of the vehicle team's efforts.

Vehicles in a ring can be connected via a shared owner or registered address. Sometimes, they are owned by seemingly legitimate businesses that turn out to be fronts for fraudsters. It is not uncommon to see schemes where a vehicle is registered in one state, only to end up in another.

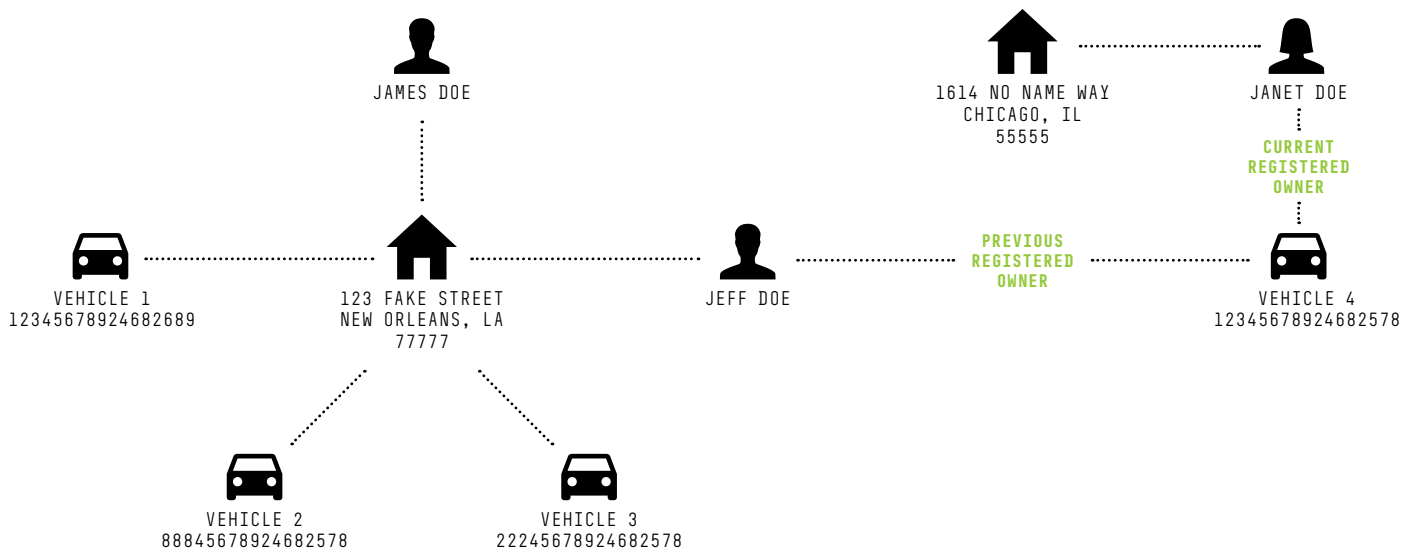
Unraveling the thread of a vehicle fraud ring can be complicated, but it presents vehicle analysts with an interesting challenge, according to vehicle analyst Adam Buysse.

"Looking through public records and trying to follow the paper trail to find the actual owner of these vehicles gives me the opportunity to test my skills, especially when the ring is doing something new that I've never seen before."

To help NICB agents and law enforcement with their investigations into ring activity, vehicle analysts complete detailed Strategic Information Reports complete with information on all individuals and vehicles involved, as well as materials like link charts that visualize the various

FIGURE 1. SAMPLE LINK CHART

Link charts with detailed information on individuals and vehicles help NICB agents and law enforcement visualize various connections within their investigations into ring activity.



connections within the operation being researched (see Figure 1).

Fraudsters commonly hide the identity of stolen vehicles by manipulating or replacing official labels in addition to the VIN in order to give it a new identity. Identifying this type of counterfeiting can be a bit more complex than researching counterfeits, but the vehicle team is up to the task.

“I utilize several different resources we have at NICB, in conjunction with pre-insurance inspection reports and photos,” said Kristen Shapiro, vehicle analyst, when explaining her clone identification process. “It has been interesting to be able to look at and compare EPA labels on vehicles from inspection photos. Access to these documents has greatly aided in identifying possible VIN switched vehicles with potentially counterfeit labels.”

Popular Annual Vehicle Reports

In addition to counterfeit VIN leads, two of the most popular analytical products the vehicle team creates are the annual *Hot Spots* and *Hot Wheels* reports. The *Hot Spots* report examines vehicle theft data obtained from the National Crime Information Center (NCIC) for each of the nation’s metropolitan statistical areas,

basing its rating on the total number of reported vehicle thefts per capita. The *Hot Wheels* report also analyzes NCIC theft records, summarizing the data by vehicle make, model, and year.

Since the report is so high profile, the analysts who work on it take special care to make sure every detail is correct. Analyst Mark Miller, who plays a central role in the creation of the report, had this to say: “Getting the report done can be stressful. Not only do we have to get it done on time, but we have to make sure it’s as accurate as possible since it not only goes to members, but also to media outlets nationwide. While there is some pressure when creating the report, I have friends that follow the stats and I enjoy them knowing that we are the group that puts it all together.”

The identification and recovery of lost and stolen vehicles is an essential part of NICB’s role as the data-driven, operationally focused leader in the fight against fraud. As NICB agents go out into the field and carry on the NICB legacy of vehicle recovery expertise and excellence, the OIA’s vehicle team is ready to support them and is prepared to take on any and all new challenges head on. ■

“Looking through public records and trying to follow the paper trail to find the actual owner of these vehicles gives me the opportunity to test my skills, especially when the ring is doing something new that I’ve never seen before.”



Reach out to the NICB OIA group for statistical information, using the Contact Us form and selecting “Statistics” in the Subject field at nicb.org/about-nicb/contact-us.

 By Tully Lehman

VINCheck: Celebrating 15 Years of Protecting Consumers Nationwide



The National Insurance Crime Bureau's (NICB) most-utilized free service for consumers, thanks to participating member insurance companies, recently turned 15. Happy birthday, VINCheck®!

the most popular web pages on NICB.org with over 3 million visits annually. Numerous federal, state, and local agencies link to the page, which continues to be a tremendous free service for consumers.

Here are some good thoughts that we've received for VINCheck!

"We were looking at purchasing a car which the owners said had never been in an accident. VINCheck came back with a salvaged title, due to collision. We will NOT be buying that car!!"

— N.V., Tucson, AZ

"Sounded too good to be true. Ad stated Honda CRV LX Sports Utility 2001- Clean Title Vin check showed salvage vehicle. Thank you."

— T.M., Fairburn, GA

Check out www.nicb.org/VINCheck to view the service. ■



Can VINCheck enhance your company's website services? Feel free to share our free VINCheck with your consumers! Contact TheNICBInformer@nicb.org for details.

VINCheck came into this world following Hurricane Katrina in 2005, and immediately set out to protect consumers from the hundreds of thousands of flood damaged vehicles hitting the market.

In those early days, the free service was called the Katrina Flood Vehicles Database, but two years in, it took its next step in life and included unrecovered stolen vehicles and was renamed VINCheck. Less than a year later, VINCheck continued growing up some more and added to its database vehicles that had previously been declared as salvage by participating NICB member insurance companies.

Since 2017, VINCheck has searched nearly 4.7 million VINs for consumers and continues to be one of

CLEARVIN

Approved NMVTIS Data Provider

When you're in the market for a used car, it's important to arm yourself with the best information available to make the right decision. With ClearVin you will instantly receive a detailed vehicle history report - all you need is a VIN number and you're set to go!

ClearVin draws data from industry leading organizations and government agencies to build full and comprehensive vehicle history reports.

For our corporate partners we provide bulk access options and multiple tailored solutions to fit all your needs.

TAKE THE MYSTERY OUT OF THE HISTORY

What's in the report?

- Detailed Vehicle Specifications
- Ownership History
- Title Brand History
- Insurance Total Loss Records
- Junk & Salvage Information
- Lien/Impound/Theft Records
- Price Valuation Data
- Detailed Auction Sales History
- Safety Recalls

Get Instant Vehicle History Reports at ClearVin.com



Contact us:  info@clearvin.com  +1 (844) 268 - 5991



By Howard Handler

Motoring Through Vehicle Crimes

National auto theft rates have sharply declined since they peaked in 1991. Of course, to the National Insurance Crime Bureau's (NICB) member insurers, while a national decline is welcoming news, every stolen vehicle still affects the bottom line, and escalating rates in certain geographies can disproportionately impact insurers writing in those areas.

Proudly, in 2019, NICB helped members recover 203,794 vehicles with a total estimated value of \$591.6 million. NICB's recovery efforts are not solely focused on automobiles, but all types of motorized vehicles, including tractors, boats, motorcycles, snowmobiles, all-terrain vehicles, and even airplanes. We employ a multi-pronged approach to recover your insured assets; here's how:

NICB System Recoveries: NICB's unique relationship with law enforcement means that NICB has access to a mirror image of the National Crime Information Center's (NCIC) stolen vehicle database. Upon recovering a stolen vehicle or boat, law enforcement inputs the recovery information which is matched with the insurer's theft record submitted to ISO ClaimSearch®. Upon a match, the insurer is notified of the recovery and specific location. While theft records are purged from NCIC after five years, NICB maintains these records indefinitely, which helps support the return of vehicles recovered even decades after being stolen. Insurers can help facilitate a speedy return of their stolen vehicles by ensuring the appropriate identification numbers, make, model, and loss type are correctly entered into ISO ClaimSearch.

VIN Verification: NICB's Investigative Assistance (IA) group fields calls daily from law enforcement requesting assistance in identifying possible stolen vehicles. The IA group helps law enforcement locate secondary VINs and are trained to re-build a VIN when provided with only a partial VIN. When circumstances dictate, an

NICB special agent may occasionally be contacted to provide additional expertise. NICB's expertise in vehicle identification, aided by our unique relationship with vehicle manufacturers, is so well regarded, the FBI immediately called in NICB to identify the rental vehicles used in the bombings of the Alfred P. Murrah Federal Building and the World Trade Center, and most recently the December 2020 bombing in downtown Nashville.

Investigative Services: Law enforcement, prosecutors, and member company special investigative units (SIU) across the country regularly count on NICB special agents to help lend their expertise in investigating vehicle theft. Agents regularly accompany law enforcement in the field and are often embedded in auto theft task forces. If your SIU needs assistance investigating a suspected vehicle theft claim, be sure get in touch with your NICB regional office; a list of regional offices and respective contact information can be found at www.nicb.org/about-nicb/office-locations.

License Plate Reader Program: The license plate reader (LPR) program helps NICB's member companies recover more stolen vehicles. A network of LPR vendors are crisscrossing the country, scanning license plates in the hunt for your stolen vehicles. When one of your stolen vehicles is identified, NICB is alerted within minutes and gets right to work coordinating with law enforcement to facilitate the recovery. Member companies must opt-in to the LPR program, and by doing so, agree in advance to a \$500 fee for each recovery. Contact NICB Partner Engagement & Member Services at memberservices@nicb.org or 800.447.6282 to take part in the program.

Foreign Repatriations: NICB's work doesn't end at the border. During 2019, NICB's Foreign Operations Team recovered 2,272 vehicles from foreign countries, primarily Mexico. When NICB's foreign law enforcement partners or vendors find a stolen vehicle, NICB's Foreign Operations is notified and gets to work, at the direction of the member

Insurer Vehicle Donations Help Combat Insurance Crime

One opportunity for insurers to go the extra mile in the fight against insurance fraud and crime is to support law enforcement with a vehicle donation. Through a long, well-established program, insurers can donate vehicles through NICB, which then places the vehicles with law enforcement agencies across the country for the express (and contractual) purpose of combatting insurance crime and vehicle theft. Insurers have the choice to lend vehicles for a limited time, after which the vehicles will be returned, or vehicles may be donated outright. The donated vehicles often are damaged or recovered stolen vehicles and well-suited for law enforcement to use in investigations, including for bait vehicles, surveillance, to bring to a body shop, and more.

To learn more about donating a vehicle, contact Mary Aftanas-Baumann, director of operations — property, casualty, commercial, at maftanas@nicb.org or 847.544.7021.

company, repatriating the vehicle to the states. Member companies, prior to agreeing to repatriation, can have the vehicle inspected and photographed, and will be provided with an estimate of the total costs for the vehicle's return. NICB, relying on its experience and network of trusted partners, coordinates everything from the legal documents to the vendor that will return the vehicle.



Intelligence & Analytics: NICB's Office of Intelligence & Analytics (OIA) analyzes nationwide vehicle data to proactively identify stolen vehicles that have had their VINs switched to hide their true identity. OIA uses advanced analytics to identify leads on individual vehicles as well as organized vehicle networks where multiple stolen vehicles can be tied to the same group. These leads are sent to NICB special agents who work with law enforcement to recover the vehicles and dismantle the theft rings. The vehicles recovered from these leads are usually newer model, high-dollar vehicles that would likely otherwise go unrecovered.

VINCheck®: NICB's VINCheck service, in which participating member companies volunteer their claims data, allows the public to perform a free search of a VIN to see if it has been reported stolen (but not recovered) or as a salvage vehicle. This service not only helps protect the public but helps deter sales of stolen or salvaged vehicles and can lead to the recovery of a stolen vehicle. If a member

of the public runs a VIN search that is flagged, the consumer is instructed to reach out to NICB for more information. A trained NICB employee will field the call, and information related to a stolen vehicle will be immediately routed to NICB agents in the field for further investigation and retrieval. Contact NICB Partner Engagement & Member Services at memberservices@nicb.org or 800.447.6282 to make sure your company participates in VINCheck.

Public Affairs: NICB Communications is regularly engaged in educating consumers to protect themselves from becoming victims of insurance crime. Through social and traditional media, consumers are reminded to lock their car doors, be wary of crooked contractors in the aftermath of catastrophes, and the like. While communications are geared toward a broad audience, member insurers that wish to better educate its customer base to be fraud vigilant should consider NICB a resource. NICB can provide branded, co-branded, or unbranded hard copy material

and social media content for insurers to disseminate. To brainstorm collaboration ideas, contact NICB Communications at communications@nicb.org or 800.447.6282.

Learning & Development: Not only does NICB train law enforcement on how to combat vehicle theft, we also provide NICB members numerous avenues for learning and development, including on-demand online courses, livestreamed classes, and onsite classroom training. Vehicle-related classes include vehicle theft fraud, auto finance fraud, VIN decoding, and more. Additionally, learning and development creates investigative guides specifically for law enforcement that they can reference in the field while investigating a possible vehicle theft case. To learn how your employees can make best use of NICB's learning and development resources to fight vehicle theft, while possibly earning continuing education credits, contact learning@nicb.org or 800.447.6282. ■

Events

*Dates may change due to the COVID-19 Pandemic.

APR 12-13 2021
APCIA Human Resources Conference
 VIRTUAL
apciaevents.cventevents.com/event/1b4c8a90-7cd7-496a-9fcf-b7ff2497b3a2/summary

APR 14-15 2021
Annual Anti-Fraud Conference
 VIRTUAL
annualantifraudconference.com/

APR 19-30 2021
RIMS Annual Conference
 VIRTUAL
rims.org/rims2021

APR 27, 29 2021
Fraud Investigation Academy
 VIRTUAL
nicbfraudacademy.org/schedule

MAY 4-6 2021
America's Claims Executive (ACE) Leadership Forum
 VIRTUAL
event.propertycasualty360.com/ACE

JUN 3 2021
IFM Conference
 VIRTUAL
verisk.com/insurance/conferences

JUN 21-23 2021
IMCA Annual Conference and Showcase Gala
 CHAMPIONSGATE, FL
imcanet.com

SEP 12-15 2021
Annual IASIU Seminar
 NASHVILLE, TN
iasiu.org

OCT 18-20 2021
NJSIA Annual Seminar
 ATLANTIC CITY, NJ
njsia.memberlodge.org

TBD 2021
Digital Insurance Summit
 TBD
digitalinsurance.wbresearch.com

MAY 10-13 2022
Claims Education Conference
 NEW ORLEANS, LA
claimseducationconference.net

Stay Informed!

COVID-19 Resource Center



www.nicb.org/covid-19

Latest National Data on the Virus

+

What's Happening Statewide from a Fraud Perspective

Meet Tim Slater

NICB's Senior Vice President and Chief Operating Officer



NICB President and CEO David Glawe is committed to advancing the National Insurance Crime Bureau's (NICB) data solutions to increase the effectiveness and efficiency of our field investigators and analysts.

Under Glawe's guidance, members will soon also see enhancements to our learning and development functions as we transform into a center of excellence that will provide innovative approaches to training, utilizing world class instructors.

At the center of this effort is Tim Slater, who joined NICB in August 2020 as the organization's Senior Vice President and Chief Operating Officer. Slater oversees several core functions at NICB, including Learning & Development, Field Operations, and Intelligence and Analytics.

Slater comes to NICB with a pedigree in analytics and intelligence, gained during a long tenure with the FBI. Immediately prior to joining NICB, Slater held the prestigious position of Assistant Director in Charge of the FBI's Washington Field Office, being responsible for providing executive and strategic leadership to 2,000 personnel tasked to secure all threats against the United States domestically and abroad.

Slater began his career in the Detroit and Miami Divisions of the FBI. He was the former Special Agent in Charge of the Detroit Division, as well as the Criminal and Cyber Division of the Washington Field Office, and Deputy Assistant Director of the Critical Incident Response Group.

We asked Slater about his vision for NICB, as we continue our efforts to meet emerging threats and fight insurance crime.

Why did you join NICB?

I have always been drawn to and interested in being a part of organizations with rich legacies, and NICB is no different. With a foundation established through over 100 years of history serving the insurance industry and the public, and built upon the collective contributions of those who came before us, I joined NICB to be a part of something bigger than any one person.

As the new COO, what is your vision for the field and data analysts as NICB moves toward enhancing the organization?

Ultimately, we are moving toward as seamless of an integration between operations and intelligence as possible. Our people are the cornerstone of successfully achieving this vision, and when it comes to our operations and analytical capabilities, we have significant talent already internal to NICB. With that substantial benefit, the enhancements we are looking to make are more focused on how and where we direct those skills and capabilities, as well as ensuring employees are provided with ample opportunities for continuous growth. Retaining and developing the talent we already have at NICB is critical as we seek to stay ahead of the changes within the industry.

What is your philosophy on transformation?

My approach to transformation is rooted in thoughtfulness, process, collaboration, and the belief that the best solutions or ideas usually come from those closest to the situation. Transformation starts with identifying and building

upon our strengths, and also pinpointing and capitalizing on our opportunities for improvement and growth. While undergoing any type of transformation, we have to remain open-minded and take time to digest information in order to make good decisions. Perhaps most important in that regard is frequent communication at multiple levels, both internally and externally to the organization. I'm appreciative of the industry knowledge that has already been shared with me, and I look forward to continued dialogues.

Why is Big Data analytics important to you, NICB, and the larger industry?

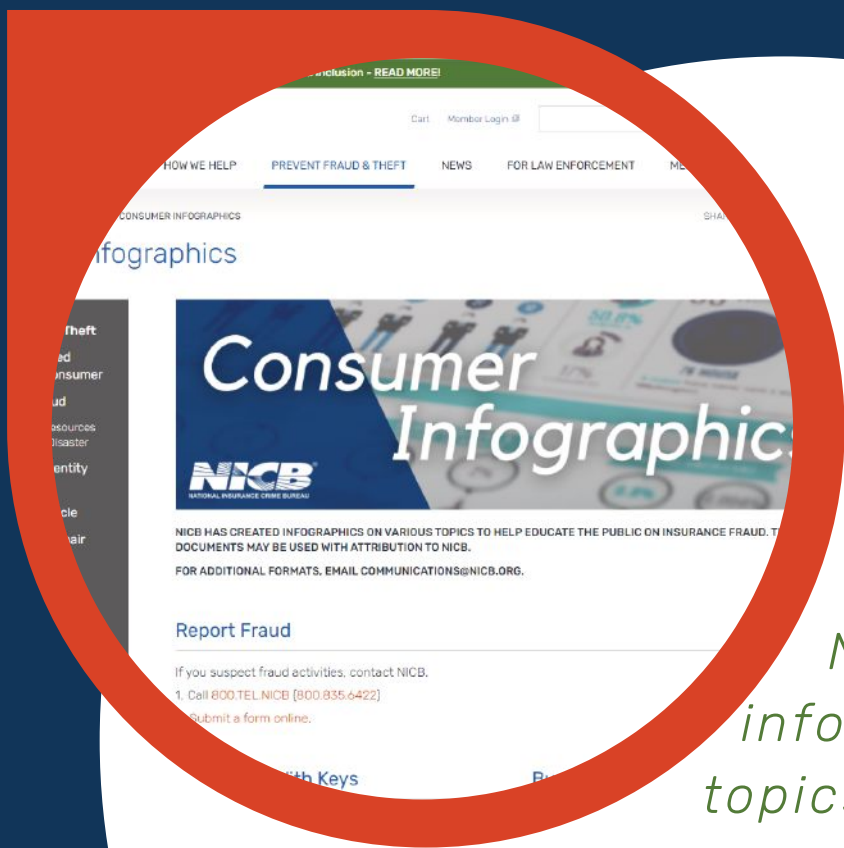
I've observed how data has transformed a variety of industries through personal and professional experience. From watching sports teams use it in the development of athletes and winning teams, to layering and analyzing it in the interest of national security, I haven't had to look very far to see how valuable timely data has become in any decision-making process. I've also seen just how easy it is for key pieces of information to get lost among the immense pools of data generated every day by people and devices. NICB and the insurance industry are not immune from this risk. We have vast amounts and types of data that we generate or obtain, and to mitigate these risks we're investing in innovation—both in identifying new streams of data and finding new ways to merge and layer traditional sets. Our ability to harness and exploit data is one of the best tools we can have in our toolkit for fighting fraud and ultimately improving the overall customer experience. ■

YOU'RE INFORMED



NOW INFORM YOUR TEAM.

*Sign up to get the Digital Publication of
the Informer: www.nicb.org/NICBInformer*



NICB has created infographics on various topics to help educate the public on insurance fraud.



Consumer Infographics

www.nicb.org/infographics

Have your communications team contact the NICB for infographics, social media content, and other public awareness materials!

TheNICBInformer@nicb.org

