11 Charged in Louisiana Staged Truck Crash Insurance Fraud Scheme

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Eleven people have been indicted in what law enforcement officials say is an expanding probe into tractor-trailer accidents staged in New Orleans, Louisiana, to defraud trucking and insurance companies.

The 11 accused — 10 from Louisiana and one from Arkansas — are charged in a seven-count federal indictment, according to United States Attorney Peter G. Strasser. The charges are: one count of Conspiracy to Commit Mail Fraud in violation of Title 18, United States Code, Section 371; and six counts of Mail Fraud in violation of Title 18, United States Code, Section 1341.

If convicted, the defendants face a maximum penalty of five years for Count 1 and 20 years as to Counts 2-7. Upon their release from prison, each defendant can be placed on a term of supervised release for up to five years and fined up to $250,000.00 per count.

The Aug. 21 indictment charges the defendants and others with intentionally staging automobile accidents with tractor-trailers in New Orleans to defraud trucking and insurance companies. Charges in the current indictment relate to an incident on March 27, 2017, in which various defendants were involved in an alleged intentional collision with an 18-wheeler. The charges also stem from another alleged intentional crash with an 18-wheeler that occurred on May 17, as well as an alleged additional staged accident that took place 30 minutes later.

According to the indictment, one or more attorneys paid two participants to stage the accidents. Following the accidents participants were referred to the attorneys. In some cases, the attorneys knew that the participants were uninjured but referred them to medical providers for treatment to increase the value of subsequent lawsuits, according to the U.S. Attorney’s Office.

In total, the victim trucking and insurance companies paid out $277,500.00 for these alleged fraudulent claims.

According to the U.S. Attorneys Office, the current indictment is connected to a previous one in which five persons were charged in a similar staged accident scheme involving tractor-trailers.

Source: U.S. Attorney’s Office for the Eastern District of Louisiana