11 indicted in accident schemes to defraud Louisiana insurers, trucking firms
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NEW ORLEANS – Eleven more people accused of taking part in staged big-rig accidents designed to generate damages awards against insurance and trucking companies have been indicted during a widening federal investigation.

The Aug. 21 indictments, which involve one count of conspiracy to commit mail fraud and six counts of actual mail fraud, stem from two incidents aimed at defrauding insurance and trucking companies, according to the U.S. Attorney’s Office for the Eastern District of Louisiana.

The charges come in the wake of New Orleans resident Damian Labeaud pleading guilty to staging auto accidents while working in apparent cooperation with local 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,” a news release from U.S. Attorney Peter Strasser states. “In total, the victim trucking and insurance companies paid out $277,500 for these fraudulent claims.”

Lana Venable, executive director of Louisiana Lawsuit Abuse Watch, said this latest turn of events in the federal probe points to continuing problems in the state’s civil justice system.

“These fraudulent claims clearly demonstrate that ‘jackpot justice’ is alive and well in Louisiana,” Venable told the Louisiana Record in an email. “This ‘sue and settle’ strategy targets both trucking companies and their insurance carriers because of their perceived deep pockets.”

The new charges also are also another sign that lawsuit abuse in the state has a direct effect on insurance premium costs that consumers pay, she said.

“These indictments should serve as a deterrent to others seeking to abuse the system for personal gain,” Venable said.

The indictment against the 11 individuals spells out how such accident schemes are carried out. It refers to roles played by “slammers,” the drivers of the vehicles that slam into 18-wheeler tractor trailers to stage the accidents, and “spotters,” who show up in separate vehicles after the collision occurs to pick up the slammer and flee the scene.

Attorneys can then file civil damages complaints on behalf of passengers in the “slammer” car.
The defendants in the latest case could face up to five years in prison for the conspiracy count and up to 20 years on the other six counts, according to the U.S. Attorney’s Office.

The indictment also refers to five attorneys, labeled A, B, C, D and E, who worked in conjunction with the defendants, leading to speculation that charges against them could be the next step in the federal investigation.