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Press Release

Norfolk DA Morrissey extends successful Partnership with Insurance Fraud Bureau

Sharp drops cited in staged
auto accidents, thefts



Daniel Johnston, Executive Director of the Insurance Fraud Bureau, at left, and Norfolk District Attorney Michael W. Morrissey have renewed the partnership that has significantly decreased insurance fraud and saved consumers money in Norfolk County.

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Norfolk District Attorney Michael W. Morrissey and the Executive Director of the Insurance Fraud Bureau, Daniel Johnston, met recently to extend the partnership between their organizations credited with stemming the problem of fake auto accidents and thefts – and saving honest consumers money on their insurance rates.

“Our task force, formed in 2005, has had a remarkable effect on auto insurance in the Randolph area and other South Shore communities,” the IFB’s Johnston said after meeting with District Attorney Morrissey in his Canton office. District Attorney Morrissey, who assumed office this year, signed a new agreement with the Bureau on the aggressive use of resources to target insurance fraud. Some of those expenses are defrayed by a \$50,000 grant from the IFB.

“Insurance claims are down across the board, and there is evidence that insurance fraud schemes have been drying up,” Johnston said. “These reductions in claims help insurers to lower premiums, which has been evident over the past five years.”

The problem of thefts and accidents being staged to support bogus insurance claims drew extensive media and public attention after a staged accident left a Lawrence grandmother dead, and the man who staged the crash eventually guilty of manslaughter in Essex Superior Court. Most staged accidents were resulting in bogus insurance payouts, which were then reflected in higher rates for insurance customers.

“It was an indirect form of theft from honest customers,” District Attorney Morrissey said. “By using resources intelligently, the tide of the problem was reversed. Now it is our task to keep the fraud numbers low, so that honest drivers aren’t having their pockets picked to fund bogus payouts.”

Johnston from the IFB said that some 66 cases have been referred by their Randolph area task force and local police departments since the partnership began at the end of 2005. “That displays a solid, consistent level of activity that continues today,” Johnston said. “Injury claims, often a result of staged accident schemes, are down over 30% since their peak before the formation of the task force. Even auto thefts have declined, from 123 per year in 2003, to just 34 last year.”

The program focuses on the town of Randolph, where this activity was germinating, but also reaches into neighboring South Shore communities, Morrissey said.

“I commend the Randolph Police Department for their efforts in partnership with the Fraud Bureau. Without them, we would not have been as successful in curbing this trend,” Johnston said. “And I am pleased to be continuing this special grant program with the Norfolk County DA’s office. DA Morrissey has shown strong dedication to eliminating the burden of insurance fraud on his constituents.”