

By Chris Chase, Ottawa Citizen December 24, 2012

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Though not yet a problem in the Ottawa area, several Ontario police forces have noticed a trend by scammers who set up staged collisions involving innocent drivers in order to profit from fabricated insurance claims.

Photograph by: PAT MCGRATH , THE OTTAWA CITIZEN

Being involved in a traffic collision is a trying enough experience on its own, with the obvious risk of injury, the filing of police reports, and submitting a claim with your insurance company.

A recent trend in insurance fraud has introduced another reason to avoid car crashes; scammers who set up staged collisions involving innocent drivers in order to profit from fabricated insurance claims.

Police in the Greater Toronto Area (GTA) have been targeting these fraudsters through a trio of investigative probes. The first was Project 92, a 2010 joint investigation involving the Toronto Police Services and the Insurance Bureau of Canada, that resulted in 20 convictions related to 40 staged collisions. A second Toronto police investigation, Project Whiplash, saw 37 arrests made in early 2012, stemming from 77 collisions. The most recent effort to quash this trend is York Regional Police's Project Sideswipe, which has led to more than 90 arrests since it began in March 2012; the most recent charges were announced last week.

If you're sensing a trend, it's because there is one. Rick Dubin, vice-president of investigative services for the Insurance Bureau of Canada (IBC), calls Toronto the "staged collision capital of Canada," and he says that, in Ontario, that's where this type of fraud remains concentrated.

"We don't have much activity showing in the Ottawa region," says Dubin. "There were a couple of cases that showed a year and a half or two years ago, but (since then) we're not really seeing significant activity."

Alexey Saltykov of InsurEye.com, a Canadian consumer insurance advocacy website, suggests a "dash camera" as a useful means of combating insurance fraud, by capturing collisions (fraudulent or not) on film.

Ottawa police Constable Peter McKenna says he has seen evidence of one local driver using a dash camera, after that person emailed him a video of another person's questionable driving. However, he says he has not heard of any cases of staged collisions in Ottawa, and the Ottawa Police Service's media relations department backs him up, saying the force has no known cases on record.

The continuing crackdown in the GTA raises the question of whether the perpetrators of these types of insurance crimes will migrate to other cities to escape police scrutiny.

“What we’ve seen in the (United) States is they do have a tendency of migrating to different areas where either law enforcement isn’t as active, or where there’s opportunity,” says Dubin. “But they still go to major cities with large populations. I doubt they would migrate to Ottawa, only because the population size isn’t large enough.”

However, there is some acknowledgment that auto insurance fraud is on its way up across Canada. York Regional Police and the IBC created an online course, which we confirmed the Ottawa Police Service has taken advantage of, aimed at teaching collision investigators to identify the characteristics of a staged collision.

A common technique for causing these accidents is for the perpetrator to allow the victim to merge, or make a left turn, with a wave of the hand. The victim makes their move, and the fraudster then intentionally drives into the victim’s car, and then denies having waved the person into, or across, the busy roadway.

Often, the scam involves loading a car full of people, causing an accident that implicates an innocent driver as the at-fault party, and then sending the so-called injured people to rehabilitation clinics that are complicit with the scam, billing insurers for work that wasn’t done, Dubin explains.

Many of the cars themselves are what Dubin calls “dollar cars,” salvaged vehicles that are worth next to nothing. Following the accident, the fraudster files a claim and receives a payout for the car that far exceeds its true value.

That staged collisions are not currently a problem in Ottawa is reassuring news, considering the prevalence of this problem elsewhere in Ontario. It also serves as a reminder of the importance of defensive driving, not only to avoid collisions, but also for some protection against a type of fraud that can be difficult to detect.

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