

# CRASH



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SERVING INSURANCE PROFESSIONALS-LAWYERS-STATE FRAUD INVESTIGATORS AND LAW ENFORCEMENT

VOLUME 1 NUMBER 3

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NOVEMBER 2001

## GYPSIES---CLAN ORGANIZED FRAUD

### Deceit, Deception, Lies .....FRAUD!

And I am not talking about our politicians. This is the time of year when organized clans from the north come to Florida and other southern states, targeting insurance companies and unsuspecting recreational vehicle purchasers. The first scheme in their plan is to purchase a new travel trailer direct from a manufacturer. One such company is American Travel Systems (ATS) located in Elkhart, Indiana. Reputable manufacturers do not sell direct to the general public, which leads one to believe that maybe the manufacturer is part of the scheme to defraud. This particular manufacturer builds park model travel trailers under a variety of names. Some of the more common are Voyager, Belair, Ledger, Executive and Vacationair. The vin number start with 45E and the park models are brightly colored, which adds to the attraction when their scheme is finished. The family, of Irish descent, will purchase several travel trailers under different names in their group.

The group will then disperse throughout a state and wait for storm information. When a storm has been selected, particularly one with hail, they go to work. At that point, they

will utilize a small ball peen hammer and make selective indentations on their new travel trailer, alleging that a hail-storm was the cause. Their next step is to ask an RV dealer to write an estimate for complete skin and roof replacement. That estimate is then submitted to a claims representative for payment. Usually that amount is over \$12,000.00. Since the storm is verifiable, and their true location was undeterminable at the time of the storm, an inexperienced claims representative will pay the claim directly to the owner. Since the RV trailer is always paid for in cash, leaving no lien holder present that would require it to be repaired, the money can be used anyway the insured wants.



Now the insure exchanges the travel trailer with another member of the clan, insures it with another insurance company, and looks for a new storm. They may perform this fraudulent act as often as time permits during their stay. The travel trailer may cost as little as \$18,000.00 to \$20,000.00 whereas

the return on their investment can be very high. The next and final step in the trail of the fraudulent travel trailer is to sell it. Now they will select an RV park in which their travel trailer is visible to the general public and put a FOR SALE sign in the window. When an unsuspecting purchaser comes, they will tell them a sad story about why they must sell it quickly; such as the trailer was purchased for their mother who just passed away. The small dings disguised as hail damage are seldom of concern to the purchaser, and the selling price is generally at or about the original price. They change their name slightly, buy another trailer, and start the fraud all over again making \$40,000.00 to \$50,000.00 in six months.

What to do. Anytime a claim is presented with alleged hail damage or other storm relate damage, have an RV investigator examine the damage for cause. In their scheme to defraud, there are certain flaws that can be detected.

Fraud can be stopped if someone cares.

by Thomas G. Bailey

COMING NEXT MONTH.....  
WOOD ROT.....WHO PAYS?

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