

Best's Insurance Law Podcast



Building a Foundation: The Crucial Role of Background Investigations for Recorded Statements - Episode #188

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Hosted by: John Czuba, Managing Editor

Guest Adjuster: James Barbieri of [Claims Advantage, Inc.](#)

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John Czuba: Welcome to "Best's Insurance Law Podcast," the broadcast about timely and important legal issues affecting the insurance industry. I'm John Czuba, Managing Editor of *Best's Insurance Professional Resources*.

We're pleased to have with us today James Barbieri, from independent adjusting and investigation company, [Claims Advantage](#) in Georgia. James is the President and CEO of Claims Advantage. He's a former police officer and has a BS degree in criminal justice.

Mr. Barbieri is a certified insurance fraud investigator/adjuster, and has been conducting SIU investigations for over 30 years. Jim, thank you so much for joining us again today.

Jim Barbieri: John, thanks for having me.

John: Today's discussion is building a foundation for an effective recorded statement and the crucial role of pre statement background investigations. Jim, why is it important to conduct a background check prior to obtaining a statement, and what is your procedure?

Jim: John, you know the old saying, preparation is the key to success. That rule also applies to preparing for a recorded statement in an insurance claim to maximize the recorded statement as an investigative tool, for assessing and resolving a claim.

Conducting an in depth background investigation, especially in cases involving potential fraud, is crucial to maximizing the effectiveness and utility of any recorded statement. John, one of the first steps that an investigator should take is, or what I normally do, is I obtain a comprehensive background report, leveraging database aggregation tools such as TLO or Accurint.

The comprehensive report will provide the interviewee's full legal name, aliases, if they're using any aliases, date of birth, and Social Security number. They give an address history and also a criminal history. It's always good to know what you're dealing with before you take a statement regarding a person's criminal history.

In addition, it will provide any information on bankruptcies filed as well as any liens and/or judgments. The report also provides information of a possible criminal record. I say possible because on the top, it says, "Warning. You need to verify that this is the right person." These databases sometimes make mistakes.

This provides a very useful overview of the witness's background, especially a snapshot of their financial condition. As we know, when a person is experiencing financial pressures, they are more likely to be motivated to engage in insurance fraud.

John: Jim, after you conduct a basic search, what are some of the other things you do before the statement?

Jim: Again, one of the advantages of a comprehensive report is that it also provides the names, addresses, and telephone numbers of neighbors, which can then enable an investigator to conduct a telephone neighborhood canvas to obtain additional information that may assist in the claim investigation.

As an example, Claims Advantage handled a motorcycle theft claim here in Georgia, where the insured alleges that he parked the motorcycle in the driveway in the day of the loss, and when he got home from work, the motorcycle was gone. Before I got the statement, we conducted a telephone neighborhood canvas.

One neighbor who we interviewed said he has not seen the insured's motorcycle in months, and that he did recall observing the insured performing some type of mechanical work on the bike months before the alleged theft.

This information contradicted the information that the claimant had provided in the theft affidavit in which he attested on the penalty of perjury that the motorcycle in question was in good operating condition and was parked in the driveway prior to the loss.

In a subsequent recorded statement, we locked the insured into a story that he last saw the bike in the driveway prior to the alleged theft and he did not have any mechanical problems prior to the loss.

As a result of doing our due diligence and our background investigation, the insured dropped the claim. Had we not conducted background and social media checks, we would have never obtained the vital information that played a pivotal role in the eventual claim withdrawal.

John: Is it important to conduct a social media check before obtaining a recorded statement?

Jim: It's critical to conduct a comprehensive social media search before obtaining a claimant's statement on any type of insurance claim. I like to use TLO does offer a social media comprehensive report and a very good service that's called Scopenow, S C O P E N O W.

They do a deep dive in social media platforms, whether it be Facebook, Instagram, Snapchat, any of those social media sites, and they can find photographs, travel history, other email address nicknames, hobbies, memberships, and groups, or clubs, employment information, and other...Not metadata, because usually, metadata is stripped from social media sites.

We were assigned a case in which the claimant alleged significant injuries, including a serious closed head injury. As you know, I do a lot of tractor/trailer/truck accidents. As we did in the previous podcast, I mentioned that those are usually serious, large exposure claims.

By conducting a social media search, I was able to establish on the day before the accident, the claimant posted photographs of her at a gun range wearing high heels and firing a gun, but yet she's claiming a head injury and she's dizzy all the time.

During the recorded statement, the claimant denied being involved in any physical activities or hobbies of any kind. This assertion was clearly contradicted by her own social media postings. Keep in mind, social media postings by themselves are not sufficient to deny a claim, as the claimant can allege that the photographs predate the loss or are otherwise misleading.

Again, without the metadata, we're not able to determine when exactly the photographs were taken. You can't rely on social media by itself. A surveillance should be conducted to confirm the suspected activity. In most cases, claimant attorneys advise their clients not to post anything on social media and to scrub their pages of any pictures, videos, or any posts that will have an adverse effect on the claim.

However, certain demographic, especially millennials and the younger generation, persist in documenting their daily lives on social media. We've all seen it on Facebook, people post their whole life on social media, which is a treasure trove for claims investigators like myself. They constantly check in everywhere. They go and they tag friends in photographs.

While the claimant may have scrubbed their social media by removing posts and photographs, most of their friends who are tagged will have the photographs available in their profiles, provided that the profiles are public.

John: Jim, what other types of background searches are helpful?

Jim: Another valuable tool for use in preparing for a recorded statement in an auto theft or a vehicle damage is what is called a vehicle sighting search. We utilize this service on TLO, or you can get an account through a company called DRN. Police cars have scanners that scan tens of thousands of license plates looking for stolen vehicles.

These plates are scanned as well as photographed and stored in a database that not only provides a picture of the vehicle, usually the front or rear license plate in Georgia, it's the rear license plate, because it's a one plate state but also provide the date, time, and location of where the photograph was taken.

This tool can be extremely helpful in preparation for a recorded statement in cases where the claimant's whereabouts are material to the claim, such as claims in which the insured or claimant alleged rear end damage as a result of a hit and run or a hit while parked accident. In some cases, it could show preexisting damage.

John: Jim, what type of vehicle searches are helpful when conducting a background investigation?

Jim: Another tool that I use is CARFAX. A CARFAX report will generally provide a vehicle's accident history, ownership, registrant history, mechanical service history, as well as mileage information. I mentioned in a previous podcast that I handled a triple fatality claim in which a tractor trailer struck the rear of a vehicle that was on a major interstate highway.

Once I identified the decedent vehicle's VIN number, I ran a CARFAX report. This is the day after the accident, because I responded to the scene. The report indicated that on the day before the accident, the vehicle was at a dealership being serviced or repaired.

With that information, I then visited the dealership and learned from the service department that the vehicle was in for service because of a check engine light that was on for a condition related to something to do with the catalytic converter. I then ascertained by doing some additional Internet research that a faulty catalytic converter can cause a vehicle to shut down, to shut right off.

As a result of that information that was obtained from the CARFAX, it was established that the dealership and the vehicle manufacturer were both viable co-defendants. CARFAX will also indicate that the vehicle was a prior salvage or was involved in automobile accidents and will also provide a diagram of where the damage is located on the vehicle from the accident.

This information is particularly useful in the context of low impact accidents, where the claimant or body shop attributes prior hidden damage to a subsequent low impact loss. If the vehicle has a history of a prior salvage at Copart or another company's insurance auto auctions, I can then conduct a search of the VIN number and usually obtain vehicle photographs that have been posted by the salvage yard when the vehicle's auctioned.

With these photographs, it can then be determined if the physical damage is preexisting. This scenario is commonly encountered in staged automobile accidents, in which the perpetrators will use a salvaged vehicle with old preexisting damage to pursue bodily injury claims.

As an example, I just handled a claim in New York City involving an insured who allegedly struck a parked unoccupied vehicle and causing front end damage.

I ran the license plate and found that the vehicle was not registered, so that set off a lot of red flags. I then simply typed the VIN number into a Google search box and found that the vehicle was a prior salvage piece.

From there, I was able to obtain photographs online showing preexisting front end damage. That's a very helpful feature. People don't think of that, just type in the VIN number in Google.

John: Very good, Jim. How about researching public court records? Is that helpful?

Jim: Absolutely. That's another useful pre statement tool in the investigator's toolbox that is publicly available, court research in both civil and criminal courts. The availability of state court information varies by state, of course.

The PACER, P A C E R, database, which stands for public access to court electronic records, provides public access to criminal and civil case information in federal courts. Rhode Island has a court database that provides criminal information. Connecticut, which is very useful, has a civil and criminal court database that provides valuable information prior to getting a statement. A very interesting case, several years ago, I was handling a missing diamond ring case, where an insured claimed that she was working at a department store and she lost a ring.

I obtained several statements at the department store. Nobody knew anything about the ring. You might think if somebody lost a ring, they'd be saying, "Oh my God, I lost my diamond ring," and she never said anything. There were several red flags in the case to begin with.

This is a case where I should have done civil court research prior to getting the statement. I met the claimant at her house, and the husband was there. He introduced himself as her husband. During the statement, when I was questioning her about the diamond ring, and as to when her husband gave it to her, and all the facts, he was sitting in the kitchen.

For some reason, during the statement, the husband stormed out of the house like he was really mad, so I became suspicious at that time. When I completed the statement, I got in my vehicle, I whipped out the laptop, and searched family court records on the Connecticut judicial website and discovered that the insured and her husband were divorced for a few years.

The claim was then withdrawn when we confronted the insured with the inconsistencies in the statement and the fact that she lied about being married. If I probably have gotten the court research initially, I probably could have gotten a withdrawal during the statement. In the end, it all worked out.

Another example, I handled a Georgia auto theft claim in which the suspect had our insured's valuable classic car at his body shop. It was a 1970 Chevrolet Chevelle. It's a very nice vehicle with very low mileage.

The insured wanted to restore the vehicle, so he brought it to a body shop, and then the suspect continued stalling and sending pictures of other vehicle and the progress that was being made in repairing the vehicle. The pictures were phony.

I conducted a criminal court research in the county where the shop was previously located and found that the suspect was on probation for a similar crime the year before. The court documentation was very helpful in locating the suspect. The court records had the booking photograph, the address, it listed the next of kin for the suspect.

We didn't have any of this information because the insured only had his first name. In addition, I was able to obtain a copy of the police report on the prior theft. I contacted the victim of the theft and asked him pertinent questions regarding how the perpetrator stole the 1950 Ford F 150 and where it was discovered.

Court records could also be helpful in preparation for a recorded interview, as you can usually get a copy of any depositions the claimant or the insured may have provided before the loss, which can provide details about vehicles, assets, and relationships.

One case, and this is a Rhode Island case, we got a copy of a divorce file from the family court. The file listed all the assets that the insured allegedly had. The case, and this is another case involving a stolen diamond ring.

The Diamond ring was not listed on the asset list, and the insured was unable to provide a receipt for the diamond ring. As a result of my investigation along with the family court research, the claim was successfully denied.

In summary, John, it's very important that you do your homework before getting a statement using the tools that I previously mentioned.

John: Jim, as always, very informative. Thanks very much for joining us again this morning.

Jim: Thank you, John, for having me.

John: You've just listened to Jim Barbieri from independent adjusting and investigation company, [Claims Advantage](#) in Georgia. Special thanks to today's producer, Frank Vowinkel. Thank you all for joining us for "Best's Insurance Law Podcast."

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I'm John Czuba, and now this message.

Transcription by CastingWords

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