

Congress of the United States

Washington, DC 20515

May 9, 2025

The Honorable Pam Bondi
Attorney General of the United States
Department of Justice
950 Pennsylvania Avenue NW
Washington, DC 20530

Dear Attorney General Bondi:

We write to bring to your attention the growing problem of insurance fraud in the transportation sector, particularly the alarming rise in staged vehicle accidents. These fraudulent schemes pose serious risks to public safety, increase consumer costs, and raise insurance premiums for the motoring public. According to the Coalition Against Insurance Fraud, insurance fraud costs the U.S. \$308 billion annually, with \$45 billion attributable to property and casualty insurance fraud. More importantly, these activities put innocent motorists at risk of injury or even death.

We have seen a wide range of schemes in recent years targeting trucking companies, freight haulers, and even taxi and rideshare drivers, and these sophisticated fraudsters often have ties to organized crime. One such criminal ring was exposed in Louisiana for staging accidents with unsuspecting commercial trucks beginning in 2011. To date, 63 people have been indicted in the federal probe into this conspiracy, including plaintiff attorneys who are alleged to have masterminded this criminal activity.

New York, in particular, is facing what has been dubbed a “fraudemic” after the unearthing of numerous fraudulent lawsuits filed by opportunistic plaintiff lawyers, sometimes in partnership with unscrupulous medical providers, in what appears to have begun as staged construction-related accidents but has extended into vehicle accidents. The criminal network led by plaintiff attorney firms is documented in many lawsuits filed by targeted companies, including insurers, reinsurers, and third-party administrators. It is not a coincidence that an investigative spotlight resulted in one plaintiff law firm walking away from a reported staggering 200-300 unfounded personal injury actions.¹

Georgia has also experienced widespread staged accident cases tied to broader insurance fraud networks. Since 2014, the state has seen 63 investigations involving U-Haul-related fraud, resulting in 47 arrests—including 20 criminal cases opened in 2019 alone, as staged U-Haul truck crashes became an increasingly common tactic.² Between 2017 and 2021, a Rome, Georgia resident intentionally caused a series of car accidents to collect insurance payouts, ultimately facing more than 20 charges including insurance fraud, aggravated assault, and false reporting.³ And in 2022, a Georgia woman pleaded guilty to her role in a multi-state staged accident

¹ Kristin Thorne, “Law firm seeks to walk away from hundreds of lawsuits after Eyewitness News investigation,” *ABCNews*, September 6, 2024. Available online at <https://abc7ny.com/post/nyc-law-firm-subin-seeks-walk-away-hundreds-lawsuits-after-eyewitness-news-investigation/15274485/>.

² “Scammers Hope for Easy Money by Crashing U-Haul Trucks,” *Claims Journal*, February 11, 2020. <https://www.claimsjournal.com/news/southeast/2020/02/11/295449.htm>

³ “Police: Rome man intentionally caused wrecks over a four year period to defraud insurers,” *Northwest Georgia News*, November 21, 2021. https://www.northwestgeorgianews.com/rome/news/local/police-rome-man-intentionally-caused-wrecks-over-a-four-year-period-to-defraud-insurers/article_5fd23bf6-4649-11ec-a462-07cede27a4e1.html

scheme connected to a New Orleans attorney, admitting she was paid to recruit passengers for fraudulent crashes.⁴

It also appears that illegal immigrants are being recruited as part of these schemes, sometimes as a requirement to repay coyotes who helped them cross the border. Numerous cases highlight the intersection of illegal immigration and alleged abuse of the personal injury system, with some plaintiffs reportedly using litigation loans and workers' compensation payments to repay debts owed to human smugglers.

For example, in February 2023, Angel Peralta Ordonez, an undocumented immigrant from Ecuador, filed a workers' compensation claim just two months after arriving in the U.S., later admitting in deposition that he used \$15,000 in litigation loans and \$6,000 from workers' compensation payments to settle a \$21,000 smuggling debt.⁵ Additional reports, such as those from the *New York Post*,⁶ allege that MS-13 gang members and Russian criminal networks orchestrate fraudulent injury claims, pressuring migrants into unnecessary surgeries to inflate lawsuit settlements.

To combat this growing crisis, we urge the Administration to form a specialized task force dedicated to investigating and prosecuting staged accident fraud. Supervised by you and your team, a collection of law enforcement agencies (Department of Justice, Department of Homeland Security, and local police departments), along with the Department of Transportation, businesses, and the public can help identify and dismantle these criminal enterprises.

Enhanced public awareness campaigns, increased enforcement, and stricter penalties for offenders are essential to deter these scams. Holding these criminal enterprises accountable for their actions will send a signal that the Administration is serious about restoring law and order.

We appreciate your attention to this matter and look forward to your response on potential next steps. Please feel free to contact us if you require any additional information or assistance.

Sincerely,



Mike Collins
Member of Congress

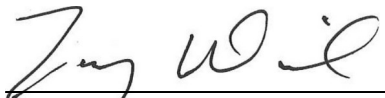


Lance Gooden
Member of Congress

⁴ "Georgia Woman Pleads Guilty in Staged Automobile Collision Scheme," *National Insurance Crime Bureau*, July 21, 2022 <https://www.nicb.org/news/regional-news/georgia-woman-pleads-guilty-staged-automobile-collision-scheme>

⁵ (Deposition, Angel Peralta Ordonez V. Boerum Hill 82 LLC, Et. Al., Sup. Ct. Kings County, NY, 505984/2023, Filed 10/31/24).


⁶ Brad Hamilton and Georgia Worrell, "MS-13, Russian mobsters use migrants in elaborate injury scam — even getting spinal surgery to pull it off: sources," *New York Post*, June 16, 2024. Available online at <https://nypost.com/2024/06/16/us-news/ms-13-russian-mobsters-use-migrants-in-elaborate-injury-scam-even-getting-spinal-surgery-to-pull-it-off-sources/>.



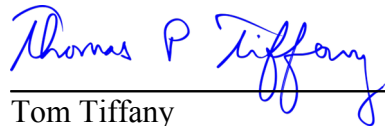
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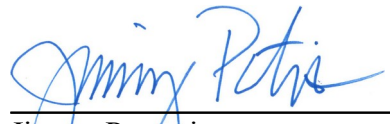
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