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NEWS RELEASE
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FOR IMMEDIATE RELEASE
FEB. 7, 2017

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DOZENS CHARGED IN LARGE AUTO INSURANCE FRAUD SCHEME

RIVERSIDE – Today, Feb. 7, 2017, seven people were arrested in connection with a large automotive insurance fraud scheme that reportedly led to a loss of more than a half-million dollars.

The case involves 40 defendants named on 36 criminal complaints encompassing more than 200 felony counts for crimes committed at seven auto body shops across the Coachella Valley. The scheme involved the staging of up to 40 false insurance claims from which payouts totaling \$560,492 were received from 10 different insurance companies. It is alleged that the owners of the seven body shops worked with employees and family members who posed as insurance consumers and filed fraudulent claims for collisions that never happened or were staged.

Arrest warrants were issued for all 40 defendants. Along with the seven arrests made today, the surrender of about 20 more defendants are in the process of being arranged by law enforcement authorities.

“Insurance fraud schemes like this one steal from our local communities in the form of higher premiums,” Riverside County District Attorney Mike Hestrin said. “The insurance fraud perpetrated by these defendants is alleged to have caused a loss of more than \$500,000; a cost that ultimately is passed on to consumers. We have to do everything that can be done to stop these criminals from defrauding the public.”

The arrests were made today by California Department of Insurance detectives and investigators with the Urban Auto Insurance Fraud Task Force, which includes a Riverside County DA’s investigator.

“This was an elaborate conspiracy to rip off insurers to the tune of near a half a million dollars,” state Insurance Commissioner Dave Jones said. “Insurance fraud is not a victimless crime. The cost of fraud is shouldered by consumers who pay higher premiums when insurers pass along their losses. The task force is a critical tool in combating the multi-billion-dollar problem of insurance fraud.”

Examples of fraudulent claims filed by those being charged in this case include one claiming substantial bodily injury where the insurance company paid out more than \$100,000, and another in which suspects reportedly staged a crash that targeted an innocent motorist leaving the victim’s vehicle with significant damage.

Arrested today were Isaac Espinoza Villa, DOB: 7-23-84; Luz Virgin, DOB: 12-13-74; Samuel Salvador Gomez, 11-21-74; Moises Saldana Paredes, DOB: 7-30-89; Mauricio Lopez-Castro, DOB: 9-15-87; Jose Manuel Luna, DOB: 5-23-66; and Erika Feliz, DOB: 12-28-80. All reside in and were arrested in the Coachella Valley.

Investigators from the Department of Insurance initially received information about this crime ring in 2014, as part of a previous investigation in which individuals were charged with running a similar scheme.

The case is being prosecuted by Deputy District Attorney Mark Zubiate of the DA’s Insurance Fraud Team.

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