

# 2007 Investigator of the Year

## **Randall Fricke, Special Agent Arizona Dept. of Insurance Fraud Unit**

### **Todd Schwede Todd & Associates**

In July 2002 the Arizona Department of Insurance Fraud Unit became aware of an organized crime ring that had been burning cars, houses and boats to collect the insurance money. The same group was believed to also be stealing cars and boats. An investigation was launched by the Phoenix Police Department, the Arizona Attorney Generals Office, the National Insurance Crime Bureau and the Arizona Department of Insurance Fraud Unit. It turns out that some of the suspects were ex-police officers from another state.

Over the next two years, the once-promising investigation gradually came to halt; there didn't appear to be enough evidence. That could have been the end of it, but in October 2005, Arizona Department of Insurance Fraud Unit Agent Randall Fricke was contacted by Todd Schwede of Todd & Associates in San Diego, about a stolen boat, a 2001 Cigarette 38' "Top Gun," which had been reported stolen out of Brick Township, New Jersey. Todd said the boat was believed to be in Arizona.

The stolen boat was suspected to be part of an insurance scam. The Ace Insurance Company, Marine Claims Division paid out \$217,500 on the loss and Mr. Schwede's firm had been hired by the insurer to investigate the claim and circulate a wanted poster. Thanks to one of the posters, the stolen watercraft was sited on a lake in Arizona and authorities were notified.

With this information, Mr. Schwede contacted Ms. Kristin Swingle of the Ace Insurance Marine Claims Division. Together, Agent Fricke, Mr. Schwede, Ms. Swingle, and Brick Township, NJ Police Department Detective Joseph Oliveri, and Detective James Burgess began working together in attempt to locate the stolen boat. Detective Oliveri is also a member of the International Association of Marine Investigators.

Agent Fricke contacted numerous other law enforcement agencies throughout the State and distributed flyers. Agent Fricke discovered that members of the aforementioned organized crime ring, which turned out to be a large-scale interstate auto and marine theft chop shop organization, were involved.

With the help of Chandler, Arizona Police Department Auto Theft Detective Chris Kush and other Detectives, Agent Fricke was able to establish informants who related information on numerous crimes involving this criminal ring. He discovered the suspects currently had possession of a large number of high-end stolen cars, all of which had vehicle identification numbers that had been

altered or switched. Evidence was also found involving arson of a vehicle in a recent insurance fraud.

With the aid of other Detectives from the Chandler Police Department and other members of the ADOI Fraud Unit, Agent Fricke conducted surveillance of the suspects for several weeks and gathered enough evidence to obtain eight search warrants—two for businesses and five for residences. The warrants were issued on March 6, 2006, by detectives from the Chandler Police Department, Officers from the Phoenix Police Department, Arizona Vehicle Theft Task Force, Glendale Police Department, Office of the inspector General, and the Fraud Unit. Sixteen vehicles were seized, including some very expensive cars, pickups, an SUV, motorcycles, off road vehicles, and a boat and trailer.

Almost all of these vehicles had identification numbers that were either altered or missing. They had been stolen from Arizona, New Mexico, New York, New Jersey and Pennsylvania. This was a major chop shop.

During the course of this investigation, the \$217,500 stolen Cigarette boat and the Myco boat trailer were also recovered at an RV storage business in Florence, Arizona. It was completely intact, with the exception of VIN numbers, which had all been either altered or removed. Mr. Schwede examined the vessel with Agent Fricke and determined it to be the same vessel stolen from Brick Township, NJ. The value of recovered vehicles and boats was estimated to be well over \$900,000.

With the aid of Detectives Joe Oliveri and James Burgess, Agent Fricke identified the arson of a second Cigarette boat in Brick Township, NJ. This one had occurred in July 2005 and was linked to the recovered stolen Cigarette boat in Arizona. The estimated value of the second boat was \$169,000.

The National Insurance Crime Bureau was also instrumental in recovering and identifying the stolen vehicles, as well as providing related insurance claim information. Once their investigation is concluded, the Arizona Department of Insurance Fraud Unit expects several persons to be charged.

Agent Fricke's "bull dog" investigation continues to find stolen vehicles. One of the suspected ring leaders has been indicted for the possession of the stolen Cigarette boat and other felony offenses. Agent Fricke has continued to verify stolen vehicles and find the victims. More arrests are imminent.

The success of this investigation ultimately involved the cooperation of various law enforcement and the private sector groups. And what did they have in common? They were all members of the International Association of Marine Investigators—IAMI. □