

PRESS RELEASE

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Insurance Fraud Suspect Indicted for Witness Tampering

On December 13, 2002, James Kovacs was arrested in Tucson, AZ on an outstanding warrant charging him with witness tampering. The Pima County Fugitive Task Force arrested Kovacs who is now awaiting trial in Santa Cruz County Court for several felony counts involving fraudulent schemes, theft, and illegally conducting an enterprise. All charges arise out of a Department of Insurance fraud investigation.

The Department of Insurance began the witness tampering investigation after Fraud Unit investigators received information that Kovacs was contacting potential witnesses in an insurance fraud case. He allegedly had offered a witness monies in exchange for changing his/her testimony in court.

The Arizona Attorney General's Office filed insurance fraud charges against James Kovacs who was the manager of Newmans Auto Center in Nogales, Arizona. Charges include numerous insurance scams involving several insurance companies in the State. The investigation disclosed that between 1999 and 2001 Kovacs billed insurance companies for auto glass replacements that were never performed. Policyholders were unaware that their insurance companies were being billed for glass replacements on their vehicles. They discovered the fraudulent claims when their insurance companies contacted them or, they found out about the claims when making routine inquiries about their policies. Some of the policyholders involved had never been to Newmans Auto Center. It was believed in some cases that insurance policy information on vehicles was stolen out of vehicles and the claims were then made without the policyholder's knowledge.

About the Fraud Unit

The Fraud Unit was established in the Department of Insurance in 1994 to deter, investigate and facilitate convictions of insurance fraud. By deterring fraud, the Fraud Unit reduces the inflationary impact of fraud that is passed on to consumers through higher costs of insurance products. The Unit has investigated and referred for successful prosecution nearly 400 cases of insurance fraud since its inception.

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