



## Legislation Text

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**File #:** Res 0005-2014, **Version:** \*

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### Res. No. 5

Resolution calling upon the New York State Legislature to pass and the Governor to sign S.3547-2013/A.7989-2013, which would amend the Penal Law to create the crime of staging a motor vehicle accident.

By Council Members Crowley, Constantinides, Ferreras-Copeland, Koo, Palma, Reynoso, Mendez, Vacca and Ulrich.

Whereas, In October 2011, the United States Attorney's Office for the Eastern District of New York charged twenty people with engaging in an insurance fraud scheme in Brooklyn by staging motor vehicle accidents and making fraudulent insurance claims related to the accident; and

Whereas, In September 2011, twelve people were charged with being involved in a similar scheme by the Queens District Attorney and eight others were similarly charged by the Bronx District Attorney in March 2011; and

Whereas, In January 2013, 16 individuals were arrested for their roles in staging six automobile accidents in Brooklyn and Staten Island in which they intentionally crashed into city buses, livery cabs, and rented vehicles they drove in an attempt to fraudulently receive more than \$330,000 in insurance payouts; and

Whereas, According to the National Insurance Crime Bureau, insurers across the country reported a 102-percent increase in suspected cases of staged auto accidents between 2008 and 2011; and

Whereas, New York State has the second highest number of staged motor vehicle accidents in the country, while New York City has by far the largest number of such incidents of any American city; and

Whereas, Staged motor vehicle accidents are particularly pernicious because they increase the death rate associated with motor vehicle accidents, already one of the leading causes of death in the United States; and

Whereas, Alice Ross, a 71-year-old wife and grandmother, was killed in 2003 as the result of a staged

auto accident in Queens in which the perpetrator intentionally rammed his car into hers in an attempt to fraudulently collect insurance money under New York's "no-fault" auto insurance system; and

Whereas, In addition to endangering public safety, staged motor vehicle accidents also destroy property and are a significant contributor to insurance fraud, costing the industry upwards of \$1 billion per year, costs that are often passed on to the average consumer in the form of higher insurance premiums; and

Whereas, Despite the grave danger and costs associated with this act, staging a motor vehicle accident is currently not a crime under New York State Penal Law, thus requiring law enforcement to find other crimes with which to charge perpetrators; and

Whereas, The New York State Legislature is currently considering legislation, S.3547-2013 and A.7989-2013, introduced by State Senator James Seward and Assemblyman David Weprin respectively, that would amend the Penal Law to create the felony of staging a motor vehicle accident with intent to commit insurance fraud; and

Whereas, If enacted, this legislation would reduce the incentives for staging motor vehicle accidents and would allow law enforcement to charge perpetrators directly for committing this dangerous act; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to pass and the Governor to sign S.3547-2013/A.7989-2013, which would amend the Penal Law to create the crime of staging a motor vehicle accident.

JM  
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