



Fraudulent and Exaggerated Claims

Expecting, Identifying, and Investigating Deceit

The majority of guests enter an entertainment venue for the services provided. They want to relax, have fun, be enthralled. But, some have another agenda. They want something else—they want your money. The schemes they will concoct to get it have no end. A patron may opt to pour liquid on the floor and then “slip” on the substance they themselves dispersed. Or, they may show up with a previously fractured limb, investing in the cost of admission in exchange for a chance of a large settlement payment for the pre-existing “injury.” Worse yet, some conspire to stage automobile accidents, purposefully running into company-owned vehicles.

Identifying Red Flags

In order to avoid paying out for fake or frivolous injuries, you must be able to spot a staged accident. You need to know the red flags. Watch out for a person who immediately assigns blame and threatens to retain an attorney. If someone is truly injured, they will most often be concerned about the pain they are experiencing from the injury. If an accident is staged, the injured party will typically have an accomplice who is hyper focused on fault and payment for the injury. The “injured” party may also bring along an expensive item that was somehow damaged when the accident occurred—such as broken a watch, camera, or glasses. Red flags are flying if the “victim” displays knowledge of the insurance industry or speaks in legalese.

Conducting a Thorough Investigation

The day of the injury is key.

- Interview witnesses
- Photograph evidence
- Interview the claimant and the claimant’s companions
- Take detailed notes

Retain an attorney to direct your investigation and shield it from disclosure in future litigation through the work-product doctrine—a privilege that pertains to an attorney’s mental impressions.

Take Immediate Action After a Claim is Made

Once a claim is made, you need to act swiftly. Research the claimant. Run an Insurance Services Office “ISO” report to look back at all property and bodily injury claims they have filed. Run a background check, using all known and former names, to see if they filed prior lawsuits or have been accused of crimes such as fraud or theft. Social media searches can aid in discovering aliases and other crucial information. Collect medical records pre-dating the injury date. Obtain an authorization to collect current and prior employment records, which may contain medical information and will show whether the claimant has filed workers’ compensation claims. These records often tell a story. The medical bills can show attorney referrals to providers or that the patient is requesting their own referrals instead of medical providers referring the patient for necessary treatment. Inconsistent accounts of how the accident occurred can signal that a claim is being exaggerated.

Prevent Frivolous Claims from the Start

Ideally, you want to prevent frivolous claims before they happen. Install surveillance cameras. Video footage is an unbiased witness and your first line of defense. Conduct frequent inspections of the premises, documenting the condition of your facilities and grounds. Train employees to recognize suspicious claims and how to thoroughly investigate accidents. Engage experienced counsel early. Understand that what looks like a small claim can be very expensive to defend if crucial evidence is lost during the early stages.

Contact Us



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***Focus on entertaining your guests,
while we handle everything else.***



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