Long string of "accidents" turns out to be insurance fraud

Local News

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OLYMPIA, Wash. – A Kelso woman has pleaded guilty to attempted insurance fraud after collecting more than $200,000 for dozens of bogus medical claims, including falsely claiming that her husband’s foot had been amputated.

Kelly Klein, 47, had accident insurance through an employer. In less than three years, she filed 96 claims stemming from eight alleged accidents involving her family members.

“Insurance fraud drives up the cost of premiums for all of us,” said Washington state Insurance Commissioner Mike Kreidler, whose Special Investigations Unit helped investigate the case. Washingtonians pay an estimated $200 to $300 a year in increased home- and auto insurance due to fraud, according to the National Insurance Crime Bureau.

In insurance claims filed from April 2004 through January 2007, Klein said that:

A farm tractor had crushed her husband’s foot, requiring a medical helicopter flight to the hospital for an amputation. She also filed a claim for a prosthetic foot.

Her teenage son had sustained severe burns in a fireworks accident, requiring days of treatment at a Seattle burn center.

Her teenage daughter and husband had been seriously injured in an automobile accident, with the daughter fracturing her femur and the husband needing a wheelchair.

To back up the claims, Klein submitted receipts, medical records, a police accident log and other documentation to her insurer, American Fidelity Assurance.

But state and company investigators concluded that Klein had forged many of the documents. Klein’s husband never lost his foot. He was never evacuated by medical helicopter. Her son was never seen at the burn center. Investigators combed through accident reports and could find no evidence of the major car wreck she described.

Numerous checks with doctors’ offices, therapists, clinics and hospitals also revealed that Klein’s family members had either never been patients there, or hadn’t been seen for the sorts of major medical problems she claimed.

On Thursday, Klein was sentenced in Cowlitz County Superior Court to 365 days in jail, with 335 suspended, as long as she has no further criminal violations. (She will be allowed to serve the 30 days on a work crew or with community service.) She has also repaid $209,500 in false claims to American Fidelity Assurance and $5,339 to Aetna.