Owner of auto glass companies sentenced in $1.6 million insurance-fraud case

Local News

Posted by: David Haviland

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OLYMPIA, Wash. – A Burien auto glass company owner has been sentenced to jail for a billing scheme that’s believed to have cost insurers more than $1.5 million. Michael Alan Perkins, 44, pleaded guilty to three counts of first-degree theft in King County Court July 1. He was sentenced to 9 months in jail, with 30 days of the sentence converted to 240 hours of community service. Investigators for state Insurance Commissioner Mike Kreidler are recommending a total of more than $1.6 million in restitution to the companies. The court will decide the amount at an upcoming hearing. “Insurance fraud drives up the cost of insurance for everyone,” said Kreidler. “And in this case, the overbilling went on for years.” Perkins is the owner of Autoglass Express Inc. and Premier Auto Glass, LLC., both run out of Perkins’ Burien home. The glass shops overbilled insurers, including State Farm, Allstate and MetLife insurance companies.

An investigation by the state insurance commissioner’s office found 4,840 instances in which the company told insurers that higher-priced Original Equipment Manufacturer (OEM) glass had been installed, when workers were actually installing lower-cost aftermarket glass. State Insurance Commissioner Mike Kreidler’s anti-fraud Special Investigations Unit, which spent months combing through more than 10,000 records, found more than $1.5 million in deceptive billing by Perkins’ companies between September 2005 and December 2009. In some cases, the investigation found, companies paid full price for car windows that came from auto wrecking yards. One insurer was billed more than $1,000 for a Toyota windshield that actually cost $92. State Farm was tipped off to the scheme by Lynx Services, a third-party administrator that handles glass claims. Lynx became suspicious after a random search of their database turned up an unusually high percentage of OEM glass being installed in cars worked on by Autoglass Express. State Farm investigators began contacting policyholders, inspecting the recently-installed glass, and comparing it to the bills. State Farm turned the case over to the insurance commissioner’s Special Investigations Unit, which obtained search warrants and seized more than 50 boxes of invoices and hard drives belonging to Perkins’ companies. Other examples of overbilling documented by the state insurance commissioner’s office in this case: 1998 Saturn station wagon: Insurer was billed $317 for a back window that actually cost $150 at a wrecking yard.2003 Lexus: Insurer was billed $1,082.06 for a windshield that actually cost $144.83.1991 Subaru Legacy: Insurer was billed $199.95 for a front door window that cost $65 from a wrecking yard.1999 Lexus RX300: Insurer was billed $1,167.34 for a windshield that actually cost $56.05.