



George Knapp, Investigative Reporter Exclusive: FBI Personal Injury Probe

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How far will lawyers go to land a big personal injury case? FBI agents want to know. A massive federal investigation is underway into alleged collusion between local attorneys and doctors to manipulate personal injury awards, but the FBI has learned that people from other walks of life may also be involved. The I-Team broke the story about the FBI probe in November of 2005. George Knapp has the new and exclusive details.

The FBI isn't talking. The doctors aren't talking. Neither are the lawyers, but we know that one week after the I-Team broke the story about the FBI probe, a federal grand jury issued more than a dozen subpoenas. In the weeks since, the I-Team has accumulated information from dozens of confidential sources, court records, even internal emails, and we now have a clearer picture of what the FBI is chasing.

The sound of a wailing siren can be music to the ears of a personal injury attorney. The crumpled metal of an auto accident, a hasty mistake in a hospital room -- both are potential jackpots. No lawyer wants to be known as an ambulance chaser, but some fit the definition. The FBI and the Nevada State Bar have both learned that some lawyers pay bounties for tips about accidents.

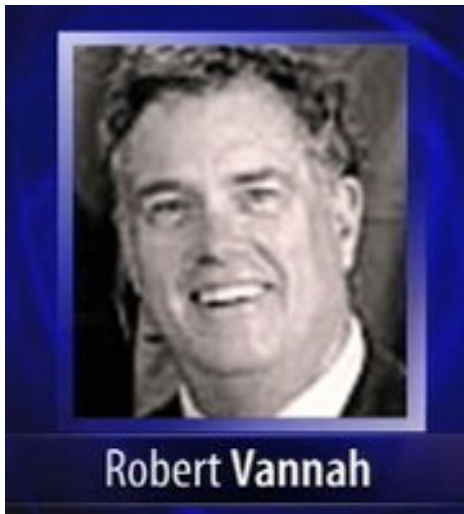
Tow truck drivers can earn \$1,000 for steering an accident victim to an attorney. One law firm will pay \$5,000 if the injuries are severe. Lawyers have been allowed to advertise on TV screens in tow company offices. Emergency room personnel, cabbies, even insurance company office workers are paid under-the-table bounties for hot tips.

Auto accident rates in Las Vegas are slightly above the national average, but personal injury claims are the highest in the nation, 63-percent above the average according to the Nevada Insurance Council which told us: "Either Nevadans are more fragile than other Americans, or accidents here are more likely to be viewed as an opportunity for easy money." Bob Feldman, with the NIC, said, "We invented the lottery mentality here. I think people are out to make a fast buck."

The insurance industry believes that a select group of personal injury attorneys has raked in hundreds of millions of dollars in just the past few years through cases that weren't worth nearly that much. And now, we've learned, the FBI wants to know if it's true.



Cynthia Johnson



After a quiet three-year investigation, federal lawmen suspect a dozen or more prominent lawyers of conspiring with close to 20 physicians in rigging the system. Allegedly, the doctors help to increase the size of potential settlements by padding the bills with tests, treatments, even surgeries -- needed or not, after which they served as expert witnesses for the lawyers, and thus earn a kickback from any settlement.

Splitting fees is not illegal in Nevada, although it's considered highly unethical. But something in this scenario caught the attention of federal authorities. The I-Team has learned that at least 10 prominent attorneys received subpoenas for their financial records. At least six respected doctors were served as well. Knowledgeable sources tell us that eight more lawyers and a dozen or more doctors may still receive subpoenas in the near future.



The lawyers who were served are no ambulance chasers. Robert Vannah told the I-Team his firm earned \$100 million last year. Robert Eglet is Nevada's reigning trial lawyer of the year. Randall Mainor won the same honor a few years ago. The one common denominator for them and the doctors is a Vermont man named Howard Awand, described in insurance industry court documents as a medical fixer, a middleman who shuffled doctors and lawyers like chess pieces.

After a 2002 fender bender, Cynthia Johnson was contacted by Awand and soon had eight doctors on her team. Johnson said, "He said, oh, it's a cut and dried case."

At this point, Awand is considered the only target in the FBI probe. He and his companies were also slapped with subpoenas. Although Awand isn't a doctor or a lawyer, his advice on legal and medical matters carried considerable weight, as we learned by reading thousands of pages of internal emails obtained from certain law offices. "Howard feels we have a potential med-mal case," one lawyer stated in an email. "We will get Howard in on this one and settle without litigation," another said.

Billing records show Awand was paid hundreds of dollars per hour to review files and cases, including suggestions on how to rearrange the expert witnesses, even how to manufacture a conflict so the other side couldn't use the same experts, or the planting of witnesses with the other side. Some of the participants referred to themselves as, quote, "the medical mafia" and one email brags that they are public enemy number one to the defendants.

The investigation is continuing, but no one has been charged with anything at this point. From what we know, FBI agents have more leads than they know what to do with. And we've also received hundreds of emails and phone calls from former clients, patients, and employees, all offering information, which we are attempting to verify.

The same doctors would be expert witnesses for the same lawyers in case after case. We've been told that sometimes the doctors would sign on as witnesses for the defense and then not show up when they were due to testify.

[Click here to read the list of names](#)

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