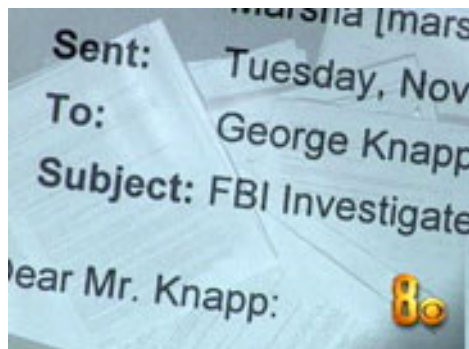




## George Knapp, Investigative Reporter

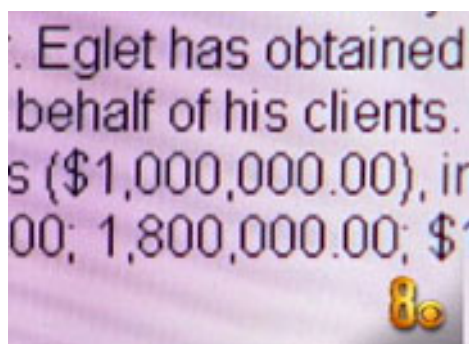
### FBI Personal Injury Probe, Part 2

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Wednesday was the deadline for local doctors and lawyers to comply with subpoenas issued in late November by a federal grand jury. At least ten Las Vegas attorneys and six prominent doctors were served with subpoenas as part of an FBI investigation into an alleged scheme to inflate the value of personal injury cases. The I-Team's George Knapp has more exclusive details about the investigation.

The federal grand jury has not yet heard testimony from any witnesses, but knowledgeable sources tell us that isn't too far away. FBI agents already had thousands of pages of financial records and medical files to study, including confidential emails shared by the doctors, lawyers, and alleged middleman. The I-Team has also seen those files, and the picture they paint is not flattering.



Personal injury attorneys aren't shy about touting their successes. The websites of major firms boast of multi-million dollar cases and awards. Individual lawyers have running dollar totals in their resumes'. Phone book ads entice injured parties to sign up and cash in. One of the lawyers who received a grand jury subpoena, Robert Vannah, admits his firm took in \$100 million last year but says his phenomenal success is from hard work, not from bending any rules.



An attorney for another subpoenaed firm, Mainor, Eglet, Cottle, says if anyone broke the law, it's alleged medical fixer and middleman Howard Awand, whose companies worked with most of the major personal injury law firms in Las Vegas. The FBI suspects that Awand coordinated efforts by certain doctors and lawyers to jack up the costs of injury cases for the purpose of landing bigger settlements.

How much money are we talking about? Bob Feldman with the Nevada Insurance Council commented, "Hundreds of millions of dollars over the past two years."

The I-Team has learned that several major insurance companies have hired their own investigators and lawyers to find out why Las Vegas has far more personal injury awards than anywhere else. That information is being shared with the FBI. One preliminary conclusion is that injury victims aren't the ones getting rich from the lawsuits. In the suspicious cases, the injured parties get 25-percent or less of the overall dollar amount. Lawyers, doctors, and middlemen get far more.



In a standard contract from one of the big firms, 40-percent off the top goes to the lawyer, and then the client pays for all expenses, including consultants like Howard Awand. Dozens of locals have told us their own tales of woe. A few say they were hobbled by unnecessary surgeries that were used to inflate settlements. Many say they were driven into bankruptcy when their cases were dropped they got stuck with the inflated medical bills.

When Cynthia Johnson refused to have back surgery following a fender-bender, her lawyers lost interest. Johnson said, "I became victimized

again by my attorney..."

One of the most insidious practices being pursued by the FBI is an alleged technique to squeeze even more out of the clients. Public records show that Las Vegas doctors and lawyers have formed their own collection agencies, sometimes under the names of spouses or others. Here's why. Say an injured person must undergo expensive neck surgery at a total cost of \$180,000. Insurance will only pay \$60,000 of that. Doctors, with the help of the lawyers, file a medical lien on the case or buy the case outright for a third of the total bill. When the case is settled, the lien company, meaning the doctor, gets paid the larger amount out of the settlement that would otherwise have gone to the injured client. Insurance caps are bypassed. The doctors get a bigger piece.

The I-Team has viewed thousands of pages of internal emails from certain law firms, many of the emails discuss "putting surgery on a lien because (an insurance company) would not pay enough" -- meaning the lawyers were allegedly working to get money for the doctors and for Awand at the expense of their own clients.

We want to emphasize again that no criminal charges have been filed, nor is it certain that any charges will be filed. Information continues to pour into the FBI, as well as to us. One angle of interest to the government is whether local judges assisted in the scheme. Example: agents are trying to find out if one judge accepted a freebie in the form of an expensive surgery for a family member.

The I-Team will tell you more about that, and other angles, in the days ahead.

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