

**\* NEWS RELEASE \***  
**CO-DEFENDANTS SENTENCED IN AUTO  
INSURANCE FRAUD SCHEME**

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**FOR IMMEDIATE RELEASE**

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Monterey County District Attorney Dean D. Flippo announced today that David Martinez Ramirez, 49, of Prunedale, was sentenced to 10 years in prison and Perry Hall, 57, of Salinas, was placed on felony probation and ordered to serve 180 days in jail. Ramirez was sentenced for auto insurance fraud and a violation of felony probation for a previous insurance fraud conviction in 2013. Hall was sentenced on a charge of grand theft and misdemeanor violations of failures to secure unemployment insurance and worker's compensation insurance.

In 2015, investigators from the Monterey County Sheriff's Office MADCAT (Multi Agency Detail Commercial Auto Theft) Unit, the District Attorney's Office and NICB (the National Insurance Crime Bureau) discovered two auto repair facilities in Salinas involved in a "scratch out" fraud scheme in which a fully insured vehicle is fraudulently vandalized by the vehicle owner or an associate of the repair shop with the owner's consent. Thereafter, an insurance claim is filed which is typically inflated and often seeks thousands of dollars to repair the fraudulent damage. When the insurance company pays the claim, the money is shared between the repair shop owner, the vehicle owner, and any other participants in the scheme. One of the repair shops was Universal Automotive, operated by Ramirez and Hall.

In mid-2015, a joint operation was undertaken wherein an undercover investigator contacted Ramirez and Hall and inquired about the possibility of setting up a "scratch out" scheme. Hall and Ramirez agreed to participate in the scheme. Ramirez then gave the undercover investigator instructions on how to damage the vehicle to avoid any suspicions by the insurance company. He also gave the investigator instructions on what to say to the insurance adjustors in order to convince them the damage was legitimate. The investigator returned a damaged undercover to Ramirez for repair. Ramirez then prepared a fictitious estimate of \$4,373.93 which Ramirez submitted to the insurance company for payment. Upon receipt of payment from the insurance company, Ramirez gave the undercover officer a portion of the proceeds and retained the balance. Upon inspection of the body shop, investigators found that the shop was not in compliance with unemployment and worker's compensation insurance laws.

Auto insurance fraud is not uncommon in Monterey County and is a serious problem nationwide resulting in billions of dollars lost every year. As a result, insurance rates are increased to cover those costs. The District Attorney's Office-Auto Insurance Fraud Unit works in conjunction with MADCAT in investigating auto body shops throughout the County. Members of the public having information about possible insurance fraud are encouraged to report what they know to MCSO Detective Ken Owen at 831-755-7279, CHP Detective Chuck Rodriguez at 831-755-3818, DA Investigator Maribel Torres-Hart at 831-883-7588 or District Attorney's Office Fraud Hotline at 831-755-3224. This case was investigated by Detective Arras Wilson, MSCO, Detective Chris Browning, CHP, District Attorney Investigators Maribel Torres-Hart and Martin Sanchez, and John Pearce, NICB.