

## **USAA and CCC Valuescope RICO Act Violations, Consumer Fraud Complaint to FBI Director Robert Mueller**

*Source: Dream-Maker Ministries*

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*Consumer fraud complaint and RICO Act Violation warning to FBI Director Robert Mueller III from USAA insured who received a deceptive CCC report lowballing the value of his auto vehicle after being hit by a drunk driver. USAA with CCC defraud insured*

FBI Director Robert Mueller III,

I am filing a consumer complaint against CCC Valuescope (CCCG) used by my insurer USAA to allege a fair "market value" of my automobile.

My insurer USAA has breached its duty to exercise the utmost good faith to me its insured. By using CCC Valuescope (a company I allege violates the U.S. federal RICO Act) USAA has intentionally provided me a low and fraudulent valuation of my automobile in hopes of obtaining an unreasonable and unfair settlement.

CCC Valuescope (formerly known as CCC Information Services Group Inc – CCCG) can by no means be deemed a fair and market value of automobiles as CCC Valuescope works exclusively for insurers and therefore has an economic interest to supply valuations that are intentionally below the actual fair market value of what insured vehicles are truly worth.

It is known fact throughout the insurance industry that CCC gathers its values from what car dealers would sell a vehicle for at basement wholesale prices, not the true "retail value of an auto of like kind and quality prior to the accident" as mandated by FL insurance regulations. Moreover CCC Valuescope uses a mix of vehicles formerly leased, used, and abused among wrecked cars when compiling valuations to afford their insurance company customers paying out total losses the lowest possible "values" to present their insured.

Ironically, nearly every vehicle in CCC Valuescope's appraisal of Paul F Davis' car report consisted of vehicles that had over 20 records indicative of issues such as accidents and faulty cars. Among the report, some cars had 28, 31, and 32 records.

Cutting costs and denying its insured "the utmost due care" historically can be documented against USAA beginning with the class action lawsuit against USAA in Washington's King County (March 12, 1999) for compelling auto repair shops to use "imitation" parts in repairs, while simultaneously hiding this practice from policyholders. Beyond auto insurance, USAA has countless complaints filed against it in 27 states across the country.

CCC Valuescope is not independent in their valuations since they are a hired gun for the insurance companies! Upon conducting a VIN search on the vehicles within the CCC report 39813905, many cars had over 20 records indicative of numerous collisions, issues with the vehicle, and several changes of ownership. By relying upon CCC's intentionally low valuation of my vehicle, USAA is breaching its fiduciary duty to act in good faith in handling my claim. No fair and honest evaluation of my claim can be performed by CCC as it is contracted by insurers for the primary purpose of minimizing monies paid out by insurers to its fiduciaries. By using CCC Valuescope, USAA is clearly not exercising the "utmost due care" in the interest of me its insured as required by *Baxter v. Royal Indemnity*.

CCC admitted itself in its SEC Filing on 3-16-2005 that “the Company sometimes pays a new customer for the remaining commitment of its previous contract with third parties as an incentive”. In regard to regulation, CCC mentions in the same filing “in most states, however, there is no formal approval process for total loss valuation products”. CCC itself confesses in the same report “individual state departments of insurance have taken positions as to whether the use of CCC Valuescope valuations is in compliance with a states claim handling regulations”.

“The Company is aware that since 2002 the California Department of Insurance has advised some of the Company's customers (which management estimates to be approximately 14% of the total revenue earned in 2004 from the Company's CCC Valuescope valuation product and service) that the Department believed that their use of CCC Valuescope had not been in compliance with the California insurance regulations in effect prior to October 4, 2004, with respect to certain components of the products methodology. The Company believes the product was in compliance with the applicable California regulations.”

“On April 24, 2003, the California Department of Insurance formally adopted new regulations that required the Company to change its methodology for computing total loss valuations in California.” There is good reason therefore to believe CCC Valuescope’s valuation methodology is terribly flawed and skewed to favor its insurance company customers.

In CCC’s annual report filed February 13, 2004 the legal proceedings and numerous class action lawsuits against CCC are documented in pages 35, 42, 43, and 44 of the 53 page report.

On page 35, CCC Valuescope admits to setting aside \$4.3 million as an estimate towards potential settlement to “resolve potential claims arising out of approximately 30% of the transaction volume of CCC Valuescope”.

By acknowledging 30% of transaction volume becoming potential claims, CCC Valuescope thereby makes it public record that it anticipates a sizeable percentage of lawsuits for unfair and fraudulent valuations. Such a high percentage of transaction volume alone attests to the flawed methodology of CCC’s report, its unscrupulous dealings, and wholehearted commitment to protect the financial interests of the insurers it serves.

Ironically, four of CCC Valuescope’s automobile insurance company customers have made contractual and, in some cases, also common law indemnification claims against CCC for litigation costs, attorneys’ fees, settlement payments and other costs allegedly incurred by them in connection with litigation relating to their use of CCC’s flawed TOTAL LOSS valuation product.

Certainly the countless class action lawsuits filed across the United States against CCC Valuescope provides further evidence concerning the grossly low and inaccurate valuations of vehicles they give the insurers they serve. Among the many are:

#### CCC Settles Class Action Suit on Valuation of Total Loss Vehicles (July 15, 2005)

Chicago-based claims software-maker CCC Information Services Inc. announced that it and 15 of its customers signed a settlement agreement with the plaintiffs in various class action suits pending in Madison County, Ill. These consolidated suits, Case Nos. 01 L 157, et al., relate to the valuation of vehicles that have been declared total losses by insurers.

Terms of the settlement agreement will require CCC to pay notice and administration fees and other costs associated with the settlement. The company estimates that these costs will total about \$8 million, and

including available insurance proceeds of \$1.8 million, the company is fully reserved for these payments. Other settlement costs, including claims by class members, will be paid by the insurance companies that are participating in the settlement.

August 23, 2000, a putative statewide class action was filed in the Circuit Court for Hillsborough County, FL, against CCC and USAA Casualty Insurance Company (Peter Sintes et al. v. USAA Casualty Insurance Company and CCC Information Services, Inc., Case No. 00-006308). Plaintiffs allege that USAA contracted with CCC to provide valuations of "total loss" vehicles and that CCC supplied valuations that were intentionally below the actual fair market value of the insured vehicle.

Insurance companies "owe a duty to the insured to exercise the utmost good faith." Baxter v. Royal Indemnity Company, 285 So.2d 652 (Fla. 1st DCA 1973).

Given the countless and ongoing class action lawsuits against CCC Valuescope there should now be no question that CCC Valuescope is not independent in its auto valuations and is guilty of violating the U.S. federal RICO Act and National Insurance Regulations, along with many of the complicit insurance companies such as USAA who willingly and knowingly use their product with the intent to deceive

What then do you propose to do about it to protect the insured motorists across the United States against fraud?

[www.PaulFDavis.com](http://www.PaulFDavis.com) - consumer advocate

[RevivingNations@yahoo.com](mailto:RevivingNations@yahoo.com)

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