From Coast to Coast: Insurance Fraud Trends in the Towing Business

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California and its neighbors remain no strangers to the ever-evolving world of insurance fraud. Regulators and insurers, armed with statutes and task forces, are stuck in a game lasting longer than Monopoly, a game of Whack-A-Mole with a wide variety of players, all of whom seem perpetually convinced that their scheme will be the one that goes undetected. It rarely does — but not before causing significant financial damage along the way.

Recent arrests and indictments tell the story of the moment. The schemes always get bigger, bolder, and more creative. From predatory towing operations to family-run rings, insurance fraud west of the Mississippi continues to flourish in what can sometimes feel less like a tightly regulated marketplace and more like a modern frontier.

Consider it part cautionary tale, part roadmap, and part reminder that creativity has never been a defense. This article takes a deep look into predatory towing operations that treat traffic accidents as revenue streams and insurance policies as blank checks. When roadside assistance crosses the line into organized fraud, the consequences escalate quickly, with millions of dollars on the line.

What Is Predatory Towing?

When we think of predatory towing or towing fraud, we think of a tow truck pulling up to a disabled vehicle, without being called, and then asking for an exorbitant amount of fees in response. Towing fraud is nothing new. According to the National Insurance Crime Bureau, "predatory towing," also known as "rogue" or "bandit towing," has increased by 89% between the beginning of 2022 to the end of 2024.

Common examples of fraudulent towing scams in California can include towing a vehicle from private property without code-compliant signage; tows requested by someone without legal authority; immediate towing where the law requires a waiting period; charges that exceed the California Highway Patrol maximums; refusal to release private property without payment; and failure to give the required written notice. This problem has become so prolific that the Los Angeles County District Attorney's Office issued a "Fraud Alert" where they state: "Warning! Predatory tow truck operators target car crash victims, then hold the vehicles hostage for cash. LADA warns drivers about a criminal scheme in which 'tow truck bandits' listen to radio traffic and race to the scene of an auto collision, then convince the drivers to let them tow their vehicle to a repair facility. Afterwards they will charge excessive storage fees and repair costs before returning the car to the victims, essentially holding the vehicles hostage for cash. The criminals often falsely claim to be affiliated with insurance, police or local government. If you're involved in a car accident, be suspicious of tow trucks that show up within minutes of a collision. This might be a scam."

What is new is the increase in arrests made for these operations, and not all are merely illegal tows. These are not simple operations. They involve major organized schemes across the country. For the purpose of this analysis, we will focus just on cities and states that are west of the Mississippi River. On the bright side, states are doing their part to regulate this industry in an attempt to protect the public. This growing trend is not isolated to the western states either.

Recent Predatory Towing Cases

Los Angeles, California

On March 11, 2026, brothers Mark and Ahmed Hassan, owners of Hadley Tow, Courtesy Tow, and California Coach Towing were arrested in Los Angeles for allegedly defrauding their workers compensation insurers out of $6,000,000 in policy premiums. Mark Hassan also owned FMG, Inc, dba Hadley Tow in Whittier, Courtesy Tow in Sylmar, Crescenta Valley Tow in La Crescenta, California Coach Towing in Walnut, along with several others across the region. They stand charged with insurance fraud for allegedly underreporting their payroll by $13,000,000.

Chattanooga, Tennessee

Just west of the Mississippi, on March 29, 2026, Kevin Fisher of Fisher Trucking LLC was charged with felony extortion and sexual battery. According to the victim, Fisher offered to waive a $4,000 towing bill in exchange for sexual favors. According to Hamilton County police, the victim claims her truck broke down and she had it towed by Fisher Trucking, LLC. Fisher allegedly told the victim her truck would cost $4,000 to repair. When she tried to pay the first half of the bill, she was told the bill would be waived in exchange for sexual favors. When she refused, she claims he raised the price to $10,000. An audio recording was provided to police, and he was charged with sexual battery and extortion.

Van Nuys, California

In July 2025, 140 vehicles were recovered from Legend Auto, and they were accused of running a "Bandit Towing" operation. The scam involved towing operators posing as witnesses to automobile collisions. From there, they would convince the unsuspecting vehicle owners to allow Legend to tow their vehicles. Once at the shop, the customers would be presented with invoices ranging from $7,000 to $15,000.

One complainant alleges that she denied the request to have her car towed, but Legend Auto did so anyway. Efforts have been underway to return at least some of the vehicles to their rightful owners.

This was the result of a joint action with the Los Angeles Police Department and the California Highway Patrol. According to Lt. Laurel Friedlander with LAPD, "The Van Nuys auto detectives became aware of citizen complaints of criminal activity in relation of predatory tow practices, theft by false pretenses, and grand theft auto occurring at Legends Auto, otherwise known as Legends Inc. It has a few different names."

"Our victims then signed these to agreements under false pretense, believing that this was arranged by their own personal insurance company," Friedland said. "And later on, when they respond to the tow location, the business provides them with an inflated invoice with numerous illegal fees.”

Kansas City, Missouri

In 2025, the owner of Metro Tow was charged with 25 counts, including first-degree harassment, forgery, deceptive business practices, and stealing a motor vehicle/watercraft/aircraft. His mother faces similar charges. The felony charges are connected to an alleged scheme of towing vehicles in and around the Kansas City area. The tow drivers would improperly fill out forms in order to tow vehicles, and then force the owners to pay cash to get their cars back.

A probable cause statement was filed in Platte County in October 2025 alleging that Metro Tow and its affiliate MoKan Property Services engaged in the illegal towing of parked vehicles, including those with handicap permits. The owners would then be charged hundreds of dollars to get their vehicle back. The court records indicate that owners Donald J. Adamson and his mother Lannette Adamson forged Missouri Department of Revenue Form 4669 documents attempting to show that the property owners gave them permission to tow the vehicles. The Adamsons have also been charged in Jackson County.

In response, Capt. Rob Schreiber of the Kansas City Police Department, in an effort to curb this fraud in their city, stated: “There’s probably several hundred tows throughout Kansas City per month, so we have to dig through that in order to figure out what may have been an illegal tow or what could have been a regular, normal authorized tow.”

“We are trying to stop it. 100% trying to prevent it. Preventing members of our community from being victimized when they shouldn’t be,” Sgt. DiMartino added.

Virginia

In June 2025, it was announced that a Virgina tow truck driver was facing charges of Grand Larceny after misrepresenting himself. It began when Bethany Selvage of Prince William County's car was struck while parked on the side of the road. She apparently called her insurance company to have the vehicle towed. The driver showed up and presented her with an invoice for $8,300. She later learned that her car was not taken to the lot to be stored, but it had been stolen by driver Michael Tillman. It turned out this was not his first effort either, as he charged another unsuspecting victim $12,000.

San Francisco, California

In August 2024, the U.S. Department of Justice indicted Jose Vincente Badillo and Jessica Elizabeth Najarro, owners of San Francisco based Specialty Tow, and others on charges of mail fraud, wire fraud, and money laundering, all related to an insurance fraud scheme. Reportedly, the couple bought a wrecked car in 2019, insured it, and then falsely claimed to have been in a car accident, and then sought a $34,000 property damage payment. The federal indictment also alleges that the car they purchased was never operative, had severe front end damage, and a non-functioning engine.

But it did not start or end there.

In April 2024, San Francisco Police Department began an investigation of Specialty Towing after a video showed one of their trucks attempting to tow a car that was actually occupied at the time. This was actually *after* the city attorney suspended their license two months earlier accusing them of towing cars from private lots and demanding the vehicle owners pay in cash to get the car back. Textbook predatory towing.

In October 2025, Bandillo pled guilty to one count of conspiracy to commit arson. That same month, he pled guilty to conspiracy to commit mail and wire fraud in an unrelated scheme involving stagged accidents and false towing records.

Bandillo was sentenced on February 12, 2026, to 60 months in prison for attempting to burn tow trucks in the Bay Area in 2023. The next day, he was sentenced to 27 months in federal prison for conspiracy to submit fraudulent insurance claims between 2017 and

2021.

Inland Empire, California

In May 2024, the Inland Empire Automobile Fraud Task Force charged 16 people allegedly involved in a major auto insurance fraud ring. According to reports, it began in November 2022 when California Highway Patrol employee Rosa Isela Santisevan from Irvine, California, was found to have been selling the face sheets for traffic collision reports. Allegedly, she sold thousands of reports to Andre Angelo Reyes, who then used them to generate fraudulent insurance claims. This discovery exposed a significant fraud ring involving multiple people and business across Southern California.

How the scam worked: Santisevan would sell the face sheets to Reyes who would then send the reports to another participant, Esmeralda Parga. The reports contained personal information for people who had been involved in traffic collisions throughout the state. Parga would pose as the unsuspecting victim's insurance company representative and would have their vehicles towed to CA Collision. CA Collision was owned by another alleged ring member, Anthony Gomez. Once the car was at CA Collision, the shop would hold the car until the insurance company would send a cash payment to release it.

The results were 19 fraudulent claims totaling $353,035.

Predatory Towing Regulations

All is not lost. Western states have taken action to curb the rise in predatory towing and insurance fraud, examples of which are highlighted below.

1. California

California has statutes specifically addressing towing on private property, where most fraud occurs. California Vehicle Code section 22658 strictly regulates these operations by outlining the mandatory signage requirements and immediate written notice to the registered owner of the reason for towing their vehicle, as well as the location, time and mileage. Moreover, this section also requires that a tow operation provide their approved rate "within 24 hours of a request without a warrant to law enforcement, the Attorney General, district attorney, or city attorney." CVC 22658(B).

2. Arizona

Not to be outdone by its neighbor to the west, Arizona has some of the strictest anti-predatory towing laws around. Specifically, A.R.S. §§ 9‑499.05, 11‑251.04, 28‑4847. ARS 9-499.05 sets procedures similar to the California Vehicle Code discussed above. It further states that towing companies that skip the steps outlined in the Arizona statute face criminal penalty and can lose their ability to collect towing and/or storage fees. Like in California, this statute sets specific signage requirements which must all include an explanation as to what parking rules apply, the maximum costs the owner could owe if they violate one of the rules, and contact information for the towing company. Towing companies in Arizona are also required to notify law enforcement within one hour of moving the vehicle. The intent is obviously to curb the appeal of those inflated storage charges.

3. Nevada

Nevada has procedurally heavy statutes that many towing operations fail just on the notice requirements alone, which include notice to the police before or after the towing. In fact, in Nevada, a vehicle owner can petition the court under NRS 487.39 for expedited judicial review. When these procedures are not followed, Nevada courts regularly order the vehicle be released without payment.

4. Oregon

Oregon statutes ORS §§ 98.810–98.862 do their part to protect Oregonians. In fact, they require photographic proof before a private tow, and this photographic proof must be retained for two years. Moreover, the towing company is required to immediately release the vehicle if the owner returns before the hookup is complete! In fact, Oregon does not just rely on the courts to enforce this but has its own State Board of Towing.

5. Colorado

Colorado has recently enacted a Towing Bill of Rights (C.R.S. Title 42; HB21‑283; HB22‑314) to address towing complaints. Colorado, like Oregon, requires photographic proof. The biggest difference between Colorado and the West is that Colorado recognizes towing abuses to be unfair or deceptive trade practices. Colorado also has a Towing Task Force.

Colorado House Bill 1051, proposed in May 2024, allows a commission to deny applications and suspend or revoke licenses for persons who were convicted of a felony or towing-related offense.

6. Florida, Utah, Virginia, and Mississippi

New regulations and efforts to curb predatory towing fraud have spread to the south as well. In 2024 alone, southern states including Mississippi (SB 2635), Virginia (HB 959), Florida (HB 179), and Kentucky (HB 167) proposed regulations intended to create safeguards for consumers when facing these antics.

For example, in June 2024, Mississippi proposed Senate Bill 2635, which does the following:

- Creates commercial vehicle towing advisory committee that establishes regulations for nonconsensual and commercial towing.
- Requires towing and recovery services that have performed a nonconsensual tow or commercial tow to allow the vehicle owner reasonable access to the commercial vehicle and collect personal property.
- Provides procedures for what towing and recovery services must do before performing a nonconsensual tow.
- Permits law enforcement to establish a tow rotation list for commercial towing.

- Requires the Advisory Committee to establish disciplinary procedures for violations." and
- Requires the Advisory Committee to establish maximum towing and storage rates for nonconsensual tows—which include police initiative tows for commercial vehicles.

Will this legislation and recent arrests make the West less wild when it comes to predatory towing operations? That remains to be seen, but there is no question these states and their respective agencies identify that there is a significant problem and are actively attempting to curb this fraud. The insurance industry has also jumped in the fight as well. Specifically, the National Insurance Crime Bureau (NICB), which is funded by insurance carrier membership, has recognized the massive increase in predatory, rogue, or bandit towing and has partnered with law enforcement to combat this issue.

With the assistance of NICB, Utah amended a bill related to the towing and impoundment of vehicles. The Utah bill (H.R. 261) provides for the following:

- Amends provisions related to impounded or towed vehicles to allow a state impound yard or tow yard to release a vehicle to certain individuals beside the owner if certain requirements are met.
- Requires a private property owner who contracts with a tower to patrol a parking lot to publish information about the agreement with the tower for the public to view.
- Allows signage for towing and parking restrictions to remain valid if the signage substantially conforms with the statutory standards.
- Requires a tow truck motor carrier or impound yard to allow an individual to remove personal items from a vehicle if the individual has paid the towing fee.
- Requires a tow truck motor carrier to provide to the Department of Transportation information about each towing dispatch rotation that includes the tow truck motor carrier.
- Allows the Department of Transportation to require the removal from a towing dispatch rotation a tow truck motor

carrier that has violated relevant towing laws and regulations.

- Prohibits a local government from imposing a maximum rate that deviates from the towing rates established by the Department of Transportation in administrative rule.

Some insurers have also restructured how towing is authorized and paid by establishing preferred towing networks, direct billing, and a refusal to reimburse unauthorized towing. Only time will tell whether these concerted efforts curb towing fraud and predatory towing. With minimum, it will be increasingly more difficult for these companies to fly under the radar.

As predatory towing schemes become more sophisticated and regulators expand their enforcement efforts, it's critical that insurers and other impacted parties understand the remedies available under applicable state law. If you have questions about towing fraud, insurance claims, or how this worrisome trend may affect your operations, please contact the author or any attorney with FBT Gibbons' Insurance Coverage and Bad Faith team.