

Accident brokers promise big money

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 for theft and resisting arrest. He cuts deals at a South Side office where he offered to reward a doctor's nurse for placing one of his clients in a hospital.
 If the brokers do occasionally need a lawyer for some formality, such as deposition, there are those willing to lend their license for a fee. All the brokers operated out of offices that were either shared with lawyers or had the names of lawyers on the door.

Archie Burton has led a charmed life. Twice, he was placed on probation after swaying judges with his sincere attitude.

The judges said they were going easy on him as long as he would promise to be a good boy.

Both times, Archie promised. Both times, he broke his promise.

In 1957, while working for the Post Office, Burton stole mail. Since then, he's been arrested at least six times on nine charges—auto theft, deceptive practices, forgery and carrying a concealed weapon. He has three convictions.

THE ACCIDENT SWINDLERS

The crash-and-cash 'game'—and the chief perpetrators: editorialists, Page 57.

At the sentencing hearing on Aug. 30, 1977, he was given nine months in a prison work-release program and placed on probation for five years after he told the judge he was sorry and would be a model citizen.

FEDERAL JUDGE Prentice H. Marshall told Burton: "[And] I hope you don't step out of line again, because it is going to be more severe on you if you do. Do we understand one another?"

Yes, sir," Burton answered. Yet, five weeks later, Burton stepped out of line. He was arrested while driving a stolen car. He was found guilty in Circuit Court on May 1, 1979, and sentenced to one year in prison. He is appealing.

Archie Burton still plays the role of accident broker, urging clients to build up phony medical bills. He operates out of a Loop office at 30 W. Washington.

The business card he hands clients says he represents Phoenix Ltd. He says Phoenix is a pre-paid legal-assistance program for people associated with churches, but he won't say what churches.

When Sun-Times editorial assistants Larry Cose and Pat Smith visited Burton, Cose complained of shoulder pain and Smith said she was just "shook up."

BURTON SAID, "To get money from a case like this, you have to have injuries. He sent them to a clinic-known by persons-injury lawyers for his inclination to turn minor complaints into 'totally incapacitating' injuries."

Later, in a telephone conversation, Smith said she was going to return to work. "No, no, no," Burton protested. "Don't go back tomorrow. Stay off the rest of the week at least."

Burton's clinic arranged for Cose, with his "sore shoulder," to be hospitalized for "severe spinal contusion, cerebral concussion and shoulder pain." The clinic told Smith, who answered "no" to a long series of questions about whether any part of her body hurt, to come for "therapy" 15 times.

Burton put Cose and Smith in touch with four different lawyers, but before he was caught by the federal government, Burton himself acted as his clients' lawyer.

Beginning in 1972, Burton set up two different law firms. One existed only on the stationery Burton had printed. The other had an attorney, but Burton ran the office. Both schemes were designed to give clients the illusion they were represented by a lawyer.

PROMISING BIG MONEY for little work, Burton persuaded Selwyn E. Bates, an older but inexperienced former assistant state's attorney, to join Burton in a law office. Burton told Bates, "That license of yours is a gold mine."

Bates, 55, knew Burton through Bates' ex-wife. But he didn't know Burton well. "All I knew," Bates recalled, "was that he lived well, he spent a lot of money, he dressed well and he drove nice cars."

Burton became Selwyn E. Bates. He used Bates' name in conversations with insurance adjusters. He set up bank-



ACCIDENT "BROKER" Archie Burton leaves his lavish South Side Jackson Park Highlands home. The former ambulance chaser has a post that includes at least six arrests since 1957—for charges ranging from auto theft to forgery. He was convicted three times until he was caught by the federal government, he also acted as his accident clients' lawyer. (Sun-Times Photo by John H. White)

During an eight-month investigation of automobile-insurance fraud, Sun-Times and WLS-TV reporters—with cooperation from the Chicago Police Department and the Allstate Insurance Co.—posed as victims of accidents that never occurred. The Sun-Times team, led by Pamela Zekman, included Larry Cose, Gilbert Jimenez, Gene Mustain, Pat Smith and Norma Sosa. Photographer John H. White used a concealed camera to take most of the pictures in the series.

counts in Bates' name and routinely forged Bates' name to checks and legal documents.

He incorporated a private detective agency—Slooth Ltd.—and installed Bates as president and principal stockholder. He set up another bank account for Slooth and paid his personal bills from it.

Burton testified that he did most of the work and negotiation on the firm's personal-injury cases. Burton admitted he paid ambulance chasers, including at least a Chicago police officer, for bringing in cases. He also said he bribed insurance adjusters.

The Bates cover began to come apart, Burton testified, late in 1972 when Burton acknowledged to wearing custom-made suits and spending \$50 for lunch—began to run short of cash and dipped into the law-firm kitty for major personal expenses.

Around this same time, Burton also was entering into negotiations to buy his lavish South Side home, located in exclusive Jackson Park Highlands.

AFTER HE FAILED to persuade Bates to take out a loan to tide the firm over, Burton began forging his clients' settlement checks. Some clients complained to the state's attorney's office, Bates and Burton parted.

Although Bates would deny any knowing role in the fraud and still maintains his only crime was being dumb enough to let Burton use him, a federal jury found him guilty.

Burton, cooperating with the government once his own neck was on the line, testified against Bates. Judge Marshall gave Bates six months in prison and the state Supreme Court took away his license.

Bates, one of nine children from an impoverished family, fulfilled a lifelong goal when he became a lawyer in 1969 at age 44. Today, he pumps gas.

When his association with Bates fell apart, Burton shopped around for other attorneys who could be persuaded to let him do the work—while he used their names.

In 1973, he approached two young assistant state's attorneys, Oliver M. Spurluck and Stephen J. Broussard, both now

Snow
 Cloudy, 70 percent chance of snow; high around 30. See Page 101.

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20¢ city and suburbs; 25¢ elsewhere

Accidents too good to leave to lawyers

By Pamela Zekman and Gene Mustain

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You don't have to be a lawyer to practice personal-injury law.

Archie Burton, Fred Harvey and Wes McKinney know. They are former ambulance chasers who left the streets and independently created a new, lucrative occupation—the accident "broker."

Years of seeing lawyers make big money from automobile accidents taught them something—they could make it, too. And they are so expert at their new trade, they now teach attorneys the accident business.

The brokers, unlike the office managers and legal assistants described earlier in this series, work for themselves, not an attorney. Since almost all of their cases are settled out of court, they usually don't need a lawyer.

Reporters posing as accident victims met three of Chicago's most notorious brokers.

• Archie Burton. He graduated from stealing the mail to using the mails to steal. He created his own "law" firm and stole insurance settlements belonging to his clients, including children.

• Fred Harvey. He once ordered a hit man to shoot an at-



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FRED HARVEY. He brags that he bribes insurance adjusters and hires and fires lawyers. He was convicted in 1979 of hiring a small-time thief to murder an attorney. (Sun-Times Photo by John H. White)

"In the head . . . shoot him in the heart." He bragged that he bribes insurance adjusters and hires and fires lawyers.

• Wes McKinney. He has 14 arrests and two convictions Turn to Page 8

Hot lines for insurance fraud

Persons with information about automobile-accident fraud of the kind being described in the Accident Swindlers series may call this newspaper or several agencies that are conducting cooperative investigations. They are:
 U.S. Postal Inspector: 364-2285 or 364-2722
 Insurance Crime Prevention Institute: 364-2705
 Attorney Registration Commission: 364-6000

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for little work

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and that he would call back. He never did.

Accident broker Fred Harvey, 70, was convicted 13 months ago of hiring a small-time thief to murder an attorney who knew too much about Jason W. Mitton, a disbarred playboy lawyer and friend.

Harvey told the hit man not just to do away with the target but to "kill anybody else in the office." Harvey offered the man a \$500 bonus for a clean takeout. When the thief flubbed the job, Harvey tried to stab him to death.

Harvey, who did not take the stand, was sentenced to four to 15 years in prison. He is free on bond, pending an appeal. He already has convictions for armed robbery, forgery and auto theft—a trail of trouble that began when he was 12 years old and shot two policemen who had just shot his father.

IN TWO MEETINGS with undercover teams in his office at 209 N. La Salle, Harvey told how he started, bragged about hiring and firing lawyers, said that he pays bribes to insurance adjusters and showed he's as skillful as anyone at coaching clients to fake injuries.

Harvey told Sun-Times reporters Norma Sosa and Gilbert Jimenez and WLS investigator Douglas Longhini, using a different name, that he learned about the accident business as the former owner of cab, towing and auto-wrecking companies.

When one of his cab drivers had an accident, Harvey handled the negotiations himself and began a new career. He leaves no doubt who is in charge at his office.

"I've been in this business 20 some years. I manage this office. I hire and fire lawyers. You know, a lawyer comes here—they don't know nothing . . . I manage the whole thing."

Harvey explained why he recently fired a former judge who had come to work in the office. The former judge, Harvey said, had made some bad settlements. Harvey recalled the pink-slip conversation:

"You think because you've been on the bench for 20 years that you know everything there is to know about the business, but you don't."

Harvey held up a sheet on which he had written data on the reporters' "accident." "This is the background of the case, but I get lawyers who don't know how to handle it."

Then he added something for which all can be thankful: "They don't teach this in law school."

HARVEY DISCUSSED how he manages some cases, especially when a "friendly" insurance adjuster is involved. He said an insurance company sets aside a settlement figure on each case—known as the "reserve."

The adjusters aren't supposed to tell Harvey what their reserve is, but they do, "especially at Christmas time, around the holiday [when] they need money for their families," he said.

That enables Harvey to know how much he can ask for. In exchange for knowing the reserve, Harvey said he'll lower his demand a bit and give the adjuster "a little something on the side."

"And that way," Harvey added, "everybody gets something."

Harvey also had injuries for everybody. He told Jimenez, who had complained only that he had soreness in his neck and

"Would just any doctor—Dr. Joe Blow off the street—run with the pass?"

shoulders. "You should tell the doctor that you've been dizzy since the accident. Tell him you lean over to tie your shoelace and you feel dizzy. Tell him you want to go into the hospital for a checkup."

"WHAT ABOUT me?" asked Sosa, who hadn't complained of anything.

" . . . You should tell him your neck and shoulders hurt and are sore, but leave out the dizziness and nausea."

Jimenez knew better, but he asked Harvey whether they should tell the doctor that Harvey had told them what to say.

"No, he'd drop dead on the spot if you told him that," Harvey said. "It has to come from you. He can't talk to you like I do. He knows the score. . . . You just throw him the ball and he'll catch it."

Harvey told Longhini, who hadn't complained of anything either, "Complain about your neck and back and anything else that is bothering you. But complain. The doctor will catch the ball, but you've got to pass it to him."

"Would just any doctor—Dr. Joe Blow off the street—run with the pass?" Jimenez asked.

"How should I know? If I don't know him. . . ."

"But you know these guys?"

"Sure, otherwise why would I send you?"

Contacted several weeks later, Harvey said he did not coach.



WES MCKINNEY: A steady stream of accident "victims" visits his South Side office. Receptionist told two of the visitors: "We like at least \$1,000 in medical bills." (Sun-Times Photo by Keith Hale)

clients to exaggerate injuries or refer them to specific doctors. When a reporter asked if he told people to check themselves into a hospital, Harvey hung up the phone.

Wes McKinney, 50, wanted his new clients to be sure they saw his doctor. After seeing the doctor, one client realized why. The doctor never examined the patient. But he did submit a \$670 bill.

Such contacts may account for the steady stream of accident "victims" parading into McKinney's office at 8020 S. Western. Inside, they find McKinney dressed in a powder-blue suit and surrounded by velvet paintings.

THE DAY Larry Cose and Pat Smith visited, McKinney said he'd already had five cases come in. On another day, he told Cose he had made \$10,000 for one person in a "rear-ender," the same type of "accident" as Cose's.

McKinney's receptionist told Cose and Smith, "We like at least \$1,000 in medical bills." And when she gave them a lawyer's card, she said they would probably never need it.

"Wes McKinney is the office manager. He handles all the negotiating between the insurance company. He's very good. He'll get you an offer three times whatever the [medical] bills are."

With nary a word about injuries, McKinney told Cose and Smith: "I want you in the hospital, and my doctor will put you in the hospital."

A few days later, Cose and Smith brought Sun-Times photographer John White, posing as another "passenger," to McKinney's office, as McKinney had requested.

McKinney was in a diagnostic mood, reciting the familiar litany of fake complaints. He told White, "You have back pains, neck, shoulder, and you woke up this morning and your legs are bothering you."

JUST TO MAKE sure White got the idea, McKinney added: "And you didn't get any sleep for two nights."

Cose told McKinney that the doctor he was sent to was having difficulty getting him into a hospital.

No problem. McKinney called another doctor's nurse and told her he wanted Cose hospitalized. He employed one of his new occupation's favorite tactics.

"There'll be something in this for you after it's all over," he said.

When he was contacted several weeks later by telephone, McKinney also hung up on a reporter. Before he did, he said: "I don't have time to discuss anything. Anything you want to know, you get the best way you can."

Friday: Meet the professional chasers.