

# Will McCarthy Confront America's White Collar Crime Wave?

By David Kamioner / January 22, 2023



*Cases where con artists are held accountable for automotive restoration fraud are few and far between.*

*House Speaker Kevin McCarthy (R-Calif.) has referred often to “America’s crime crisis.” He knows that Democrats are ignoring growing lawlessness and societal breakdown, while backing destructive movements to defund the police. Although the speaker was referring to violent crime in America, white collar scams have also been on the rise. The miscreants who commit these crimes are imbued with a surprising sense of impunity because the law does not provide sufficient protections for the victims of fraudsters.*

*In fact, as of 2021, annual losses from white collar crime are estimated at between \$426 billion and \$1.7 trillion according to federal crime statistics. As much as 90 percent of such crimes may go unreported.*

*Given this astronomical number in losses, you’d think the feds, state, and local authorities would be hot on the hunt. Think again. With perhaps over a billion in losses there were only 4,727 federal white-collar prosecutions in 2021. Ten years ago, prosecutions were double that number. White collar crime affects, according to the feds, more than 35 percent of American businesses.*

*It seems that both Democrats and certain Republicans are ignoring America’s white collar epidemic. One aspect in particular concerns us today: the oblique yet growing issue of auto repair and restoration fraud.*

***In the post-COVID-19 era, car repair fraud is skyrocketing. Many victims are innocent classic car enthusiasts, hobbyists who merely are enjoying a trip through automotive history. They know their vintage cars and have resources to invest in restoration projects. They are typically sharp, yet trusting people.***

***Many of them are scammed because the auto repair industry is poorly regulated, almost encouraging criminals. Crooked repair shops take advantage of consumers with enticing websites, online marketing, and fraudulent title liens to steal money and cars. While consumers certainly have a responsibility to conduct due diligence to avoid being hoodwinked, government watchdogs should also be on the lookout to protect consumers.***

***Now you might be saying, who cares? A bunch of car nerds get bamboozled by con men and how does this concern me? Well now, it brings to mind the broken windows theory of crime fighting. You focus on the small stuff and it discourages the advance into more serious crimes, because minor criminals often progress to greater outrages if left undeterred. Congress and state legislatures should consider legislation forming a “body shop and auto-service customer bill of rights” that would focus on transparency and accountability. If toxic market opportunists are held accountable, fraud could decrease to a great degree.***

***In one egregious instance of restoration fraud, an alleged fraudster in California offered classic car restoration services to the car community under the name West Coast Chassis, LLC. Trickster Jeffrey Scott Hodges was charged with 22 federal charges of both wire fraud and money laundering. Vintage Corvette and Camaro owners were the targeted victims for fake chassis and frame restoration services that were never performed, according to prosecutors. Hodges promoted custom frames that modernized the suspension, braking, steering, and safety of vintage cars. The alleged criminal claimed through online marketing that a 2015 Chevy Corvette Z06 was to be used for specifications with all design work done in CAD. According to authorities and media sources, Hodges swindled his victims out of over \$600,000.***

***In a further example of restoration fraud, a Gig Harbor, Washington couple, Brian T. Hall and Michele A. Hall, were sued by victims claiming that the Halls and their restoration and repair shop operating as Defenders Northwest, LLC swindled customers through an eight-year criminal scheme.***

***According to legal filings, once the fraud was uncovered, lawsuits followed. Instead of remorse, the Halls launched attacks on one of the attorneys representing the victims. Court documents show that Brian Hall falsely claimed his shop was targeted for multiple burglaries***

***and vandalism; then, he told his customers that COVID-19 delays and sudden phantom electrical problems led to more delays. Ultimately, the Halls ran out of excuses and lies.***

***Unfortunately, cases where con artists are held accountable for automotive restoration fraud are few and far between. The aforementioned examples are the exceptions. Stricter federal laws would likely dissuade crooks from preying on America car hobbyists. It does not seem that the current administration appreciates the dangers of various types of white-collar scams and consumer fraud. Washington needs to recognize that a rise in consumer fraud and other white-collar crimes is disruptive and darkly insidious to social solidarity.***

***As in all business matters an attitude of caveat emptor must take center stage. But until our lawmakers in Washington take white-collar fraud more seriously, American car enthusiasts and others who have saved and invested in collectible cars and other hobbies must remember they could become victims of scams.***

Source link: <https://amgreatness.com/2023/01/22/will-mccarthy-confront-americas-white-collar-crime-wave/>