

Hidden Door Case Study – Insurance Fraud Detection

Title: Uncovering Organized Insurance Fraud in Pune

Abstract

This case study details a strategic investigative operation conducted by Hidden Door to uncover and disrupt a structured insurance fraud network operating in Pune, India. The client—an established insurance provider—flagged a pattern of suspicious claims originating from a cluster of hospitals and intermediaries. Within a six-week investigation period, our team identified multiple fraudulent actors, captured irrefutable surveillance and transactional evidence, and enabled the successful prosecution of involved parties. This operation resulted in the denial of illegitimate claims totaling ₹2.8 crores.

1. Introduction

Insurance fraud remains a significant challenge for both public and private insurers, leading to massive financial losses annually. This case exemplifies the value of deep intelligence, covert surveillance, and forensic data analytics in proactively identifying and eliminating fraud rings.

2. Objectives

Objective ID	Objective Description
OBJ-01	Identify the origin and frequency of suspicious claim submissions
OBJ-02	Map potential collusion among hospitals, agents, and policyholders
OBJ-03	Capture legally admissible evidence via digital and physical means
OBJ-04	Assist in the prosecution and denial of fraudulent claims
OBJ-05	Recommend structural safeguards to mitigate future vulnerabilities

3. Methodology

3.1 Investigation Phases

Phase	Duration	Activities
Claim Audit	1 week	Analytical review of 50+ high-value medical claims
Network Mapping	1 week	Detection of common referral agents, contact overlaps
Field Surveillance	3 weeks	Undercover visits to clinics, observation of staged procedures
Digital Forensics	1 week	Device scans, metadata analysis from emails, claim PDFs, and CCTVs

3.2 Tools & Technologies

Tool/Technique	Application
Maltego & Linkurious	Fraud ring and relationship network visualization
Hidden Dashcam Ops	Covert surveillance of fraudulent patient-hospital exchanges
OCR & Email Header Forensics	Validation of forged documents and digital trails
Blockchain Transaction Scans	Used to trace questionable crypto reimbursements

Custom AI Pattern Recognition System

Proprietary AI developed to analyze claim submission patterns, detect anomalies, and predict potential fraud behaviors
--

4. Key Findings

4.1 Fraud Scheme Breakdown

- **Collusion Detected:** 3 hospitals, 7 insurance agents, and 12 policyholders coordinated fake accident and surgical claims.
- **Staged Incidents:** Multiple policyholders underwent unnecessary or faked surgeries, supported by falsified diagnostic records.
- **Financial Channels:** Illicit reimbursements funneled through cooperative society accounts.

4.2 Evidence Matrix

Evidence Source	Type	Legal Admissibility
Clinic CCTV Footage	Video of repeat claimants	High
WhatsApp Chats (Extracted)	Direct communication between fraud agents	High
Bank Account Statements	Cross-verified payment anomalies	Medium-High
Witness Testimonies	Internal whistleblower & ex-employee	High

5. Outcome

- **Total Claim Denial:** ₹2.8 crores in fraudulent claims invalidated
- **Legal Action Initiated:** 6 individuals arrested; formal charges framed under IPC Sections 420, 468, and 120B
- **Reputation Preserved:** Client avoided reputational damage through discrete action

6. Recommendations

- Implement centralized claim validation AI with pattern anomaly detection
- Blacklist and audit third-party agents flagged in fraudulent referrals
- Train hospital audit partners to recognize diagnostic fraud indicators
- Enforce dual-verification on high-risk surgery reimbursements

7. Conclusion

This operation underscores Hidden Door’s capabilities in fraud detection through methodical, legally robust investigative frameworks. Our team delivered not only monetary recovery but also long-term preventive solutions. The case serves as a benchmark for future anti-fraud initiatives in the insurance domain.

Project Leadership

This investigation was led by:

- **Pinki Sarkar**, Lead Fraud Investigator, Hidden Door
- Her decisive leadership and cross-functional coordination ensured comprehensive detection and resolution.

Prepared by: Hidden Door Intelligence Team

Classification: Confidential – Client and subject names withheld per NDA