

LAPD Blog

May 19, 2006

Two Elderly Women Arrested for Insurance Fraud

Los Angeles: The Los Angeles Police Department is asking the public's help in finding persons who may have been contacted by either of two women suspected in running a life insurance scam over the past several years. The women are 75-year-old Helen Golay and 73-year-old Olga Rutterschmidt. Both women were arrested today on federal mail fraud charges.



"These women tend to target homeless men," said LAPD Commander Harlan Ward. "They offer room and board in return for the man's signature, then open life insurance policies on the man, making themselves the beneficiaries."

Los Angeles police traffic investigators discovered the scam during the investigation of a fatal hit and run last year. One investigator casually mentioned in the squad room how unusual it was that two women had taken out large life insurance policies on a hit-and-run victim, 50-year-old Kenneth McDavid. Another investigator recalled having a similar case in 1999. When they compared notes, they found the beneficiaries in both cases were Golay and Rutterschmidt, and the hit-and-run victims were both homeless men.



The death investigations of both men, McDavid and Paul Vados, 73, were re-opened and assigned to Robbery Homicide Division. Investigators formed a task force involving the FBI, the United States Attorney's Office, the California Department of Insurance, the United States Postal Inspection Service, and the Los Angeles County District Attorney.

"The investigation brought us to this point today," said lead LAPD investigator Dennis Kilcoyne. "While we continue to investigate the deaths of these two men, we had to put a stop to the women's activity. We've watched them make contact with other men, we believe, for the purposes of setting up more life insurance policies."

Armed with federal search warrants and a criminal complaint, FBI special agents, Los Angeles police detectives, state insurance investigators, and postal inspectors searched 2 locations this morning. Rutterschmidt was arrested at her home at 1776 N. Sycamore Avenue in Hollywood, and Golay was arrested at the triplex she owns at 424 Ocean Park Boulevard, Santa Monica.

A-24

Both women were arraigned in a downtown federal court this afternoon.

Special agents from the FBI froze Golay and Rutterschmidt's assets. Investigators estimated that the women had collected over \$2.2 million in life insurance pay outs.

"Given the scope of this fraud and the fact that it may be more extensive, the FBI will continue to provide the necessary resources, either in Los Angeles or around the country, to this joint investigation," said J. Stephan Tidwell, who is the Assistant Director of the FBI in Los Angeles. "All of us in law enforcement share the common goals of providing justice to the victims and securing the integrity of the insurance system."

Sixteen policies had been taken out on Kenneth McDavid and three on Paul Vados.

"These two women appeared to be preying and profiting on the most vulnerable persons in our society," said State Insurance Commissioner John Garamendi. "The residents of California are also victims in these kinds of schemes through the higher premiums they pay. I am committed to prosecuting this type of fraud, and others like it, to the fullest extent."

Since the insurance forms are sent through the US Postal Service, the United States Postal Inspection Service was brought into the investigation.

"As members of the federal law enforcement community, the U.S. Postal Inspection Service is committed to cooperation between agencies in achieving our ultimate goal, to protect the American public from criminal attack," said Keith Tyner, Assistant Postal Inspector in Charge. Postal Inspectors aggressively investigate those who misuse our nation's mail system to carry out their fraudulent schemes."

Detectives believe the women would trade room and board for as long as two years. Detectives found the store at which Rutterschmidt would order signature stamps of their targets' signatures. Detectives believe the women used the rubber signature stamps to complete insurance forms.

According to state law, once a life insurance policy has been in force for 2 years and a day, the insurance company has a more difficult time contesting any apparent fraud in the opening of the policy.

Anyone with information in this case is asked to call Detectives Dennis Kilcoyne or Rosemary Sanchez at 213-485-2129. On weekends and during off-hours, call the 24-hour toll free number at 1-877-LAWFULL (529-3855), or the FBI's hotline number at 310-477-6565.

May 19, 2006 | [Permalink](#)

Comments

Hi,

I think this is a great effort to improve communication between the police and the community and an excellent use of technology.

Perhaps more of this mode of progressive forward thinking can be applied to other areas of policework.

Well done.

Posted by: Bobby | [May 19, 2006 at 06:00 PM](#)

This seems to be very common. In New York City I had a similar case years ago. They targeted homeless men that were "accident prone". Insured them using "key man" insurance in a non-existent company. One victim was struck by a City Bus and the insurance company paid one million dollars, no questions asked.

Posted by: Paul Caltabiano | [May 20, 2006 at 05:38 AM](#)

Just a comment, this blog is a great idea. I hope that you are successful with this campaign. Gets the public involved and returns that feeling of safety to "Joe Public." Good Job, keep it up. I hope every other department across America takes a page from your book, again great job

Posted by: William Waters | [May 20, 2006 at 11:58 AM](#)

This is great!! Why are there not more of these?? Maybe there should be more of these on Friday and Saturdays nights. Maybe

A-25

A-25