

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

SADTRE FITZGERALD
723 Cronin Drive
Aberdeen, Maryland 21001

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2015-12-037
Fraud Division File No.: R-2015-3063A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Sadtre Fitzgerald (“Fitzgerald” or “Respondent”) pursuant to §§2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2011 Repl. Vol. & Supp.)(“the Insurance Article”).

I. Facts

1. Respondent had automobile insurance, with the Government Employees Insurance Company (“GEICO”), an authorized insurer. The policy was in effect from November 19, 2014 through May 19, 2015. The policy included Personal Injury Protection (“PIP”) benefits, providing coverage for medical expenses and lost wages.

2. On February 14, 2015, Respondent notified GEICO she had been injured in a motor vehicle accident earlier that day. GEICO opened a claim, and assigned claim number 0519820840101013.

3. On March 11, 2015, Respondent provided a recorded statement to GEICO. She identified her employer as Mount Clare Medical Center (“Mount Clare”), and reported she has been unable to work due to injuries received in the February 14, 2015, motor vehicle accident.

4. On March 20, 2015, Respondent forwarded to GEICO an application for PIP benefits in which she reported that due to the February 14, 2015 accident, she missed work from February 16, 2015

through March 20, 2015, and was not paid. She identified her employer as Mount Clare, and reported her weekly earnings as \$560.00.

5. On March 30, 2015, a GEICO claims adjuster contacted Mount Clare to confirm Respondent's employment. The adjuster was advised that Respondent had not worked there during the time period she had claimed. Consequently, Respondent's claim was referred to GEICO's Special Investigations Unit ("SIU") for further investigation.

6. On March 31, 2015, a GEICO SIU Investigator contacted the Human Resources Manager for Mount Clare to confirm Respondent's employment. The manager advised that although Respondent had previously been employed by Mount Clare, her employment ended on February 5, 2015.

7. Section 27-802(a)(1) of the Maryland Insurance Article states, "An authorized insurer, its employees, fund producers, or insurance producers ..., who in good faith have cause to believe that insurance fraud has been or is being committed, shall report the suspected insurance fraud in writing to the Commissioner, the Fraud Division, or the appropriate federal, State or local law enforcement authorities." GEICO, having a good faith belief that Respondent committed insurance fraud, referred the matter to the Maryland Insurance Administration, Fraud Division.

8. In the course of its investigation, MIA contacted GEICO and confirmed its handling of Respondent's claim.

9. On November 2, 2015, MIA contacted the Office Manager for Mount Clare who advised that Respondent was a former employee and that her last day of employment was February 5, 2015. Respondent had not been employed by Mount Clare from February 16, 2015 through March 20, 2015, as she claimed to GEICO.

II. Violation(s)

10. In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that Respondent violated Maryland's insurance laws:

11. **§27-403**

It is a fraudulent insurance act for a person:

(2) to present or cause to be presented to an insurer documentation or an oral or written statement made in support of a claim...with knowledge that the documentation or statement contains false or misleading information about a matter material to the claim.

12. **§27-408(c)**

(1) In addition to any criminal penalties that may be imposed under this section, on a showing by clear and convincing evidence that a violation of this subtitle has occurred, the Commissioner may:

(i) impose an administrative penalty not exceeding \$25,000 for each act of insurance fraud; and

(2) In determining the amount of an administrative penalty, the Commissioner shall consider:

(i) the nature, circumstances, extent, gravity, and number of violations;

(ii) the degree of culpability of the violator;

(iii) prior offenses and repeated violations of the violator; and

(iv) any other matter that the Commissioner considers appropriate and relevant.

13. By the conduct described herein, Respondent knowingly violated § 27-403. Because the fraudulent insurance act of submitting a false document in support of a claim is complete upon submission of the false document and is not dependent on payment being made, Respondent committed a violation of the law when she submitted a false document to GEICO. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

14. Insurance fraud is a serious violation which harms consumers in that the losses suffered by insurance companies are passed on to consumers in the form of higher premiums. The Commissioner may investigate any complaint that alleges a fraudulent claim has been submitted to an insurer. Insurance Article §§2-201(d) (1) and 2-405.

15. Respondent made a false statement to GEICO, and submitted a false document regarding lost wages, in support of her insurance claim. Having considered the factors set forth in §27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$3,000.00 is an appropriate penalty.

16. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number R-2015-3063A and name Sadtre Fitzgerald. Unpaid penalties will be referred to the Central Collections Unit for collection. Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202.

17. This Order does not preclude any potential or pending action by any other person, entity or government authority, regarding any conduct by Respondent including the conduct that is the subject of this Order.

WHEREFORE, for the reasons set forth above, and subject to the right to request a hearing, it is this 17th day of December 2015, **ORDERED** that:

(1) Sadtre Fitzgerald pay an administrative penalty of \$3,000.00 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

BY:

signature on original

VICTORIA AUGUST
Acting Associate Commissioner
Insurance Fraud Division

RIGHT TO REQUEST A HEARING

Pursuant to §2-210 of the Insurance Article and Code of Maryland Regulations (“COMAR”) 31.02.01.03, an aggrieved person may request a hearing on this Order. This request must be in writing and received by the Commissioner within thirty (30) days of the date of the letter accompanying this Order. However, pursuant to §2-212 of the Article, the Order shall be stayed pending a hearing only if a demand for hearing is received by the Commissioner within ten (10) days after the Order is issued. The written request for hearing must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, Attn: Hearings and Appeals Coordinator. The request shall include the following information: (1) the action or non-action of the Commissioner causing the person requesting the hearing to be aggrieved; (2) the facts related to the incident or incidents about which the person requests the Commissioner to act or not act; and (3) the ultimate relief requested. The failure to request a hearing timely or to appear at a scheduled hearing will result in a waiver of your rights to contest this Order and the Order shall be final on its effective date. Please note that if a hearing is requested on this initial Order, the Commissioner may affirm, modify, or nullify an action taken or impose any penalty or remedy authorized by the Insurance Article against Respondent in a Final Order after hearing.