

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

TRAVIS WAYNE CLARKE  
2701 Moores Plains Blvd.  
Upper Marlboro, Maryland 20774

\*  
\*  
\*  
\*  
\*  
\*  
\*  
\*  
\*  
\*  
\*

BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO. : MIA-2015-07-033

Fraud Division File No.: R-2015-0767A

\*\*\*\*\*

**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against Travis Wayne Clarke (“Clarke” 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 a homeowner’s insurance policy ( [REDACTED] ) with The Allstate Corporation (“Allstate”), an authorized insurer, for his Maryland residence. The policy provided coverage for personal property owned by Respondent.

2. On June 6, 2014, Respondent notified Allstate that on March 22, 2014, someone broke into his vehicle and stole his *Gucci*® gym bag, valued at approximately \$1,500.00. Respondent reported that a police officer with the Washington, D.C., Metropolitan Police Department authored a theft report for the incident. Allstate assigned claim number 0329409890.

4. On July 10, 2014, in support of his claim, Respondent emailed Allstate copies of receipts for items he claimed were stolen from his car. Among the receipts was one for a *Gucci*® bag, subtotaling \$1,459.00, with a 5% local sales tax. The receipt reflected a purchase

made on November 22, 2013, at the *Gucci*® outlet store, in Queenstown, Maryland. The purchaser was identified by a customer number.

5. On July 22, 2014, an Allstate claims adjuster attempted to verify the *Gucci*® receipt by calling the store's phone number listed on the receipt. The number was not in service. The adjuster identified an accurate phone number for the *Gucci*® store and contacted a salesperson. The salesperson advised the receipt had been altered, pointing out that the Maryland sales tax was inaccurately listed at 5%, when the correct sales tax was 6%.

6. On July 23, 2014, Allstate referred Respondent's claim to its Special Investigations Unit ("SIU"), due to the discrepancies discovered by the adjuster on the *Gucci*® sales receipt.

7. On September 12, 2014, an SIU investigator contacted the *Gucci*® Customer Service Department to authenticate the receipt. He learned that the customer identification number on the November 22, 2013 receipt was for Travis Clarke; however, the receipt contained the following errors:

- The store telephone number (410-927-4702) was wrong; the actual store number is 410-827-4702.
- The transaction number displayed (27027) was incorrect; the correct transaction number was 27022.
- The "Stock Keeping Unit" ("SKU") number displayed (605468897) was not valid. All *Gucci*® SKU numbers begin with the numbers "805."
- The price displayed (\$1,459.00) was wrong; the actual purchase price was \$459.00.

8. On September 15, 2014, Allstate notified Respondent that it was denying his claim based on material misrepresentation, due to his submission of the false *Gucci*® receipt.

9. Section 27-802(a)(1) of the Maryland Insurance Article states, "An authorized insurer, its employees, 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.” Allstate, having a good faith belief that Respondent committed insurance fraud, referred the matter to the Maryland Insurance Administration, Fraud Division.

10. In the course of its investigation, MIA contacted Allstate, and confirmed its handling of Respondent’s insurance claim.

11. MIA obtained a copy of the authentic *Gucci*® receipt for Respondent’s purchase of a *Gucci*® bag, on November 22, 2013. The referenced transaction number was 27022, and the purchase price was \$459.00 with a 6% local sales tax.

12. MIA obtained a “Client Detail” report from *Gucci*®, for purchases made by Respondent between April 30, 2009 and February 23, 2015. The report reflected a purchase for a *Gucci*® bag on November 22, 2013, for \$459.00. The report did not reflect a purchase of a *Gucci*® bag for \$1,459.00, as reported by Respondent to Allstate.

## II. Violation(s)

13. 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:

14. **§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.

15. **§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.

16. By the conduct described herein, Travis Clarke 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, Clarke committed a violation of the law when he submitted false documents to Allstate. As such Respondent is subject to an administrative penalty under the Insurance Article §27-408(c).

### **III. Sanctions**

17. 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.

18. Respondent submitted an altered receipt to his insurer in support of his insurance claim and made a false statement to his insurer that was material to his 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.

19. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2015-0767A) and name (Travis Clarke). 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.

20. This Order does not preclude any potential or pending action by any other person, entity or government authority, regarding any conduct by the 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 28<sup>th</sup> day of July 2015, **ORDERED** that:

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

ALFRED W. REDMER, JR.  
Insurance Commissioner

**signature on original**

BY:

CAROLYN HENNEMAN  
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 the Respondent in a Final Order after hearing.