

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

SHARON ANN JACKSON
9065 North Laurel Rd, Unit A
Laurel, Maryland 20723

And

LINDA THORPE
5027 57th Avenue Apt. 104
Bladensburg, Maryland 20710

BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2018-05-002

CASE NO. : MIA-2018-05-003

Fraud Division File No.: R-2017-3932A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Linda Thorpe (“Thorpe”) and Sharon Ann Jackson (“Jackson”) or collectively, “Respondents,” pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.) (“Insurance Article”).

I. Facts

1. Thorpe had automobile insurance for her 2014 Honda Civic with Nationwide Mutual Insurance Company (“Nationwide”), an authorized insurer. The policy was in effect from January 16, 2017 through July 16, 2017.

2. On January 30, 2017, Thorpe notified Nationwide that on January 29, 2017, she was operating her insured vehicle in Howard County, Maryland. Jackson, her sister, was a passenger. Thorpe advised Nationwide that she and Jackson were injured and Jackson was transported by ambulance due to her injuries. A Howard County Maryland police officer came to the accident location.

3. On January 31, 2017, a Nationwide representative interviewed Jackson. She reported being a passenger in Thorpe's vehicle on January 29, 2017, when it was struck by another vehicle which fled. Jackson advised she was injured and unable to work at her teaching job at Springboard but had not yet sought medical treatment.

4. On January 31, 2017, Nationwide referred Respondents' claim to its Special Investigations Unit ("SIU") as Thorpe advised that Jackson was injured and transported by ambulance, but Jackson reported that although she was injured she had not yet sought medical treatment.

5. On April 5, 2017, Jackson submitted to Nationwide an application for Personal Injury Protection ("PIP") benefits along with a 2016/2017 employee income statement and an Employment Information Form purportedly from her employer, Springboard Education in America LLC ("Springboard"), along with medical records ostensibly from Johns Hopkins Medicine ("Johns Hopkins") and Laurel Regional Hospital ("Laurel Regional"). Jackson signed the PIP application immediately above the following fraud warning:

Any person who knowingly, and with the intent to injure, defraud or deceive any insurer, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

6. The aforementioned employment information form stated Jackson worked 40 hours a week for Springboard, made \$25.00 an hour and has been absent from work following the accident from January 1, 2017 through March 3, 2017, and was not paid. The medical documentation, purportedly from Johns Hopkins, was dated February 6, 2017, and stated Jackson is unable to work from February 6, 2017 to March 3, 2017. The medical documentation, purportedly from Laurel Regional stated Jackson was seen on "05/29/15," and may return to work on "02/04/17."

7. On April 13, 2017, a Nationwide investigator contacted Springboard to verify Jackson's lost wages and learned she had not worked for Springboard since August 18, 2016.

8. On April 14, 2017, a Nationwide investigator interviewed a representative of Laurel Regional. The representative examined the Laurel Regional documents submitted by Jackson, dated January 31, 2017, and advised the dates that Jackson submitted were altered; she had not been seen at the facility since August 18, 2015. In addition, the investigator interviewed the doctor from Johns Hopkins whose signature appeared on a Johns Hopkins medical document Jackson submitted to Nationwide, dated February 6, 2017; the doctor advised the signature was a forgery.

9. 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 has 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.

Nationwide, having a good faith belief that Respondents committed insurance fraud, referred the matter to the MIA, Fraud Division.

10. During the course of its investigation, MIA contacted Nationwide and confirmed its handling of Respondents' claim.

11. On December 1, 2017, an MIA investigator interviewed a representative for Johns Hopkins who advised Jackson had not been treated at its facilities since 2015.

12. On December 19, 2017, a representative for Laurel Regional advised an MIA investigator that she had no record of Jackson being treated at Laurel Regional on January 31, 2017.

13. On February 21, 2018, an MIA Investigator interviewed a Springboard representative, who advised Jackson had quit in 2016, and did not work for Springboard in January, 2017.

14. On March 26, 2018, an MIA investigator interviewed a police officer for Howard County, Maryland, who advised that according to the police call log, no one was transported by ambulance from the scene of the January 29, 2017, accident involving Respondents.

II. Violation(s)

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

16. §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.

17. §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.

18. By the conduct described herein, Respondents violated § 27-403. The fraudulent insurance act of submitting a false document or making a false statement in support of a claim is complete upon submission of the false document or making the false statement, it is not dependent on payment being made. Respondents committed a violation of the Insurance Article by making false statements and submitting false documents to Nationwide. As such, Respondents are subject to administrative penalties under the Insurance Article § 27-408(c).

III. Sanctions

19. 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.

20. 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 for Jackson and \$1,000.00 is an appropriate penalty for Thorpe.

21. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2017-3932A) and names (Sharon Ann Jackson) or (Linda Thorpe). 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.

22. 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 3rd day of May 2018, ORDERED that:

Sharon Ann Jackson shall pay an administrative penalty of three thousand dollars, (\$3,000.00) within 30 days of the date of this Order.

Linda Thorpe shall pay an administrative penalty of one thousand dollars, (\$1,000.00) within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

BY: signature on original
STEVE WRIGHT
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 served. 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.