

4. On April 11, 2018, in support of her PIP claim, Respondent submitted a letter to Progressive, ostensibly from her employer that stated she missed 28.5 hours of work due to the April 2, 2018 accident and she earned \$22.35 an hour. It also indicated she missed 4.5 hours of mandatory overtime and earned \$33.53 an hour overtime pay.

5. On April 18, 2018, a Progressive representative advised Respondent that she needed to submit a disability slip for her lost wages to support her PIP claim.

6. On May 9, 2018, Respondent submitted a letter purportedly from a doctor's office that stated, "An advice nurse received a call from Ericka Thompson in regards to an accident she was involved in on Monday, April 2.... We advised her to take another couple of days off..."

7. On May 10, 2018, a Progressive representative checked the website of the doctor's office referenced in the letter Respondent submitted to Progressive and noted the physician's name referenced in Respondent's letter was spelled differently than on the letter. Therefore, Progressive sent a copy of the letter to the doctor's office for verification.

8. On May 10, 2018, a Progressive representative conducted a recorded interview with Respondent who advised, she did not return to work after the April 2, 2018 accident. She identified her employer and stated she earned \$22.35 an hour.

9. On May 16, 2018, a representative from the doctor's office advised Progressive the letter did not appear to be legitimate. Consequently, Progressive referred Respondent's claim to its Special Investigations Unit ("SIU") for further investigation.

10. On May 18, 2018, a Progressive investigator sent a copy of the lost wages letter to Respondent's employer for verification. A representative for the employer examined the letter and advised it was a forgery and the company did not employ the person who signed the letter.

11. On May 18, 2018, Respondent sent an email to the Progressive investigator stating, she would like the PIP claim to be closed.

12. 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.

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

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

14. On August 7, 2018, an MIA investigator interviewed a representative for Respondent's employer. The representative examined the lost wages letter and stated the letter was a forgery, and was not sent out by her or any other company employee. She was responsible for payroll and human resources duties and would have been the only one to send out an employee's wage and attendance verification letter. Additionally, the company did not employ the person who signed the letter.

15. On August 7, 2018, an MIA investigator interviewed a representative for the doctor's office named in the letter Respondent submitted to Progressive. The representative said the physician's name on the letter was spelled differently than that of a physician employed by the practice. Further, the physician examined the letter and stated, "I have never seen this patient before or directed someone in the office to supply this letter."

16. August 10, 2018, an MIA investigator interviewed Respondent who confessed she fraudulently created the lost wages letter as well as the letter from the doctor's office to ensure

she had enough money to repair her car. Respondent admitted she had access to document templates from her employer, which she used to create the lost wages letter, and as a former patient, possessed a letterhead document from the doctor's office, which she used to manufacture the doctor's office letter.

II. Violation(s)

17. 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:

18. § 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[.]

19. § 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.

20. By the conduct described herein, Respondent knowingly violated § 27-403.

Because the fraudulent insurance act of making a false statement or submitting a false document in support of a claim is complete upon making the false statement or submitting the false

document and is not dependent on payment being made, Respondent committed a violation of the Insurance Article when she made false statements and submitted false documents to Progressive. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

21. 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.

22. The MIA considered the factors set forth in § 27-408(c)(2) of the Insurance Article, the MIA has determined that \$1,000.00 is an appropriate penalty.

23. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2018-3866A) and name (Ericka Laurea Thompson). 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.

24. 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 19th day of September 2018, ORDERED that:

Ericka Laurea Thompson 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

signature on original

BY:

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.