

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

JUNE N. CHAMBERS  
4407 John Street  
Camp Springs, Maryland 20746

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

CASE NO. : MIA-2018-10-027

Fraud Division File No.: R-2018-3133A

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**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against June N. Chambers (“Respondent”) 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. Respondent had disability income insurance through her employer, Prince George’s County Public Schools (“PGCPS”), with National Teachers Associates Life Insurance Company (“NTA”), an authorized insurer. The policy was in effect from September 25, 2015 to January 25, 2018, and paid a maximum monthly benefit of \$2,000.00 for total disability for up to six months. The policy contained the following fraud warning:

**“WARNING! WE ARE REQUIRED TO REPORT INSURANCE FRAUD.** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and subject to fines and confinement in prison.”

2. Between February, 2016 and October, 2017, Respondent submitted to NTA, 15 disability claim forms, as evidence she missed work due to a disability. Each claim form was purportedly signed by a PGCPS payroll specialist in the section titled, “Employer Statement.”

Claim Number	Disability Period	Amount paid by NTA
**9086	February 28, 2016 - April 3, 2016	\$2,400.00
**9427	April 20, 2016 - May 15, 2016	\$1,733.33
**6432	May 16, 2016 - June 21, 2016	\$2,466.67
**1665	June 22, 2016 - July 27, 2016	\$2,400.00
**6253	October 19, 2016 - October 25, 2016	\$466.67
**0580	October 26, 2016 – November 29, 2016	\$2,333.33
**6032	November 30, 2016 - December 15, 2016	\$1,066.67
**8238	December 16, 2016 - February 1, 2017	\$3,200.00
**2861	February 2, 2017 - February 27, 2017	\$1,733.33
**7278	February 28, 2017 - March 12, 2017	\$866.67
**0557	March 13, 2017 - March 30, 2017	\$1,200.00
**6883	March 31, 2017 - April 17, 2017	\$1,133.33
**9404	June 2, 2017 - June 29, 2017	\$0.00
**9021	July 21, 2017 - August 30, 2017	\$0.00
**8385	October 12, 2017 - October 31, 2017	\$0.00

3. Respondent signed each of the aforementioned claim forms immediately after the following fraud warning:

“By signing below, I represent that all information on the form is true and correct and that I have read the State-specific fraud warning on page 3,” which stated: Maryland – “Warning: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.”

4. Relying on the aforementioned claim forms, NTA paid Respondent a total of \$21,000.00 in disability benefits.

5. On November 2, 2017, an NTA customer service representative referred Respondent’s claims to its Special Investigations Unit (“SIU”), as *inter alia*, Respondent made several calls to NTA and appeared aggressive and requested a claim be completed on the same day.

6. An NTA investigator examined the claim forms submitted by Respondent and suspected the signature of the employer who purportedly signed the Employer Statement was forged. Therefore, the investigator contacted the PGCPs Employee Records and Verification Office (“ER&VO”) and requested that a representative authenticate Respondent’s claim forms.

7. On December 5, 2017, in response to the NTA investigator’s request, an ER&VO representative advised the disability claim forms submitted by Respondent did not match Respondent’s employment leave records and the Employer Statement was not completed by anyone at the ER&VO. The ER&VO representative provided NTA with Respondent’s leave records.

8. On March 13, 2018, an NTA investigator conducted a recorded interview with Respondent. When asked why her leave records did not match the dates she requested disability benefits, Respondent replied, “I have no idea.”

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.

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

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

11. An examination of Respondent’s leave records supplied by the PGCPs ER&VO, revealed Respondent had taken some leave during periods she claimed disability, although the

leave she requested was designated as personal, other, sick, doctor appointment, personal injury/illness or admin leave. None of the leave was designated as “disability” leave.

12. On September 17, 2018, an MIA investigator requested that an ER&VO representative for the PGCPS authenticate the claim forms submitted by Respondent. The ER&VO representative examined the claim forms and advised that the “Employer Statement” portion of the claim form, which was designated, “To be completed by the Patient’s Employer,” and contained a signature for the alleged “...Official Representative” was not completed by the ER&VO and the name of the employer whose signature appears on the form as the “...Official Representative,” was not an employee of PGCPS.

13. The MIA investigator conducted a search through the Maryland State Department of Assessment & Taxation (“SDAT”) database for the treating physician’s address written on the claim forms Respondent submitted to NTA and confirmed the address written on the claim forms did not exist. An address for the named physician was however identified.

14. On September 25, 2018, in an effort to authenticate Respondent’s claim forms, an MIA investigator contacted the office of the treating physician, which purportedly completed the portion of the disability claim form titled, “Treating Physician.” A representative examined the claim forms and advised they were not completed by the physician’s office. The dates of treatment did not match Respondent’s medical records. Additionally, the representative noted the addresses and phone numbers written on claim forms for the physician’s office were not correct on the majority of the forms. The MIA investigator confirmed the correct address and phone number for the treating physician.

15. On October 11, 2018, an MIA investigator interviewed Respondent. The investigator showed Respondent data for the dates she submitted on her claim forms for work

time missed due to disability and the leave data recorded by her employer for her actual time missed. Respondent said she filled out the falsified disability dates on the claim forms and submitted them to NTA for payment. Respondent also said she signed the forms as the “Official Representative” of PGCPs. Finally, Respondent said she wrote on the forms she was treated by her physician for dates she did not receive medical treatment. Respondent told the MIA investigator she submitted false information to NTA because she did not have enough money to satisfy her personal financial obligations.

## II. Violation(s)

16. 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:

17.     **§ 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[.]

18.     **§ 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

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(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.

19. By the conduct described herein, Respondent knowingly violated § 27-403. Respondent committed a violation of the Insurance Article when she submitted false documents to NTA. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

### **III. Sanctions**

20. 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.

21. Having considered the factors set forth in § 27-408(c)(2), the MIA has determined that \$12,000.00 is an appropriate penalty.

22. Additionally, Respondent, June N. Chambers is ordered to reimburse NTA \$21,000.00, which is the amount she fraudulently obtained from NTA when she submitted falsified disability claim forms.

23. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2018-3133A) and name (June N. Chambers). 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. Notification of reimbursement to NTA shall be made in writing to the Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Such notification shall include a copy of the money order or cancelled check issued to

NTA as proof of reimbursement and identify the case by number (R-2018-3133A) and name (June N. Chambers).

25. 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 24<sup>th</sup> day of October 2018, **ORDERED** that:

- (1) June N. Chambers pay an administrative penalty of twelve thousand dollars (\$12,000.00) within 30 days of the date of this Order.
- (2) June N. Chambers pay restitution of twenty one thousand dollars (\$21,000.00) to NTA 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.