

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

BEFORE THE MARYLAND
INSURANCE COMMISSIONER

v.

Jacob Akindele Ademisoje
329 16th Street, N.E.
Washington, D.C. 20002

CASE NO. : MIA-2019-01-009
Fraud Division File No.: R-2018-3342A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Jacob Akindele Ademisoje (“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’s Maryland employer, Kiewit Corporation (“Kiewit”) had Workers’ Compensation Insurance for its employees, underwritten by Zurich American Insurance Company (“Zurich”), an authorized insurer, and administered through Sedgwick Claims Management Services, (“Sedgwick”) a third-party administrator.
2. On November 15, 2016, Respondent was injured at work. Respondent’s employer prepared an incident report and Sedgwick opened a claim.
3. On November 22, 2016, a Washington, D.C. law firm notified the Maryland Workers’ Compensation Commission (“WCC”) that it represented Respondent in connection with his claim for workers’ compensation benefits arising out of injuries he sustained to his back, buttocks and groin on November 15, 2016. The law firm also provided a copy of the aforementioned Employee’s Claim Form to Sedgwick.

4. On May 3, 2017, Respondent's attorney submitted a Claim Amendment to the WCC and counsel for Zurich amending Respondent's claim to include his head, left and right legs, which were not a part of the original claim.

5. On May 4, 2017, the WCC held a hearing regarding Respondent's alleged disability. During the hearing, the attorney for Zurich asked Respondent whether he previously had trauma related to the injuries reported in the amended claim, to which Respondent replied "No." Zurich's attorney asked Respondent whether he had an automobile accident on August 20, 2016, (four months before the November 15, 2016 workers' compensation claim). Respondent replied "yes," but explained that he was not injured and did not file a claim against the other driver.

6. On July 25, 2017, Respondent's attorney sent a letter to the WCC advising that he no longer represents Respondent. Subsequently, Respondent obtained the services of another attorney to represent him in his workers' compensation claim.

7. On January 2, 2018, another WCC hearing was held regarding Respondent's request for a finding of causal relationship between the body parts listed on the Claim Amendment and the accident of November 15, 2016, authorization for medical treatment, a request for temporary total disability benefits from November 15, 2016 to the present and continuing, and payment of medical expenses. Counsel for Zurich raised issues including a request for a credit for temporary total disability benefits paid from November 16, 2016 through July 24, 2017 totaling \$33,450.00.

8. During the January 2, 2018 hearing, Respondent's attorney asked him whether he injured himself in the August 20, 2016 accident, to which Respondent replied, "No." Commissioner Kathleen Evans asked, "No treatment?" to which Respondent replied, "No, they

gave me medication... then I went to therapy.” Respondent then admitted to treatment for injuries similar to injuries he alleged occurred on November 15, 2016. Respondent’s attorney asked whether he had any additional treatment. In response, Respondent confirmed he received treatment for injuries similar to those he reported in his amended WCC claim. Zurich’s attorney asked Respondent whether he recalled what he stated in the May 4, 2017, hearing about his injuries in the August 20, 2016 accident, Respondent replied, “I did not remember.” Zurich’s attorney reminded Respondent that he denied being injured and he stated that he did not file a claim against the other driver. Zurich’s attorney introduced evidence that Respondent filed a claim through a personal injury attorney in the Superior Court for the District of Columbia. Respondent advised the case was settled for, “I think \$25,000.00.” Zurich’s attorney introduced evidence from the April 28, 2017 deposition that Respondent gave related to the August 20, 2016 accident, in which Respondent testified he injured his left shoulder, leg, knees and back in the August 20, 2016 accident. The injuries described by Respondent in his deposition are similar to those he alleged occurred on November 15, 2016.

9. Zurich’s attorney requested that Respondent’s workers’ compensation claim be referred to the MIA, Fraud Division for investigation in light of Respondent’s testimony.

10. On January 26, 2018, the WCC Commissioner issued an Order, which denied Respondent’s temporary total disability claim and referred Respondent’s claim to MIA Fraud Division pursuant to § 9-310.2 of the Labor and Employment Article.

11. § 9-310.2(a) Maryland Labor and Employment Article states:

(a) In any administrative action before the Commission, if it is established by a preponderance of the evidence that a person knowingly affected or knowingly attempted to affect the payment of compensation, fees, or expenses under this title by means of a fraudulent representation, the Commission shall refer the case on the person to the Insurance Fraud Division in the Maryland Insurance Administration.

12. During the course of its investigation, the MIA contacted Sedgwick and confirmed its handling of Respondent's workers' compensation claim.

13. An MIA investigator examined available evidence, including transcripts from Respondent's April 28, 2017, deposition related to his August 20, 2017 motor vehicle accident, as well as medical records and transcripts of testimony provided under oath at Respondent's workers' compensation hearings related to his alleged injuries on November 15, 2016.

II. Violation(s)

14. 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:

15. § 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.

16. § 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.

17. By the conduct described herein, Respondent knowingly violated § 27-403. Respondent committed a violation of the Insurance Article when he provided false testimony at the WCC hearing in support of his claim. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

18. 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 that a fraudulent claim has been submitted to an insurer. Insurance Article §§ 2-201(d) (1) and 2-405.

19. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, the MIA has determined that \$3,000.00 is an appropriate penalty.

20. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2018-3342A) and name (Jacob Akindede Ademisoye). 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.

21. 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 8th day of January 2018, **ORDERED** that:

Jacob Akindede Ademisoje shall pay an administrative penalty of three thousand dollars (\$3,000.00) 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.