

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

VINCENT FRANK DILEONARDI
529 Chalet Drive West
Millersville, Maryland 21108

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2019-01-017

Fraud Division File No.: R-2018-2871A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Vincent Frank DiLeonardi (“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 automobile Insurance for his 2010 Chevrolet with Peak Property and Casualty Insurance Corporation, an authorized insurer and a member of the Sentry Insurance Group (“Sentry”). The policy was in effect from November 7, 2017 through May 7, 2018.

2. On November 29, 2017, Respondent contacted Sentry and reported that on November 28, 2017, his insured vehicle was parked and unattended in Glen Burnie, Maryland when an unknown person damaged the interior. Sentry opened a claim.

3. On December 1, 2017, a Sentry representative examined Respondent’s insurance claims history through the Insurance Services Office, Inc. (“ISO”), a database of insurance claims, and discovered numerous prior claims involving theft of property and vandalism. Consequently, Respondent’s claim was referred to Sentry’s Special Investigation Unit (“SIU”) for further investigation.

4. On December 6, 2017, a Sentry representative inspected and photographed the damage to Respondent's insured vehicle.

5. On December 14, 2017, a Sentry investigator examined Respondent's ISO claim history and identified similar claims, which Respondent made to State Farm Insurance Company ("State Farm") an authorized insurer, for a loss occurring on October 16, 2017, and to Progressive Insurance Company ("Progressive") an authorized insurer, for a loss occurring on January 10, 2017. The Sentry investigator contacted State Farm and learned that the damage Respondent was reporting to Sentry was consistent with damage he previously reported to State Farm. The Sentry investigator contacted Progressive and obtained photographs Progressive took subsequent to Respondent's January 10, 2017 claim. The Sentry investigator compared the photographs taken by Progressive with the photographs taken by Sentry, and concluded the damage was the same.

6. On December 20, 2017, Sentry sent Respondent a letter denying his claim as its investigation identified prior claims for which the same damage was claimed.

7. 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.

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

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

9. On October 14, 2018, an MIA investigator obtained a copy of the Progressive claim file for Respondent's January 10, 2017 loss. Respondent had automobile insurance for his 2010 Chevrolet with Progressive at that time. On January 11, 2017, Respondent notified Progressive that among other things, the interior of his vehicle was damaged while it was parked and unattended. Progressive inspected and photographed the damage to the interior of Respondent's vehicle and paid him \$9,117.49, to repair the damage to his insured vehicle.

10. An MIA investigator compared photographs of damage taken by Progressive following Respondent's January 10, 2017 claim with photographs taken by Sentry of the damage following Respondent's November 28, 2017 claim and confirmed that the damage was the same in both claims.

11. On December 10, 2018, an MIA investigator obtained a copy of Respondent's October 16, 2017 claim to State Farm. Respondent had automobile insurance for his 2010 Chevrolet with State Farm at that time. On October 17, 2017, Respondent notified State Farm that the interior of his insured vehicle was damaged while it was parked and unattended in Glen Burnie, Maryland. On October 19, 2017, State Farm inspected and photographed the damage to Respondent's vehicle and paid him \$9,446.92 to repair the damage to his insured vehicle.

12. An MIA investigator compared the photographs taken by State Farm following Respondent's October 16, 2017 reported loss, with photographs taken by Sentry following Respondent's November 28, 2017 reported loss as well as photographs taken by Progressive following Respondent's January 10, 2017 reported loss. The damage Respondent reported in all three claims to the three different insurance companies was the same.

13. MIA's investigation confirmed that Respondent made a claim to Progressive for damage to the interior of his vehicle occurring on January 1, 2017. Progressive settled the claim

and paid Respondent a check of \$9,117.49 to repair the damage. About nine months later, Respondent made a similar claim to State Farm for damage to the interior of his vehicle allegedly occurring on October 16, 2017. State Farm settled the claim and paid Respondent \$9,446.92 to repair the damage. About six weeks later, Respondent made another claim to Sentry for damage to the interior of his vehicle allegedly occurring on November 28, 2017, which Sentry denied as its investigation concluded the damage was previously claimed and subsequently settled by another insurance carrier.

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 the 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[.]

* * *

(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. The fraudulent act of making a false statement in support of an insurance claim is complete upon making the false statement and is not dependent on payment being made. Respondent committed a violation of Insurance Article when he made false statements to Sentry and to State Farm insurance companies. 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 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), the MIA has determined that \$4,500.00 is an appropriate penalty.

20. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2018-2871A) and name (Vincent Frank DiLeonardi). 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. Additionally, Vincent Frank Di Leonardi is ordered to reimburse State Farm \$9,446.92, which is the amount he fraudulently obtained from State Farm when he submitted a false claim for damages, which occurred before he was insured by State Farm, and were the subject of a claim with another insurer.

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 16th day of January 2019, **ORDERED** that:

(1) Vincent DiLeonardi shall pay an administrative penalty of four thousand five hundred dollars (\$4,500.00) within 30 days of the date of this Order.

(2) Vincent DiLeonardi shall pay restitution to State Farm in the amount of nine thousand four hundred and forty-six dollars and ninety-two cents (\$9,446.92) 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: Melanie Gross, Executive Assistant to the Deputy Commissioner. 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.