

accident, from October 5, 2018 to October 11, 2018. The lost wages form contained the following fraud warning:

“Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.”

5. On November 8, 2018, a GEICO representative sent Respondent a letter acknowledging receipt of his lost wages form; the letter contained the following fraud warning:

“Any person who knowingly, and with intent to defraud any insurance company or other person, files a statement of claim containing any materially false information, or conceals, for the purpose of misleading, information concerning any material fact material thereto, commits a fraudulent insurance act, which is a crime, and may also be subject to a civil penalty.”

6. On November 29, 2018, in an effort to authenticate Respondent’s lost wages, a GEICO representative sent a copy of the lost wages form to a representative for College Park. In response, the College Park Representative advised that she does not know the person who signed the lost wages form alleging to be the “HR Director,” and that person is not the HR Director. Consequently, Respondent’s claim was referred to GEICO’s Special Investigations Unit (“SIU”) for further investigation.

7. On December 5, 2018, a GEICO investigator interviewed a College Park representative, identified as the human resources director. She reported that the person whose name appeared on the lost wages form submitted by Respondent to GEICO is unknown to her and no person with that name held the title of HR Director. Further, contrary to the lost wages form, Respondent had worked on October 5, 10, 11, 12 and 13, 2019. Respondent is a part-time employee and worked 25 hours a week. He is currently on indefinite suspension by his employer. The HR Director confirmed that Respondent had submitted a false lost wages form to GEICO.

8. Section 27-802(a)(1) of the Maryland Insurance Article states,

An authorized insurer, its employees, fund producers, 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.

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

9. During the course of its investigation, the MIA contacted GEICO and confirmed the facts regarding its handling of the Respondent's claim.

10. An MIA investigator reviewed the recorded statement Respondent provided to GEICO on October 11, 2018, referred to in paragraph 3 above, and confirmed that Respondent stated he was a parking enforcement officer for College Park, and had missed work as a result of the October 5, 2018 accident.

11. On May 15, 2019, an MIA investigator contacted the Director of Human Resources for College Park. She examined the lost wage form Respondent submitted to GEICO and advised that Respondent did not miss work as stated on the lost wage form, and the signature of the HR Director written on the form was fraudulent.

II. Violation(s)

12. 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:

13. § 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[.]

14. § 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.

15. By the conduct described herein, Respondent knowingly violated § 27-403. A fraudulent insurance act of making a false statement in support of a claim is complete upon making the false statement and is not dependent on payment being made. Respondent committed a violation of the Insurance Article when he submitted a false lost wages form to GEICO. As such, Respondent is, therefore subject to an administrative penalty pursuant to § 27-408(c) of the Insurance Article.

III. Sanctions

16. 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.

17. Having considered the factors set forth in § 27-408(c)(2) the MIA has determined that \$1,500.00 is an appropriate penalty.

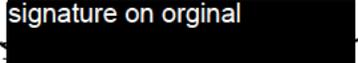
18. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2019-2085A) and name (Papa B. Sidibe). Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.

19. 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 30th day of May 2019, **ORDERED** that:

Papa B. Sidibe shall pay an administrative penalty of fifteen hundred dollars (\$1,500.00) 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