

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

JEFFREY ALLEN GAMBRILL
8371 Baptist Church Road
Mardela Springs, Maryland 21837

*
*
*
*
*
*
*
*
*
*
*

BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA- 2019-09-027
Fraud Division File No.: R-2019-3165A

ORDER

This Order is entered by the Maryland Insurance Administration (the “MIA”) against Jeffrey Allen Gambrill (“Respondent”) pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.) (the “Insurance Article”).

I. Facts

1. On July 23, 2018, Respondent’s wife notified the Government Employees Insurance Company (“GEICO”), an authorized insurer, that on July 19, 2018, a vehicle, which it insured, was driving in a turn lane, alongside the vehicle she was driving, when it struck the passenger side of her vehicle, in which Respondent was a passenger. GEICO opened a claim, and ultimately accepted liability.

2. On July 24, 2018, a GEICO representative conducted a recorded interview with Respondent who stated, that as a result of the accident, the radiator of his vehicle was now leaking and, he wanted to get it repaired.

3. On February 25, 2019, a GEICO representative met with Respondent to perform a vehicle repair estimate. Respondent provided the GEICO representative with an invoice for repairs to the leaking radiator. The invoice, #79958, reflected the leaking radiator was replaced on July 23, 2018, for \$1,494.94. The GEICO representative contacted the automobile repair facility named on the invoice and learned that the radiator was replaced on April 10, 2018, not

July 23, 2018. Consequently, Respondent's claim was referred to GEICO's Special Investigations Unit ("SIU") for further investigation.

4. On February 27, 2019, a GEICO investigator interviewed the service manager for the automobile repair facility named on the radiator repair invoice. She reported that according to its service records, the radiator was repaired on April 10, 2018, for \$1,494.94. Respondent's vehicle was brought back to the repair facility on July 24, 2018, for a repair estimate, following an accident, but the work was not performed.

5. 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.

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

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

7. On September 3, 2019, an MIA investigator interviewed the service manager for the automobile repair facility named on the radiator repair invoice Respondent submitted to GEICO. She confirmed that the radiator repair work was done on April 10, 2018. The service manager examined a copy of the invoice Respondent submitted to GEICO, dated July 23, 2018, and confirmed that the document had the same invoice number as the actual invoice for repairs made on April 10, 2018. Further, invoices are sequentially numbered and no one invoice number would be shared for two separate service repair dates.

8. On September 4, 2019, an MIA investigator interviewed the GEICO claims adjuster who inspected Respondent's vehicle. He reported that Respondent provided him with

invoice #79958, which was dated July 23, 2018, as proof of payment for repairs made to the radiator. The adjuster contacted the service repair shop where the radiator had been replaced and spoke to a service manager who reported that the repairs were made on April 10, 2018, not July 23, 2018.

9. An MIA investigator compared a copy of the invoice dated July 23, 2018, submitted to GEICO by Respondent with a copy of the invoice provided by the automobile repair facility, dated April 10, 2018, and found that both invoices had the exact same mileage at the time of service although the dates were 104 days apart.

II. Violation(s)

10. 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:

11. § 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[.]

12. § 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.

13. By the conduct described herein, Respondent knowingly violated § 27-403. Because the fraudulent insurance act of making a false statement and/or submitting a false document in support of a claim is complete upon making the false statement and/or submitting the false document and is not dependent on payment being made, Respondent committed a violation of the Insurance Article when he made a false statement to GEICO. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

14. 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.

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

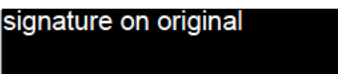

16. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2019-3165A) and name (Jeffrey Allen Gambrell). Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.

17. 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 17th day of September 2019, ORDERED that:

Jeffrey Allen Gambrill shall pay an administrative penalty of one thousand five hundred dollars (\$1,500.00) within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

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: 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.