

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

COREY TERRELL DANIELS
10553 Beacon Ridge Drive
Bowie, MD 20721

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2020-04-027

Fraud Division File No.: R-2019-4363A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Corey Terrell Daniels (“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. Respondent had a renter’s insurance policy with Homesite Insurance Company (“Homesite”), an authorized insurer, for his apartment located in Bowie, Maryland. The policy took effect on April 18, 2019.

2. On May 1, 2019, twelve days after Respondent’s renter’s insurance policy went into effect, Respondent notified Homesite that, a “few” days earlier, the keys to his car were stolen, and on April 30, 2019, he left his gym bag in his car. Upon returning to his car, the gym bag was missing. As a result of Respondent filing his claim within days of the policy’s effective date, Homesite referred the claim to its Special Investigations Unit (“SIU”), for investigation.

3. On May 3, 2019, Respondent provided a recorded statement to Homesite, during which, he reported that on April 30, 2019, at about 7:45 p.m., he came home from work, and left his gym bag in the car. When he returned, at about 10:45 p.m., the gym bag was gone. He believed he locked the car; there was no forced entry. He thinks, whoever stole his keys, days earlier, entered his car and

stole the gym bag. Respondent advised several items, valued at over \$4,000.00 were stolen, including, Bose earphones and Gucci loafers.

4. On May 22, 2019, Respondent submitted to Homesite an inventory of items reportedly stolen from his car, valued at \$4,527.00, along with an Apple receipt for Bose headphones, although, it was not legible. The inventory identified Bose earphones and Gucci loafers.

The property inventory 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 May 28, 2019, Respondent sent Homesite another Bose headphones receipt, purportedly from the Apple store, in Georgetown, Washington, D.C., for \$376.95, along with a receipt for Gucci Loafers, purportedly purchased from Bloomingdale's for \$730.00.

6. On May 30, 2019, in an effort to authenticate the Gucci loafer's receipt, the Homesite investigator contacted Bloomingdale's, and learned the receipt was fraudulent, as it was missing billing information and an invoice number, which is standard on Bloomingdales' receipts. The investigator examined the Bose headphones receipt and noticed the font was atypical of an actual Apple receipt. The investigator spoke with an Apple representative and learned the serial number and web order numbers were fraudulent.

7. On June 6, 2019, Homesite sent Respondent a letter denying his claim, citing:

This claim arises out of a theft that you allege occurred on or about April 30th 2019, while your personal property was in your vehicle. You reported the loss on May 1st 2019 and provided Homesite with documentation which you indicated supported ownership of the items stolen.

Our investigation of your claim reveals that false and/or misleading information was provided to us. Specifically, you provided information, documentation or other evidence in support of your claim to Homesite which is false, fabricated or misrepresents information material to the claim in an effort to obtain a payment or benefit to which you are not entitled.

8. 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.

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

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

10. On March 6, 2020, an MIA investigator visited the Apple store, in Georgetown, Washington, D.C. An Apple representative examined the Bose headphones receipt Respondent submitted to Homesite, and confirmed it was fraudulent; the store number, serial number, and order number were not correct further, the font type depicted on the receipt was inconsistent with an actual Apple receipt, and the sales tax was not correctly calculated.

11. On March 9, 2020, a second Apple store representative examined the Bose headphones receipt and concluded that it was fraudulent. To illustrate the differences, the representative provided a copy of an actual Apple Georgetown store receipt.

12. On March 10, 2020, an MIA investigator contacted Bloomingdale's customer service, to authenticate the receipt for the Gucci loafers, which Respondent submitted to Homesite. A Bloomingdale's representative advised that the receipt provided by Respondent was missing the order number, which would have been depicted on an actual Bloomingdale's receipt. Further, a Bloomingdale's asset protection representative performed a purchase history search, and was unable to find a record of the purchase shown on the receipt Respondent submitted to Homesite.

II. Violation(s)

13. 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:

14. § 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[.]

15. § 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.

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

III. Sanctions

17. 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.

18. Having considered the factors set forth in § 27-408(c)(2), the MIA has determined that \$1,500 is an appropriate penalty.

19. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2019-4363A) and name (Corey Terrell Daniels). 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.

20. 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 13th day of April 2020, **ORDERED** that:

Corey Terrell Daniels 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: 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.