

3. On November 25, 2022, Black notified USAA that on November 23, 2022, he parked his Insured Vehicle on the street while he visited a friend in Upper Marlboro, Maryland. Upon returning to the vehicle on November 24, 2022, he discovered that it had been vandalized. Black reported that there was no prior damage to the vehicle. USAA opened a claim.
4. A USAA representative performed an Insurance Services Office “ISO” search and identified a July 10, 2022 claim Black made to USAA for hail damage to the Insured Vehicle. USAA honored that claim, and issued Black a \$4004.28 payment to repair the vehicle.
5. On November 30, 2022, a USAA representative interviewed Black who reported that some of the hail damage related to the July 10, 2022 claim was repaired. The representative asked Black for an invoice as proof that the previous damage was repaired. Black replied that he paid \$4,000.00 in cash to a repair facility to do some of the repairs, but he would contact the repair facility to “write up” a receipt.
6. On December 2, 2022, a USAA representative inspected and photographed the damage to the Insured Vehicle. The USAA representative noted that the damage documented by USAA in Black’s July 10, 2022 claim had not been repaired.
7. On December 9, 2023, Black submitted an invoice to USAA, ostensibly prepared by “Route 88 Autobody [*sic*] Shop” (“Route 88”) located at 111 Westampton [*sic*] Ave., Capital Heights, Maryland 20743. The invoice reflected that Black paid \$3,571.20 for the repairs.
8. On December 13, 2022, a USAA representative interviewed Black. The representative advised Black that he was unable to find the body shop identified on the invoice [Route 88]. Black replied that it was a private shop, and the phone number was (415) ***-3649.
9. On December 13, 2022, a USAA representative compared the photographs from Black’s July 10, 2022 claim with the photographs taken by USAA on December 3, 2022, following Black’s

November 25, 2022 claim, and concluded that the damage to the hood of the Insured Vehicle was the same. Consequently, USAA referred Black's claim to its Special Investigations Unit ("SIU") for further investigation.

10. On December 14, 2022, a USAA investigator performed an Accurint search for (415) ***-3649, the phone number Black provided for Route 88. The investigator identified the subscriber as Adonis Williams. The investigator examine the Route 88 invoice Black submitted to USAA and noted, among other things, inconsistencies in the font type. The USAA investigator conducted a Google search for 111 Westhampton Ave., Capital Heights, Maryland 20743, the purported address for Route 88. The search revealed that the address was a MAACO automobile repair facility. The investigator called MAACO and an employee advised the she never heard of Route 88, and she had been employed by MAACO for seven years.

11. A USAA investigator performed an Accurint search for Adonis Williams and Alex Black. The investigator discovered that Williams owned a home at 18 Capital Court. Black's Accurint report reflected that he once resided at 18 Capitol Court. Additionally, Williams and Black previously shared an address in Oklahoma. The investigator further discovered that Black and Williams were named as insureds on the same insurance policy issued by the Government Employees Insurance Company ("GEICO"). The GEICO policy was in effect from November 20, 2022 to May 20, 2023.

12. On December 14, 2022, the USAA investigator called Williams at (415) ***-3649 and left a voicemail message. In response, on December 15, 2022, Williams called the USAA investigator. Williams advised that Route 88 was one of his limited liability corporations and he worked at 111 Westhampton Ave. Williams advised that he was not employed by MAACO, but sometimes did work for MAACO. Williams reported that he repaired Black's insured vehicle at his [William's]

home. He stated that he refinished the hood, pulled and buffed some of the dents, replaced the windshield, and repaired the right rear panels. The USAA investigator advised Williams that the damage reported in Black's July claim was reflected in photographs in Black's November claim. Williams again stated that he repaired some of the minor dents, and replaced the windshield. Williams stated that he did not really know Black. The USAA investigator asked Williams whether he owned a home at 18 Capital Court, which Williams denied.

13. On December 15, 2022, the USAA investigator called MAACO. A representative advised that Williams does not perform "sublet" work for MAACO, and he does not work there.

14. On December 16, 2022, the USAA investigator conducted a recorded interview with Black who reported that on November 23, 2022, he parked the Insured Vehicle on the roadside in Upper Marlboro, Maryland, and left it unattended. Upon returning, he noticed broken glass, the tires were slashed, a powdery substance was put in the gas tank, and the entire console was destroyed. Black reported that the "major" dents on the hood of the vehicle reported in the July claim had been repaired. Black reported that the phone number for the "point of contact" to have those repairs done was (415) ***-3649, which he confirmed belonged to Williams.

15. The USAA investigator concluded that photographs from Black's July claim showed the same damage as the photographs from Black's November claim, the Route 88 invoice was not valid, Williams did not work at MAACO, Williams and Black used the same home address [18 Capital Court], and Williams and Black were named insureds on the same GEICO insurance policy.

16. On December 20, 2022, USAA sent a letter to Black denying his claim, which stated, in pertinent part:

Reason for Denial

Your claim for damage to the 2013 Chevrolet Sonic isn't covered because USAA General Indemnity Company's (USAA GIC) investigation determined that you

misrepresented and concealed material facts in the presentation of this claim regarding unrepaired prior damage. As a result, coverage for this claim is denied to you. USAA GIC may have an obligation to make payment to the listed lienholder up the [*sic*] actual cash value or loan balance, whichever is less. USAA GIC reserves our right to see reimbursement from you for any payments issued on your behalf due to material misrepresentations.

On 11/25/2022 at 12:59 PM ET you reported this vandalism claim *** and stated that your 2013 Chevrolet Sonic was damaged sometime overnight between 11/23/2022 and 11/24/2022. You reported extensive damage to the vehicle, including dents on the hood. You were asked if there was any pre-existing damage to your vehicle and you answered, no.

USAA GIC found that you had a previous automobile claim for the 2013 Chevrolet Sonic on 7/10/2022 *** for hail damage. USAA GIC paid you \$4004.28, after applying your \$1000 deductible.

On 12/13/2022 you confirmed that all the current damage on the hood is new damage. USAA GIC compared the photos of your 2013 Chevrolet Sonic from [July 10, 2023 with November 23, 2023] and determined that the dents on the hood are the same dents... This evidence is in direct conflict with statements you made previously.

17. On December 20, 2022, USAA issued a check to Navy Federal Credit Union in the amount of \$8,119.44 to pay Black's loan, as the Insured Vehicle was declared a total loss.

18. On December 23, 2022, USAA sent a letter to Black canceling his USAA insurance policy, which stated, in pertinent part:

Your auto policy *** will be canceled, and your coverage will end on January 15, 2023, effective 12:01 a.m., standard time.

This action was taken due to fraud or material misrepresentation affecting the policy or the presentation of a claim. Specifically, your material misrepresentation in the presentation of your clam of November 23, 2022, under your automobile policy. You claimed unrepaired damage, from a previous July 10, 2022 claim, as occurring on November 23, 2022. As a result, you will no longer be able to obtain any USAA products...

19. 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.

USAA, having a good faith belief that Respondents committed insurance fraud, referred the matter to the MIA, Insurance Fraud and Enforcement Division, which opened an investigation.

The MIA's Investigation

20. On April 14, 2023, an MIA investigator contacted MAACO, located at 111 Westhampton Ave., Capital Heights, Maryland 20743. A representative reported that he has been employed by MAACO for six years, and he never heard of Adonis Williams or Route 88. The MIA investigator noted that the address on the purported Route 88 invoice Black submitted to USAA was incorrectly spelled as “Westampton.” A search through the Maryland Department of Assessment and Taxation (“SDAT”) found that there were no records that match a street named “Westampton” in Prince George’s County, Maryland.

21. On July 25, 2023, an MIA investigator interviewed Black who admitted that he gave false information to USAA. Black reported that he paid restitution to USAA, because USAA paid Navy Federal Credit Union the balance of the loan he had on the insured vehicle.

22. An MIA investigator confirmed with USAA that Black paid full restitution to USAA after it paid Black’s Navy Federal Credit Union vehicle loan.

23. On July 24, 2023, an MIA investigator called (415) ***-3649. The person who answered confirmed he was Williams, and said he was out of the Country and could not talk. On August 11, 2023, an MIA investigator again called Williams who declined to give a statement. An MIA investigator conducted an SDAT search for 18 Capital Court, and confirmed that Williams was the named owner. An MIA investigator conducted an SDAT business entity search and confirmed that a business named “Route 88 Autobody Shop” is not registered in the State of Maryland.

II. VIOLATION(S)

24. The following provisions of the Maryland Insurance Article apply to acts and omissions of the Respondents in the State:²

§ 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.

§ 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.

25. By the conduct described herein, Respondents knowingly violated § 27-403. Black and Williams violated the Insurance Article as follows, in particular part:

- Black made false statements to USAA when he reported that previous damage to the Insured Vehicle was repaired;
- Black submitted to USAA a false repair invoice;
- Black provided false statements regarding the repairs allegedly made by Williams;
- Williams made false statements to USAA when he said that Route 88 was his company;
- Williams made false statements to USAA when he said he performed work for MAACO;
- Williams made false statements to USAA when he reported to USAA that he did not really know Black; and
- Williams made false statements to USAA when he reported that he performed repairs to Black's vehicle.

² The failure to designate a particular provision in this proposed Order does not deprive the Commissioner of the right to rely on that provision. The Order also does not contain references to regulations contained in Title 31 (Maryland Insurance Administration) of the Code of Maryland Regulations (COMAR), which may be applicable.

The aforementioned false statements were made in support of an insurance claim Black made to USAA on November 25, 2022. As such, Respondents are subject to an administrative penalty under § 27-408(c).

III. SANCTIONS

26. 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. §§ 2-201(d)(1) and 2-405.

27. Having considered the factors set forth in § 27-408(c)(2), the MIA has determined that a fine of \$1,500.00 is an appropriate penalty against Black, and a fine of \$1,500.00 is appropriate against Williams.

28. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2023-2039A) and name (Alex S. Black or Adonis Williams). Payment of the administrative penalty shall be sent to the attention of: Joseph E. Smith, Acting Associate Commissioner, Insurance Fraud & Enforcement Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.

29. This Order does not preclude any potential or pending action by any other person, entity or government authority, regarding any conduct by Respondents 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 August 2023, **ORDERED** that:

- (A) Alex Shakim Black shall pay an administrative penalty of One-Thousand Five Hundred Dollars (\$1,500.00) within 30 days of the date of this Order.
- (B) Adonis Williams shall pay an administrative penalty of One-Thousand Five Hundred Dollars (\$1,500.00) within 30 days of the date of this Order.

KATHLEEN A. BIRrane
Insurance Commissioner

BY: signature on original
JOSEPH E. SMITH
Acting Associate Commissioner
Insurance Fraud & Enforcement 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, to the 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