

IN THE MATTER OF THE

*

MARYLAND INSURANCE
ADMINISTRATION

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v.

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CASE NO.: MIA-2023-11-014

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ZONNIKA APRIL PETERSON
11762 Palm Desert Place
Waldorf, Maryland 20602-5100

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Fraud Division File No.: R-23-1647A

ORDER

This Order is issued by the Maryland Insurance Administration (the “MIA”) against Zonnika April Peterson (“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”) for the violations of the Insurance Article identified and described.¹

I. RELEVANT MATERIAL FACTS

1. On February 26, 2018, Respondent applied to the American Family Life Assurance Company of Columbus (“AFLAC”), an authorized insurer, for an Accident insurance policy (“Accident Policy”), a Hospital Confinement Indemnity insurance policy (“Hospital Policy”), and a Short Term Disability insurance policy (“Disability Policy”). Respondent signed each policy application immediately after 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 and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

2. Respondent’s AFLAC policies took effect on March 1, 2018. The policies remained in effect at all relevant times for which Respondent submitted claims, which are the subject of this Order.

¹ Unless otherwise indicated, all statutory references in this Order are to the Insurance Article of the Maryland Code.

3. Between October 14, 2021, and July 14, 2022, Respondent submitted 11 claims to AFLAC. Each claim contained a Physician’s Statement and a Disability Claim Form (“Claim Form”). The Physician’s Statements purported to verify Respondent’s treatment and disability dates, which were ostensibly signed by employees of GW Medical Faculty Associates (“GW”), hereinafter “Dr. L,” or Nurse Practitioner, “NP M.”² Respondent signed the Claim Forms immediately after the following fraud warning:

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime, and subjects such person to criminal and civil penalties.

4. Relying on the truthfulness of the Physician’s Statements and Claim Forms Respondent submitted in support of the following claims, AFLAC paid Respondent \$8,596.67, as shown below:

Claim Number	Policy Type	Treating Physician	Amount Paid	Number of Days Paid	Treatment Dates	Date Paid	Disability Dates
031287301	Disability	Dr. L	\$3,733.33	56	11/1/21	11/9/21	10/14/21 to 12/8/21
031806007	Disability	Dr. L	\$2,000	30	11/22/21	12/8/21	12/9/21 to 1/7/22
032090965	Disability	Dr. L	\$1,000	15	12/13/21	12/23/21	1/8/22 to 1/22/22
032458502	Disability	Dr. L	\$1,066.67	9	12/22/21	1/12/22	1/23/22 to 2/7/22
032563936	Hospital	Dr. L	\$40.00	1	1/10/22	1/21/22	N/A
032563936	Hospital	Dr. L	\$120.00	1	1/10/22	1/21/22	N/A
032563936	Hospital	Dr. L	\$25.00	1	1/10/22	1/21/22	N/A
032563936	Hospital	Dr. L	\$25.00	1	1/10/22	1/21/22	N/A
032563936	Disability	Dr. L	\$466.67	7	1/10/22	1/21/22	2/8/22 to 2/14/22
035298609	Accident	NP M	\$120.00	1	6/29/22	7/18/22	N/A

² The MIA uses initials to protect the identity of witnesses.

035298609	Disability	NP M	Denied		6/29/22	Denied	
TOTAL			\$8,596.67	122			

5. On August 22, 2022, in an effort to verify Respondent’s June 29, 2022 treatment, claim number 035298609, an AFLAC representative contacted GW. A GW representative advised that GW had no record of Respondent being treated at its facility on June 29, 2022. Consequently, AFLAC referred Respondent’s claims to its Special Investigations Unit (“SIU”) for further investigation.

6. On October 3, 2022, in an effort to authenticate Respondent’s June 29, 2022 treatment, claim number 035298609, an AFLAC investigator provided GW with a copy of the Physician’s Statement, which Respondent submitted to AFLAC, ostensibly signed by NP M. A GW representative examined the Physician’s Statement and reported that the signature was not NP M’s signature.

7. On October 3, 2022, AFLAC sent a letter to Respondent requesting that she contact its investigator within three days to discuss her claims. Respondent failed to reply.

8. On October 7, 2022, in an effort to authenticate treatment for injuries related to a fall, which Respondent alleged she received from Dr. L, under claim numbers 031287301, 031806007, 032090965, 032458502, and 032563936, for treatment dates of November 1, 2021, November 22, 2021, December 13, 2021, December 22, 2021, and January 10, 2022, an AFLAC investigator contacted GW. A GW representative reported that Dr. L is an obstetrician/gynecologist, and does not treat patients for slip and fall injuries. Further, the GW representative reported that Dr. L did not sign the Physician’s Statements.

9. On November 7, 2022, an AFLAC investigator spoke to Respondent who stated that she was going to provide confirmation of her disability dates; however, Respondent failed to provide any such information.

10. Section 27-802(a)(1) of the 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.

AFLAC, having a good faith belief that Respondent committed insurance fraud, notified the MIA Fraud and Enforcement Division, which opened an investigation.

THE ADMINISTRATION'S INVESTIGATION

11. On July 25, 2023, an MIA investigator contacted Dr. L, who examined the Physician's Statements for claim nos. 031287301, 031806007, 032090965, 032458502, and 032563936. Dr. L advised that the signatures on those Physician's Statements were "definitely" not hers.

12. On July 27, 2023, in response to the MIA's request, Respondent contacted the MIA investigator and advised that she did not know who signed the Physician's Statements and that sometimes she would send the Physician's Statement to the doctor's office via facsimile and other times she would take the Physician's Statement to the doctor's office. When asked whether she could confirm her treatment dates, Respondent replied that she would try to make restitution to AFLAC and "take the loss."

13. On August 10, 2023, an MIA investigator contacted NP M and provided her with a copy of the Physician's Statement allegedly bearing her signature, which Respondent submitted to AFLAC for claim number 035298609. NP M examined the Physician's Statement and advised that

she did not sign it, she did not treat Respondent on June 29, 2022, and she never declared Respondent to be disabled.

II. VIOLATION(S)

14. The following provisions of the Maryland Insurance Article apply to acts and omissions of Respondent in the State:³

Section 27-403 of the Insurance Article provides, in pertinent part:

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[.]

Section 27-408(c) of the Insurance Article provides, in pertinent part:

(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

(ii) order restitution to an insurer or self-insured employer of any insurance proceeds paid relating to a fraudulent insurance claim.

* * *

(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 violated § 27-403(2) of the Insurance Article.

A fraudulent insurance act of making a false statement in support of a claim is complete upon

³ 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.

making the false statement and is not dependent on payment being made. Respondent violated the Insurance Article when she submitted false claims to AFLAC. As such, Respondent is subject to an administrative penalty pursuant to § 27-408(c)(1)(i) and may be ordered to pay restitution pursuant to § 27-408(c)(1)(ii).

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. §§ 2-201(d) (1) and 2-405.

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

18. The aforesaid administrative penalty shall be paid within thirty (30) days of the date of this Order to the Maryland Insurance Administration. Payment shall be made by immediately payable funds and shall identify the case by number (R-2023-1647A) and Respondent's name, (Zonnika April Peterson). Payment of the administrative penalty shall be sent to the attention of: Joseph E. Smith, Acting Associate Commissioner, Insurance Fraud and Enforcement Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.

19. Additionally, Respondent is ordered to pay restitution to AFLAC in the amount of \$8,596.67, which is the amount AFLAC paid Respondent when it relied on medical claims, she submitted and later found to be fraudulent, pursuant to § 27-408(c)(1)(ii).

20. Notice of restitution to AFLAC shall be made in writing to: Joseph E. Smith, Acting Associate Commissioner, Insurance Fraud and Enforcement Division, 200 St. Paul Place, Suite

2700, Baltimore, Maryland 21202. Such notice shall include a copy of the money order or cancelled check issued to AFLAC as proof of restitution and identify the case by number (R-2023-1647A) and name (Zonnika April Peterson).

21. 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 Respondent's right to request a hearing, it is this 20th day of November 2023, **ORDERED** that:

- (1) Zonnika April Peterson shall pay an administrative penalty of Two Thousand Five Dollars (\$2,500.00) within 30 days of the date of this Order; and
- (2) Zonnika April Peterson shall pay restitution to AFLAC in the amount of Eight Thousand Five Hundred Ninety-Six Dollars and Sixty-Seven Cents (\$8,596.67) 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 & Producer 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, Attn: Clerk, Hearing and Appeals Unit. 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