

BEFORE THE MARYLAND INSURANCE COMMISSIONER

**MARYLAND INSURANCE
ADMINISTRATION**

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v.

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CASE No.: MIA-2014-01-032

**GLYNIS A. ADAMS-GAULT A/K/A
GLYNIS ANNA ADAMS**

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CONSENT ORDER

The Maryland Insurance Commissioner (“Commissioner”) enters this Consent Order (“Order”), with the consent of Glynis A. Adams-Gault a/k/a Glynis Anna Adams (“Respondent”), pursuant to Md. Ann. Code, Insurance (“Insurance Article”), §§ 2-108, 2-204, and any other applicable sections, as follows:

EXPLANATORY STATEMENT AND FINDINGS OF FACT

1. The Administration issued an Order against Respondent on January 17, 2014. In the Order, Respondent was charged with violating § 27-403(2) of the Insurance Article.
2. Respondent requested a hearing to contest certain facts in the Order and the amount of the administrative penalty.
3. The facts and violations stated in the Order are incorporated herein by reference. Respondent admits to the violation of § 27-403(2) stated in the Order.
4. The parties agree to this Consent Order to avoid litigation regarding the amount of the administrative penalty. Specifically, Respondent agrees to pay an administrative penalty as set forth below.

WHEREFORE, for the reasons set forth above, it is this 19th day of MAY, 2014, **ORDERED** by the Commissioner and consented to by Respondent that:

- A. Respondent shall pay an administrative penalty in the amount of \$6,000 as follows:
 - i. \$2,000 by June 16, 2014;
 - ii. \$2,000 by July 16, 2014; and
 - iii. \$2,000 by August 15, 2014.
 - iv. Payments must be received by these dates.
- B. Failure to comply with any of the conditions outlined in paragraph A, above, constitutes a default. Notice of default is hereby waived by Respondent. Upon any such default, the full \$12,000.00 penalty as outlined in the original Order will be due, less any amount received. The balance due will be sent to the Central Collection Unit of the Department of Budget and Management for collection.
- C. Respondent waives any and all rights to any hearing or judicial review of this Consent Order to which she would otherwise be entitled under the Maryland Annotated Code.
- D. Respondent has reviewed this Consent Order and has had the opportunity to have it reviewed by legal counsel of her choice. Respondent is aware of the benefits gained and obligations incurred by the execution of the Consent Order. After careful consideration, Respondent executes this Consent Order knowingly and voluntarily.
- E. For the purposes of the Administration and for any subsequent administrative or civil proceedings concerning Respondent, whether related or unrelated to the

foregoing paragraphs, and with regard to requests for information about the Respondent made under the Maryland Public Information Act, or properly made by governmental agencies, this Consent Order will be kept and maintained in the regular course of business by the Administration. For the purposes of the business of the Administration, the records and publications of the Administration will reflect this Consent Order.

- F. This Consent Order shall be effective upon signing by the Commissioner or her designee.
- G. This Consent Order does not preclude any potential action by the Administration, any other person, entity, or governmental authority regarding any conduct by Respondent, including the conduct that is the subject of this Consent Order.
- H. This Order contains the **ENTIRE AGREEMENT** between the parties relating to the administrative actions addressed herein. Except as stated in paragraph 3 of this Consent Order, this Consent Order supersedes the Order dated January 17, 2014 and any prior agreements or negotiations, whether oral or written, except as specifically incorporated herein. No time frames set forth herein may be amended or modified without subsequent written agreement of the parties.

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THERESE M. GOLDSMITH
INSURANCE COMMISSIONER

Signature on Original

By:

Carolyn Henneman
Associate Commissioner
Fraud Division

GLYNIS A. ADAMS-GAULT A/K/A GLYNIS ANNA ADAMS'S CONSENT

Glynis A. Adams-Gault a/k/a Glynis Anna Adams hereby CONSENTS to the representations made in, and terms of, this Consent Order.

Signature on Original

5/5/14
Date

GLYNIS A. ADAMS-GAULT

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

GLYNIS A. ADAMS-GAULT a/k/a
GLYNIS ANNA ADAMS
3902 Parkside Drive
Baltimore, Maryland 21206

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. MIA-2014-01-032

Fraud Division File No. R-14-0360A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Glynis A. Adams-Gault also known as Glynis Anna Adams (“Adams” or “Respondent”) pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Annotated Code of Maryland, Insurance (“the Insurance Article”).

I. Facts

1. 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 that a fraudulent claim has been submitted to an insurer. §§ 2-201(d)(1) and 2-405(7).

2. Title 27, Subtitle 4 of the Insurance Article describes “fraudulent insurance acts” and the penalties therefor.

3. Adams had a homeowner’s insurance policy with Allstate Insurance Company (“Allstate”) for her residence located at 3902 Parkside Drive, Baltimore, Maryland 21206. The policy number was [REDACTED] and the policy was in effect from December 30, 2012 through December 30, 2013.

4. On April 1, 2013, Respondent notified the Baltimore City Police Department that her home had been burglarized. A police officer responded to her home and authored a police report filed under complaint number 13D00219.

5. On April 1, 2013, Adams notified Allstate of the burglary and filed a homeowner's claim for the alleged theft of personal property from her home. Claim number 0281180570 was assigned by the insurer.

6. On April 5, 2013, Respondent sent an inventory of contents to Allstate via email from glynis.adams@verizon.net, documenting all contents she claimed were stolen (including items of jewelry) and the prices for those items.

7. On April 9, 2013, Adams sent another email from glynis.adams@verizon.net to Allstate. The police report and a revised inventory list for the allegedly stolen jewelry were attachments to that email.

8. According to the police report, Respondent left her home unattended on April 1, 2013 for forty-five minutes between the hours of 1:30 p.m. and 2:15 p.m. The officer noted in the report that there were no signs of forced entry at the residence. Items listed as stolen in the police report included three Dell laptops, one Sony laptop, three Nooks, one Kindle, five Sony televisions, one HP printer, one iPod, two violins, and a Sony stereo.

9. Adams prepared and submitted a Citizen Supplement Report Form (Form 309A/05), an official reporting document of the Baltimore City Police Department. On that supplement report, Respondent itemized additional property she alleged was stolen during the burglary at her home. Those additional items included one Apple iPad, a Nikon camera, camera equipment, assorted jewelry, high-definition headsets, silverware, Nikon binoculars, a DVR recorder, and other personal property.

10. Based on information provided by Adams, Allstate performed a contents evaluation. The insurance company determined that the total value for the personal property allegedly stolen was \$96,052.00. Due to limitations under the Respondent's personal property coverage, the net evaluated amount recoverable under the policy was \$51,802.00.

11. On April 9, 2013, the claim was referred to Allstate's Special Investigations Unit due to a combination of fraud indicators, including the volume of the items reported as stolen.

12. On April 17, 2013, Adams completed a "Sworn Statement in Proof of Loss" claiming that the actual cash value of the stolen property at the time of loss was \$61,168.52. The sworn statement was signed by Respondent, notarized, and mailed via United States Postal Service to Allstate's Columbia, Maryland claims office.

13. On May 23, 2013, Adams faxed receipts in support of her claim to the Allstate Claims office. The receipts were for purchases allegedly made at Calumet Photographic, HH Gregg, Brobst Violin Shop, Office Depot, Lord and Taylor, B & C Jewelers, Barnes and Noble, Best Buy, and the Apple Store.

14. The three HH Gregg receipts submitted by the Respondent itemized the following alleged purchases which totaled \$12,868.32.

- December 20, 2012 – Invoice number 0126-005974, two 46-inch TV's purchased for \$2,098.95 each and two wall mounts purchased for \$379.99 each.
- January 24, 2013 – Invoice number 0605-003998, one 32-inch TV purchased for \$2,500.00 and two 22-inch TVs purchased for \$399.99 each.
- February 22, 2013 – Invoice number 0605-004562, one 55-inch TV purchased for \$3,500.00 and one wall mount purchased for \$399.98.

15. On July 25, 2013, an Allstate investigator went to HH Gregg and met with the store manager who examined the HH Gregg receipts. He determined them to be false and pointed out that invoice number 0126-005974 did not even exist. Invoice number 0605-003998

was also false in that the product number was wrong and the store does not have a 32-inch Sony that sells for \$2,500.00. Invoice number 0605-004562 was an actual invoice for a purchase made by another customer on December 24, 2011 for a 59-inch plasma TV and service plan. The store manager did find an invoice for an actual purchase made by the Respondent on May 27, 2011 for two TVs, one 32-inch and one 22-inch. However, Adams had not provided that invoice to Allstate.

16. The Office Depot receipt submitted by the Respondent was dated March 5, 2013 and itemized one ink cartridge purchased for \$53.99, one ink cartridge purchased for \$41.99, and one "Dell Elitebook" purchased for \$1,199.99.

17. On July 25, 2013, the Allstate investigator went to Office Depot and met with the store manager who stated the Office Depot receipt was false. The manager noted that the store does not even sell Dell computers.

18. On July 31, 2013, the Allstate investigator sent a letter to the Respondent denying her claim for material misrepresentation.

19. On August 1, 2013, the Allstate investigator spoke with Adams and advised her that her claim was denied due to the submission of false documents. The Respondent replied that not all of the receipts she submitted were false.

20. The Maryland Insurance Article Section 27-802(a)(1) states, "An authorized insurer, its employees, producers...or agents, who in good faith have 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." Having a good faith belief that insurance fraud had been committed,

the Allstate investigator referred the file to the Maryland Insurance Administration's Fraud Division.

21. On October 17, 2013, the MIA contacted the HH Gregg store manager who confirmed that the receipts submitted by Adams to Allstate were fraudulent. The manager pointed out that the same model number was used twice, but the description on one says a 55" TV and the other says a 32" TV. Additionally, the invoice numbers on the receipts were false. Furthermore, the store manager commented that "there is also no way that any 32-inch TV would be \$2,500."

22. On October 17, 2013, the MIA contacted a Regional Investigations Manager for Office Depot concerning Respondent's Office Depot receipts. The investigations manager was unable to verify the authenticity of the receipt as the transaction information listed on the receipt did not exist in their records. Instead, the actual transaction for that time, date and location was totally different. After examining a copy of the receipt, investigations manager noted that the font and typeset were "off" and inconsistent with the entire Office Depot receipt.

23. The two Barnes & Noble receipts submitted by Adams itemized the following alleged purchases:

- February 14, 2012 – Nook Reader purchased for \$199.99, a Garden Cover HD purchased for \$39.95 and a "Guide to the Prayer" book for \$15.96.
- February 15, 2013 – Nook Reader purchased for \$299.99, and a Cloud Man Cover purchased for \$39.95.

24. On October 17, 2013, the MIA contacted an External Theft Specialist for Barnes & Noble and requested validation of the receipts for the alleged purchases at their retail store. On October 21, 2013, a Barnes & Noble compliance manager advised that the receipts were "manipulated" and not valid.

25. The Best Buy receipt submitted by the Respondent was dated October 11, 2011 and itemized the purchase of one HP Laser Jet printer for a total cost of \$2,640.44.

26. On October 18, 2013, the MIA contacted a Best Buy representative who reported that the receipt was false. The representative pointed out that despite the Respondent's receipt being dated October 11, 2011, upon examination, the receipt showed an actual transaction date of June 11, 2012 under the "customer service pin" entry at the bottom of the receipt. The Best Buy representative provided evidence of a genuine purchase in the Respondent's name made on June 11, 2012 but only for Norton software in the amount of \$105.99.

27. The Violin receipt submitted by Adams was dated October 12, 1990 and alleged the purchase of two violins having a total value of \$8,500.00. On October 16, 2013, the MIA contacted the Violin Shop retailer and emailed the representative a copy of the receipt. The representative reported that the receipt looked suspicious. He pointed out that the amount \$21.95, which was crossed out on the receipt, would have been a rental fee in the 1990's. Furthermore, in the 90's, the receipts would have been prepared using a typewriter and that the font on the receipt was inconsistent as two different fonts appear on the receipt. The representative noted that the description of the listed violins was not complete in that their make was not listed as was customary.

28. The MIA attempted to contact the Respondent, leaving two voice mail messages, one on November 5, 2013 and another on November 12, 2013. Additionally, a contact card was left at her home on November 22, 2013. Adams, however, failed to respond or otherwise cooperate with this investigation by the Fraud Division.

II. Violation(s)

29. In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that the Respondent violated Maryland's insurance laws:

30. § 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.

31. § 27-408(c)

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.

32. By the conduct described herein, Adams violated § 27-403 and is subject to an administrative penalty under the Insurance Article.

III. Sanctions

33. By the facts and violations stated above, Respondent is subject to the imposition of an administrative penalty for her manipulative and deceitful conduct.

34. Adams submitted eight altered receipts for the purpose of defrauding Allstate for personal financial gain. Therefore, an administrative sanction of \$12,000.00 is an appropriate penalty.

35. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-14-0360A) and name (Glynis Adams-Gault). Unpaid penalties will be referred to the Central Collections Unit. 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.

36. 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 17th day of January 2014, **ORDERED** that:

(1) Glynis Adams-Gault also known as Glynis Anna Adams shall pay an administrative penalty of \$12,000.00.

THERESE M. GOLDSMITH
Insurance Commissioner

Signature on original

BY:

CAROLYN HENNEMAN
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 issued. The written request for hearing must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, Attn: Sharon Kraus, Appeals Clerk. 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.