

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

VERONIQUE MYERS
6938 Blanche Road
Baltimore, Maryland 21215

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. MIA-2014-01-033
Fraud Division File No. R-14-0775A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Veronique Myers (“Myers” 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).

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

3. Myers had a short term group disability benefits policy with Transamerica Life Insurance Company (“Transamerica”), which provided \$900.00 in benefits per month during a period of disability. The policy number was [REDACTED] and the inception date of the policy was August 1, 2003.

4. On April 2, 2013, the Respondent was a passenger in an automobile registered to her, which was involved in a motor vehicle accident. On April 22, 2013, she applied for disability

benefits under her Transamerica policy, claiming she was unable to work due to injuries incurred from the accident.

5. A Baltimore County police officer responded to the location of the automobile accident and prepared a report for the incident. Additionally, the officer issued citations to Myers for giving false accident report information and for permitting a motor vehicle to be driven on the highway by an unauthorized person.

6. On April 2, 2013, Myers was transported by ambulance to Northwest Hospital for treatment of her alleged injuries sustained in the accident.

7. On April 3, 2013, the Respondent received follow-up medical treatment at Multi-Specialty Health Care, 4167 Patterson Avenue, Baltimore, Maryland 21215.

8. At the time of the motor vehicle accident, Myers was employed by Clifton T. Perkins Hospital Center as a Security Attendant Nursing I. The Respondent held a license as a Certified Nursing Assistant (CNA) in Maryland with the license number A00048258. Certified nursing assistants have ethical responsibilities in their work such as demonstrating “honesty and integrity...” See Code of Maryland Regulations (“COMAR”) 10.39.07.02A(7).

9. In support of Myers’ disability claim, the following documents were faxed to Transamerica from the Baltimore office of Multi-Specialty Health Care at the Respondent’s request:

- A Disability Claim Form, signed by the Respondent, and dated April 10, 2013.
- An Employer’s/Business Entity’s Statement, confirming the Respondent’s employment with Clifton T. Perkins Hospital Center as well as her employment status. The form was signed by her employer’s Human Resources representative and dated April 10, 2013.
- An Attending Physician’s Statement, signed by a Doctor, confirming the Respondent’s treatment at Multi-Specialty Health Care, dated April 8, 2013.
- A Required Fraud Warning Statement, signed by the Respondent, and dated April 10, 2013, which specifically stated, “For residents of Maryland: Any person who knowingly and 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 to prison.”

- An Authorization for the Release of Health Information; signed by the Respondent and dated April 10, 2013.

10. Throughout the duration of the Respondent’s alleged disability, and in support of her disability claim, the above cited documents were routinely updated and faxed to Transamerica from Multi-Specialty Health Care on May 17, 2013, June 6, 2013, July 1, 2013, July 8, 2013 and August 30, 2013.

11. A Transamerica representative noticed that the Attending Physician’s Statement, Employer’s/Business Entity’s Statement and Disability Claim Form in support of the Respondent’s disability claim appeared to have been altered to reflect a return to work date of August 12, 2013.

12. The above cited documents faxed to Transamerica on August 30, 2013 were accompanied by a fax cover page, a Fraud Warning Statement, signed by the Respondent, and an Authorization to Release Health Information.

13. On September 5, 2013, a Transamerica representative called Myers’ employer and spoke with the Human Resources representative whose signature appeared on the Employer’s/Business Entity’s Statement, which was dated August 29, 2013. The Human Resources representative reported that she did not complete that document and advised that she last completed an Employer’s/Business Entity’s Statement on June 6, 2013. Further, she reported that the Respondent returned to work on July 16, 2013, not August 12, 2013 as the form in question reflected.

14. On September 5, 2013, a Transamerica representative spoke with an employee of Multi-Specialty Health Care who reported that the Attending Physician’s Statement was completed at their office on August 29, 2013. However, the dates contained in item 13 of the

Attending Physician's Statement, which noted "unable to work" from April 3, 2013 through August 12, 2013, were altered. Myers was actually released to return to work on July 15, 2013, which was documented on the office original of this document. The Multi-Specialty Health Care employee faxed to Transamerica a copy of the unaltered office original of the Attending Physician's Statement.

15. Myers was paid \$2,880.00 for the disability period of April 9, 2013 through July 15, 2013. Due to Transamerica's discovery of the fraudulent documents, she received no further compensation beyond July 15, 2013. Nonetheless, the violation of insurance fraud is complete upon submission of the false documents to the insurance company regardless of whether or not subsequent payment is made.

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

17. On November 5, 2013, a Human Resources representative for Clifton T. Perkins Hospital Center provided a statement to MIA. She reported that she completed the Employer's/Business Entity's Statement in June, 2013; however, the date next to her signature on the version submitted to Transamerica was changed to reflect August 29, 2013. The representative reported that the alteration was not made by her. Furthermore, Myers in fact returned to work on July 16, 2013, not August 12, 2013 as reflected on the form dated August 29, 2013 submitted to Transamerica.

18. On November 6, 2013, a representative of Multi-Specialty Health Care confirmed that the Attending Physician's Statement dated August 29, 2013 was altered in box 13 to reflect unable to work from April 3, 2013 to August 12, 2013. The original Attending Physician's Statement read April 3, 2013 to July 15, 2013. Box 14 reflected the actual return to work date of July 15, 2013. The Multi-Specialty representative reported that all of the documents were faxed to Transamerica at the Respondent's request.

19. On November 6, 2013, the MIA investigator spoke to Myers who acknowledged that a representative of Multi-Specialty Health Care always faxed the disability forms to Transamerica at her request.

II. Violation(s)

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

21. § 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.

22. § 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
- (ii) order restitution to an insurer or self-insured employer of any insurance proceeds paid relating to a fraudulent insurance claim.

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.

23. By the conduct described herein, the Respondent violated § 27-403 and is subject to administrative penalty.

III. Sanctions

24. By the facts and violations stated above, an administrative penalty shall be assessed against Myers.

25. In view of the deceptive and dishonest nature of the Respondent's conduct and in consideration of the fact that Myers has a prior offense, namely a Transportation Article conviction for falsely altering a document, an administrative fine of \$7,500.00 is an appropriate penalty in this case.

26. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-14-0775A) and name (Veronique Myers). 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.

27. 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) Veronique Myers shall pay an administrative penalty of \$7,500.00.

THERESE M. GOLDSMITH
Insurance Commissioner
Signature on Original

BY:

CAROLYN HENNEMAN
Associate Commissioner
Insurance Fraud Division