

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

LISA M. ASHTON-LEACH  
2669 Gatehouse Drive  
Baltimore, Maryland 21207

\* BEFORE THE MARYLAND  
\*  
\* INSURANCE COMMISSIONER  
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\*  
\*  
\* CASE NO. : MIA-2014-10-030  
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\* Fraud Division File No.: R-2014-2222A  
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**ORDER**

This Order is entered by the Maryland Insurance Administration (“MIA”) against Lisa M. Ashton-Leach (“Leach” or “Respondent”) pursuant to §§2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Annotated Code of Maryland (“the Insurance Article”).

**I. Facts**

1. Respondent had a short-term disability policy with American Family Life Assurance Company of Columbus (“AFLAC”), an authorized insurer. The policy number was [REDACTED]. The policy was in effect from February 1, 2008 until February 18, 2014.

2. Respondent’s policy provided coverage for any period of “total disability,” defined as “...continuing inability to perform each and every duty of your job...”

3. Respondent was employed by a physician as a Medical Secretary from May 21 2007 until November 1, 2013.

4. Respondent submitted ten disability claims to AFLAC. Her claims asserted that due to a disability, she was not working and not earning her salary periodically from March 13, 2009 to November 7, 2013. Although Respondent was terminated on November 1, 2013, she had submitted a claim form alleging disability for the period up to November 7, 2013.

5. In support of her claims, Respondent routinely submitted claim forms to AFLAC, which appeared to be signed by her employer. Relying on information contained in the claim forms, AFLAC paid Respondent \$23,488.90 in disability benefits. Her claims were as follows:

- (1) Claim number 860504201: Alleged disability from March 13, 2009 through April 19, 2009. AFLAC issued a check to Leach for benefits in the amount of \$1,637.67.
- (2) Claim number 749504258: Alleged disability from April 20, 2009 through June 21, 2009. AFLAC issued a check to Leach for benefits in the amount of \$2,715.09.
- (3) Claim number 158804362: Alleged disability from June 22, 2009 through August 09, 2009. AFLAC issued a check to Leach for benefits in the amount of \$2,111.74.
- (4) Claim number 083704948: Alleged disability from May 24, 2010 through July 24, 2010. AFLAC issued a check to Leach for benefits in the amount of \$2,671.99.
- (5) Claim number 878805067: Alleged disability from July 25, 2010 through October 1, 2010. AFLAC issued a check to Leach for benefits in the amount of \$2,973.67.
- (6) Claim number 696705189: Alleged disability from October 2, 2010 through November 19, 2010. AFLAC issued a check to Leach for benefits in the amount of \$2,286.67.
- (7) Claim number 261405535: Alleged disability from April 1, 2011 through June 5, 2011. AFLAC issued a check to Leach for benefits in the amount of \$2,905.98.
- (8) Claim number 612905661: Alleged disability from June 6, 2011 through August 12, 2011. AFLAC issued a check to Leach for benefits in the amount of \$2,994.04.
- (9) Claim number 777005777: Alleged disability from August 13, 2011 through September 27, 2011. AFLAC issued a check to Leach for benefits in the amount of \$2,025.38.
- (10) Claim number 701907346: Alleged disability from October 7, 2013 through November 7, 2013. AFLAC issued a check to Leach for benefits in the amount of \$1,166.67.

6. During the claims handling process, an AFLAC Claims Specialist spoke to Respondent's employer for salary verification. The employer advised that Respondent had been working and earning her salary during the periods she was claiming disability.

7. At AFLAC's request, Respondent's employer examined each disability claim form submitted by Respondent. He advised that he did not sign any of the forms. The employer advised that Respondent did not miss any of the time from work as alleged in the filed claims referenced in paragraph 5 above.

8. On January 25, 2014, AFLAC's Special Investigations Unit (SIU) sent a letter to Respondent requesting restitution in the amount of \$23,488.90. The letter was returned as "unclaimed."

9. Section 27-802(a)(1) of the Insurance Article states, "An authorized insurer... 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 Leach committed insurance fraud, referred the matter to the Maryland Insurance Administration Fraud Division.

10. MIA confirmed AFLAC's handling of the claims as set forth above.

11. On April 23, 2014, MIA interviewed Respondent's employer. He examined the ten disability claim forms. Four of the disability claim forms were entitled "Initial Disability Claim/Employer's Statement" and six forms were entitled "Continuing Disability Claim." Each form appeared to contain the employer's signature; however, he stated he did not sign, complete or authorize any of the ten claim forms covering the period of March 13, 2009 to November 7, 2013. He reported that Respondent worked and was paid her full salary during the time frames

noted on the disability forms. The employer provided MIA with payroll records as evidence that Respondent worked and was paid during the time she alleged disability. He advised that the signature and other handwriting on the claim forms were not his.

12. On July 07, 2014, Respondent provided a statement to MIA. She admitted to putting her employer's signature on several claim forms without his authorization. She submitted those claim forms to AFLAC via facsimile, from Maryland, and received disability benefits. She admitted that she had been continuously working and receiving her full salary while claiming to AFLAC that she was neither working nor being paid due to disability.

## 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 Lisa Ashton-Leach 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)**

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, Lisa M. Ashton-Leach violated §27-403 and is subject to an administrative penalty under the Insurance Article.

### **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. Respondent submitted ten (10) disability claims to AFLAC. She reported that she was not working. Relying on the claim forms, AFLAC paid Respondent \$23,488.90 in disability benefits. Having considered the factors set forth in §27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$10,000.00 is an appropriate penalty.

19. Additionally, the Respondent is ordered to pay restitution to AFLAC in the amount of \$23,488.90, the amount she obtained by submitting falsified claims.

20. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2014-2222A) and name (Lisa M. Ashton-Leach). Unpaid penalties will be referred to the Central Collections Unit for collection. 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.

21. Notification of reimbursement to AFLAC shall be made in writing to the Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Such notification shall within 10 calendar days of payments made, and shall include a copy of the money order or cancelled check issued to AFLAC as proof of

reimbursement and identify the case by number (R-2014-2222A) and name (Lisa M. Ashton-Leach).

22. 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 22<sup>nd</sup> day of October 2014, **ORDERED** that:

(1) Lisa M. Ashton-Leach pay an administrative penalty of \$10,000.00 within 30 days of the date of this Order.

(2) Lisa M. Ashton-Leach pay restitution to American Family Life Assurance Company of Columbus in the amount of \$ 23,488.90 within 30 days of the date of this Order.

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: 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.