

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

ROXANNE RENEE FEASTER MILLHOUSE  
1849 Sharwood Place  
Crofton, Maryland 21114

CASE NO.: MIA-2020-12-009  
Fraud Division File No.: R-2020-0661A

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**ORDER**

This Order is issued by the Maryland Insurance Administration (“MIA” or the “Administration”) against Roxanne Renee Millhouse (“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 Maryland Insurance Article identified and described herein.

**I. Relevant Material Facts**

1. Homesite Insurance Company of the Midwest (“Homesite”) is an insurer authorized to issue property and casualty insurance policies in Maryland. A Maryland renter and Homesite insured initiated a claim under her Homesite policy, which was in effect from July 24, 2019 to July 24, 2020, by notifying Homesite that she had a stolen property claim on July 31, 2019. In response, Homesite opened a claim file with respect to the asserted loss.

2. Homesite’s claim notes state that Respondent alleged that among other things, three Chanel bags were stolen. Homesite referred the claim it to its Special Investigations Unit (“SIU”) because Respondent’s insurance policy had been in effect for less than 30 days.

3. On August 2, 2019, Respondent reported to Homesite that on July 24, 2019, her husband rented a U-Haul truck and hired two day-laborers to move property from a storage unit to her new

residence. Following the move, Respondent discovered that among other things, three Chanel bags were missing.

4. On August 7, 2019, Respondent submitted an inventory of items purportedly stolen to Homesite, which included, among other things, three Chanel bags. The inventory report contained 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 or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

5. On August 8, 2020, as proof that she owned the Chanel bags, Respondent submitted an invoice, which reflected that she purchased the Chanel bags on August 31, 2017, for \$27, 234.50, from “Tradesy.” The invoice specifically stated, “Bill To: Roxanne Feaster” [Respondent].

6. On August 14, 2019, in an effort to authenticate the Tradesy invoice, a Homesite investigator emailed a copy of the invoice to Tradesy’s security team. A Tradesy representative replied that the invoice was not authentic.

7. On August 16, 2019, a Homesite representative questioned Respondent about the Tradesy invoice. Respondent advised that it was “she” who purchased the three Chanel bags listed on the invoice.

8. On August 16, 2019, Homesite sent a letter to Respondent denying her claim, which stated, in pertinent part:

... Our investigation of your claim reveals that false and/or misleading information was provided to us. Specifically, you provided information, documentation or other evidence in support of your claim to Homesite which is false, fabricated or misrepresents information material to the claim in an effort to obtain a payment or benefit to which you are not entitled.

9. Homesite, based on the foregoing facts, concluded that Respondent may have committed insurance fraud. Consequently, Homesite referred the matter to the Fraud Division of the Administration as potential fraud.

**10.** Section 27-802(a)(1) of the Maryland Insurance Article states,

An authorized insurer, its employees, fund producers, 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.

**11.** The Administration opened an investigation into the conduct of Respondent, including whether Respondent submitted receipts to Homesite, which were not authentic in support of her stolen property claim.

**12.** October 19, 2020, Respondent told the assigned Administration investigator that it was “she” who submitted the Tradesy invoice to Homesite. In spite of the fact that the invoice specifically stated, “Bill To: Roxanne Feaster” [Respondent], the Respondent told the Administration’s investigator that the Chanel bags were actually gifted to her from an estranged boyfriend. Respondent provided the Administration with a name and last known address for her alleged ex-boyfriend.

**13.** Using information provided by Respondent, on October 21, 2020, the Administration’s investigator contacted an individual whose address and age matched that of the alleged ex-boyfriend. That individual advised that he did not know the Respondent.

**14.** In response to a subpoena issued by the Administration, a Tradesy representative examined the Tradsey invoice. On December 4, 2019, the Tradsey representative advised the Administration that, “Tradesy does not issue any type of invoice aside from a confirmation email when the order is place. Furthermore, we have no orders or payments from this person [Respondent].”

## II. Violation(s)

15. The following provisions of the Maryland Insurance Article apply to the acts of the Respondent in the State.<sup>1</sup>

16. § 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[.]

17. § 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

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(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.

18. By the conduct set forth above, Respondent violated the Maryland Insurance Article. Respondent submitted a false document, and made a false statement to Homesite in violation of § 27-403 of the Maryland Insurance Article.

## III. Sanctions

19. It is clear that the violations identified herein were knowing and willful.

20. 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

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<sup>1</sup> The failure to designate a particular provision in this proposed Order does not deprive the Commissioner of the right to rely on that provision.

may investigate any complaint that alleges a fraudulent claim has been submitted to an insurer. Insurance Article §§ 2-201(d) (1) and 2-405.

21. Having considered the penalty amount authorized by § 27-408(c)(2), the Administration imposes an administrative penalty in the amount of \$1,500.00 against Respondent.

22. Administrative penalties 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-2020-0661A) and name (Roxanne Renee Millhouse). 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. Unpaid penalties will be referred to the Central Collections Unit for collection.

23. This Order does not preclude any potential or pending action by any other person, entity, or government authority, regarding any conduct by Roxanne Millhouse, 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 10<sup>th</sup> day of December 2020, **ORDERED** that:

Roxanne Renee Millhouse 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  
STEVE WRIGHT  
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 served. The written request for hearing must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, Attn: Melanie Gross, 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.