

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

KANEESHA MARIA MALCOM
1226 Benning Road, Apt. 301
Capitol Heights, MD 20743-5118

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO.: MIA-2022-05-017

Fraud Division File No.: R-2022-3583A

ORDER

This Order is issued by the Maryland Insurance Administration (the "MIA") against Kaneesha Maria Malcom ("Respondent") pursuant to §§ 2-108, 2-201, 2-204¹ 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.

I. RELEVANT MATERIAL FACTS:

1. Respondent had a renter's insurance policy with Liberty Mutual Insurance Company ("Liberty"), an authorized insurer, for her apartment located in Capitol Heights, Maryland. The policy was in effect from July 18, 2021, through April 22, 2022.

2. On March 25, 2022, Respondent notified Liberty that on March 24, 2022, upon returning home, she discovered that furniture, electronics, clothing, jewelry, and purses had been taken from her apartment. Liberty opened a claim.

3. Respondent submitted to Liberty what appeared to be a Capitol Heights Police Department ("CHPD") police report for "Theft/Burglary." Respondent also submitted an inventory of missing property. The inventory included, among other things, five pairs of designer sunglasses manufactured by Gucci, Chanel and Louie Vuitton, a Wayfair vanity set, a 75-inch Samsung

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

television, an Apple MacBook, a Dell laptop Galaxy, Surface Go 3 Tablet, an Apple iPhone 13, and a Sony PlayStation.

4. Liberty referred Respondent's claim to its Special Investigations Unit ("SIU") for investigation as her policy was in effect for less than one year and she recently filed a similar claim. Liberty contracted an external investigator to assist conducting this investigation.

5. On March 29, 2022, Respondent submitted the following receipts to Liberty as evidence that she owned the stolen items:

- A \$2,700.00 receipt for the January 21, 2022, purchase of 5 pairs of sunglasses
- A \$539.00 receipt for the March 28, 2022, purchase of a "makeup vanity"
- A \$7,245.00 receipt for the March 3, 2022, Best Buy purchase of a 75" Samsung television, an Apple MacBook Pro, a Dell Laptop Galaxy, Surface Go Tablet, an Apple iPhone 13, and a Sony PlayStation.

The sunglasses and vanity receipts did not identify the retailer.

6. On April 4, 2022, the Liberty investigator conducted a recorded interview with Respondent, who reported that she discovered that the property was missing on March 24, 2022. She immediately reported the theft to a police officer, who came to her apartment. Respondent stated that all of the missing property was listed on the police report. Respondent confirmed that she purchased the vanity from Wayfair, the sunglasses from Nordstrom, and the electronics from Best Buy. Respondent added that she notified her property management company of the theft.

7. Respondent provided the Liberty investigator with a signed proof of loss statement ("POL"), wherein she indicated that she purchased all of the stolen items online. Respondent signed the POL 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 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.

8. The Liberty investigator spoke with a representative of Respondent's property management company. The representative reported that property management was not notified of the theft.

9. The Liberty investigator spoke with a representative of Best Buy, who examined the purported Best Buy receipt Respondent submitted to Liberty. The representative was unable to authenticate the receipt.

10. The Liberty investigator spoke with a representative for the CHPD, as well as the Prince George's County Police ("PGPD"). A CHPD representative reported that CHPD does not employ an officer with the name that appeared on the report. The PGPD representative reported that the case number on the report was a legitimate PGPD case number, however, no report was generated under that number. Additionally, the officer named on the report did not appear in the PGPD directory.

11. On April 7, 2022, as proof she purchased the items stolen, Respondent submitted to Liberty what appeared to be a bank statement for a Chime bank account in Respondent's name, for the statement periods of January 2022, and March 2022. The bank statements reflected a \$2,700.00 purchase from Nordstrom on January 21, 2022, a \$7,245.95 purchase from Best Buy on March 2, 2022, a \$1,298.49 purchase from Shein.com on March 25, 2022, and a \$539.99 purchase from Wayfair on March 28, 2022.

12. A Liberty investigator examined Respondent's bank statements and identified several inconsistencies, including incorrect numerical calculations, differing font type and size, the Best Buy purchase date on the bank statement reflected March 2, 2022, although the Best Buy receipt reflected a purchase date of March 3, 2022. Additionally, Respondent reported that the loss

occurred on March 24, 2022, the bank statement however, reflected that the Shein.com purchase was made one day after the loss, and the Wayfair purchase was made four days after the loss.

13. Section 27-802(a)(1) of the Maryland 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.

Having a good faith belief that Respondent committed insurance fraud, Liberty made a fraud referral to the MIA.

II. THE ADMINISTRATION'S INVESTIGATION

14. An MIA investigator examined the Best Buy receipt, and identified numerous irregularities, to include the product description for the Dell laptop which read, "Dell Laptop Galaxy Book 2." No such item exists. Dell is a brand in itself, while Galaxy is a Samsung product. Additionally, the Best Buy store address on the receipt was "2300 Petrie Ln, **Lanhand** [*Emphasis Added*], MD 20706." The Best Buy store is located in **Lanham** [*Emphasis Added*] Maryland. There is no town or city called Lanhand, Maryland.

15. On April 28, 2022, in an effort to authenticate the Best Buy receipt Respondent submitted to Liberty, an MIA investigator contacted two Best Buy representatives. Both representatives examined the receipt and advised that the receipt was not valid.

16. On May 2, 2022, in an effort to authenticate the CHPD police report, an MIA investigator interviewed a representative of the CHPD, who examined the report and advised, that it was fake and that there were no officers employed by the CHPD with the name on the report. Additionally, Respondent's home address is not within CHPD's jurisdiction.

17. An MIA investigator examined the January and March bank statements Respondent submitted to Liberty, and noted that fields on the statements were misaligned and numerical calculations were incorrect. The January 21, 2022, purchase corresponding with the \$2,700.00 sunglasses purchase at Nordstrom reflected a font type and size inconsistent with other entries. The three entries on the March statement corresponding to Respondent's purported purchases from Wayfair, Shein.com, and Best Buy reflected font type and size inconsistent with other entries. The Shein.com purchase reflected the purchase "amount" was "\$1,289.49," but the "net amount" reflected "\$1,298.49. An additional entry, dated March 9, 2022, indicated a Turbo Tax "**Insuit**" [*Emphasis Added*] deposit, versus the actual name of Turbo Tax **Intuit** [*Emphasis Added*].

18. On May 5, 2022, an MIA investigator obtained a copy of the PGPD call for service ("CFS") reported for the case number reflected on the CHPD report Respondent submitted to Liberty. The CFS record reflected that on March 25, 2022, one day following Respondent's alleged loss, she called 911 for a break in at her apartment. No report was completed and the call was cancelled.

19. On May 12, 2022, in response to a subpoena, Chime Bank provided the MIA with Respondent's actual bank statements for January and March 2022. The statements did not reflect any of the alleged purchases associated with Respondent's claim to Liberty. The actual bank statements were inconsistent with the statements Respondent submitted to Liberty.

III. VIOLATIONS

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

§ 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[.]

§ 27-408(c)

(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

* * *

(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.

21. By the conduct described herein, Respondent knowingly violated § 27-403. The fraudulent insurance act of submitting false documents or making false statements in support of a claim is complete upon submitting the false documents or making the false statements and is not dependent on payment being made. Respondent committed a violation of the Insurance Article when she submitted false documents and made false statements to Liberty in support of a claim. As such, Respondent is subject to an administrative penalty under § 27-408(c).

IV. SANCTIONS

22. 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. See §§ 2-201(d)(1) and 2-405.

23. Having considered the factors set forth in § 27-408(c)(2), the MIA has determined that \$2,000.00 is an appropriate penalty.

24. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2022-3583A) and name (Kaneesha Maria Malcom). Payment of the administrative penalty shall be sent to the attention of: Joseph 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.

25. 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 26th day of May 2022, **ORDERED** that:

Kaneesha Maria Malcom shall pay an administrative penalty of two thousand dollars (\$2,000.00) within 30 days of the date of this Order.

KATHLEEN A. BIRrane
Insurance Commissioner

BY: **signature on original**

JOSEPH SMITH
Acting 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.