

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

v.

APRIL LYNN TOMONEY  
2 Deaven Court  
Baltimore, MD 21209

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CASE NO. : MIA- 2023-10-024

Fraud Division File No.: R-2023-3088A

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**ORDER**

This Order is issued by the Maryland Insurance Administration (the “MIA”) against April Lynn Tomoney (“Respondent”) pursuant to Md. Code Ann., Ins. Art. §§ 2-108, 2-201, 2-204 and 2-405 (2017 Repl. Vol. & Supp.) for the violations of the Maryland Insurance Article identified and described.<sup>1</sup>

**I. RELEVANT MATERIAL FACTS:**

1. On January 16, 2023, at 7:24 am, Respondent applied for automobile insurance for her 2016 Kia with Progressive Casualty Insurance Company (“Progressive”), an authorized insurer. Respondent electronically signed the Progressive application, which 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.

2. Respondent’s Progressive policy took effect on January 17, 2023.

3. On January 19, 2023, two days after the policy went into effect, Respondent notified Progressive that earlier that day another vehicle ran a stop sign, struck her insured vehicle and fled. Progressive opened a claim.

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

4. Respondent submitted to Progressive photographs of the damage to her vehicle, which she alleged occurred on January 19, 2023.

5. On January 20, 2023, a Progressive representative interviewed Respondent, who reported that on January 19, 2023, at around 6:00 p.m. while she was driving on Bond Street near the intersection with Eager Street in Baltimore City another vehicle went through a stop sign and struck her vehicle. Respondent stated that she parked her vehicle near the accident location as it was not drivable following the accident.

6. On January 24, 2023, Progressive referred Respondent's claim to its Special Investigations Unit ("SIU") for further investigation, because Respondent's claim was made within sixty days of the effective date of her policy.

7. On January 24, 2023, a Progressive investigator performed an Insurance Services Office ("ISO") search and learned that Respondent's vehicle was involved in an accident on January 16, 2023, with another vehicle, which was insured by the Government Employees Insurance Company ("GEICO").

8. On February 2, 2023, a Progressive investigator interviewed the GEICO insured ("hereinafter "P.M."<sup>2</sup>). P.M. reported that on January 16, 2023, around 1:00 a.m., her vehicle was parked and unattended, when Respondent's vehicle struck her vehicle and fled. Later that day, P.M. found Respondent's vehicle parked in the 1100 block of Bond Street close to where the hit and run accident occurred. P.M. took photographs of the damage to Respondent's vehicle, which she provided to the Progressive investigator. P.M. reported that Respondent's vehicle remained parked in the 1100 block of N. Bond Street since the January 16 accident and it did not appear drivable. P.M. reported the accident to the Baltimore City Police Department.

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<sup>2</sup> Initials are used to protect the identity of witnesses.

9. On February 6, 2023, a Progressive representative obtained a copy of a Baltimore City Police accident report, which was drafted on January 16, 2023. The report reflected that on January 16, 2023, at 1:15 a.m., [approximately 6 hours before Respondent applied for her Progressive insurance policy], P.M.'s vehicle was parked in the 1200 block of N. Bond Street, when it was struck by Respondent's vehicle which then fled the scene.

10. On February 13, 2023, P.M. provided Progressive with a video from her neighbor's doorbell camera, which depicted the January 16 accident. The video shows what appears to be Respondent's vehicle strike P.M.'s vehicle and flee.

11. A Progressive investigator compared the damage photographs Respondent submitted to Progressive of the damage she alleged occurred on January 19, 2023, with the photographs taken by P.M. on January 16, 2023, and concluded that the damages were the same.

12. On March 23, 2023, Progressive denied Respondent's claim as the damage to her insured vehicle occurred before her policy went into effect.

13. Section 27-802(a)(1) 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.

Progressive, having a good faith belief that Respondent committed insurance fraud, referred the matter to the MIA, Fraud and Enforcement Division, which opened an investigation.

14. An MIA investigator examined the Baltimore City Police accident report, which documented the January 16, 2023 accident. The report reflected that at 1:15 am, Respondent's vehicle was traveling south in the 1200 block of N. Bond Street when it struck P.M.'s vehicle.

15. On September 5, 2023, an MIA investigator interviewed the Baltimore City police officer who wrote the accident report. The officer reported that Respondent's vehicle was found near the scene of the accident on the morning of January 16, 2023. The damages to Respondent's vehicle were consistent with striking P.M.'s vehicle.

16. On September 6, 2023, an MIA investigator interviewed P.M. who reported that on the morning of January 16, 2023, she discovered that her vehicle, which was parked on N. Bond Street, had been struck by another vehicle, which then fled the scene. P.M. walked around the area and found Respondent's vehicle parked near E. Biddle Street. Respondent's vehicle had front-end damage. P.M. photographed the damage to Respondent's vehicle. Respondent's vehicle remained at the location for approximately 30 days.

17. An MIA investigator examined Baltimore City Parking Authority records, and found that Respondent's vehicle was cited for "No Stop/Park Street Cleaning," in the 1100 block of N. Bond Street, , on January 27, February 10, and March 16, 2023. On March 31, 2023, Respondent's vehicle was cited as "Abandoned vehicle," in the 1600 block of E. Biddle Street. The 1100 block of N. Bond Street intersects with the 1600 block of E. Biddle Street.

18. An MIA investigator compared the photographs of damages to Respondent's vehicle taken by P.M. on January 16, 2023, with the photographs Respondent submitted to Progressive of damages she alleged occurred on January 19, 2023, and concluded that the damages were identical.

## **II. MARYLAND INSURANCE LAWS:**

19. The following provisions of the Maryland Insurance Article apply to acts and omissions of Respondent in the State.<sup>3</sup>

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<sup>3</sup> The failure to designate a particular provision in this Order does not deprive the Commissioner of the right to rely on that provision. The Order also does not contain references to regulations contained in Title 31 (Maryland Insurance Administration) of the Code of Maryland Regulations (COMAR), which may be applicable.

**§ 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

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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.

**20.** By the conduct described herein, Respondent knowingly violated § 27-403(2) of the Insurance Article. A fraudulent insurance act of making a false statement in support of a claim is complete upon making the false statement and is not dependent on payment being made. Respondent committed violations of the Insurance Article when she falsely reported to Progressive that her insured vehicle was involved in an accident on January 19, 2023. As such, Respondent is subject to an administrative penalty under the § 27-408(c).

**III. SANCTIONS:**

**21.** Insurance fraud is a serious violation, harmful to consumers because the losses experienced by insurance companies are passed on to consumers in the form of higher premiums. As authorized

by §§ 2-210(d)(1) and 2-405 of the Insurance Article, the Commissioner has the authority to investigate complaints alleging that a fraudulent claim has been submitted to an insurer.

22. Having considered the factors set forth in § 27-408(c)(2) the MIA has determined that a fine of \$1,500.00 is an appropriate penalty.

23. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2023-3088A) and name (April Lynn Tomoney). Payment of the administrative penalty shall be sent to the attention of: Acting Associate Commissioner, Joseph E. Smith, 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.

24. 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 25th day of October 2023, **ORDERED** that:

April Lynn Tomoney 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** \_\_\_\_\_  
JOSEPH E. SMITH  
Acting Associate Commissioner  
Insurance Fraud & Enforcement 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: Clerk – Office of Hearings. 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.