



South Carolina Office  
of the Attorney General  
Insurance Fraud  
Division

# Annual Report 2018

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ALAN WILSON  
ATTORNEY GENERAL

## A MESSAGE FROM THE ATTORNEY GENERAL

I am proud to present the 2018 annual report of the South Carolina Insurance Fraud Division to the General Assembly. My office continues to fight insurance fraud.

In 2018, my office received 2,957 complaints of suspected insurance fraud reported by National Insurance Crime Bureau (NICB) and the Insurance Fraud Hotline, a 18% increase in referrals from last year, which shows the annual growth of insurance fraud in South Carolina. Due to the number of complaints remaining alarmingly high, we must continue to be diligent and dedicated to the investigation and prosecution of these crimes. The 2018 complaints of insurance fraud covered a wide range of insurance policies, as reflected in this report, and were divided as follows: 2,151 (73%) Automobile, 447 (15%) Personal/Commercial, 91 (3%) Workers' Compensation, 101 (3%) Health/Medical, 55 (2%) Premium, 23 (1%) Life Insurance, 5 (<1%) Disability, 1 (<1%) Unemployment, and 83 (3%) Other.

This office works to bring the perpetrators of insurance fraud to justice and we strive to protect taxpayers by requesting our courts order restitution be paid. The Insurance Fraud Division has prepared and prosecuted cases with four full-time investigators from the State Law Enforcement Division (SLED) who handle the entire state's insurance fraud investigations. Even with their relatively small team, these investigators continue to forward cases to this office for prosecution.

Despite our unwavering efforts to confront this issue, insurance fraud has continued to grow in South Carolina. Although our state ranks 23<sup>rd</sup> in population, according to reports from the National Insurance Crime Bureau (NICB), we currently rank 10<sup>th</sup> in the nation for staged car wrecks and 14<sup>th</sup> for complaints of suspected insurance fraud. This problem is dangerous and disturbing, and this type of fraud makes the highways of South Carolina unsafe for innocent drivers. Specifically, this behavior is unsafe because individuals committing insurance fraud, pack vehicles full of passengers, including young children, in an effort to maximize their claim value. While making large claims, these perpetrators use emergency services and such schemes take away from those who truly are in states of emergency. An example of such can be found in the subsequent message from the Insurance Fraud Division in this report

Based on NICB's reports, South Carolina is ranked 50<sup>th</sup> for insurance fraud funding. We have a \$400,000 insurance fraud budget and 4 dedicated investigators. South Carolina had \$97,590.46 in restitution ordered and had 39 convictions in 2018. In comparison, our neighbor, North Carolina has a budget of over \$3 million with over 30 investigators, two prosecutors

dedicated to insurance fraud, as well as a criminal analyst for their division. North Carolina also recovered \$5.3 million in restitution and had 211 convictions in 2018.

Fraud and crime travel the path of least resistance. South Carolina should not be a place where criminals are able to succeed. Insurance Fraud drains our systems, wastes resources, and raises premiums for all of our citizens. Our office understands how big the problem is and we will continue to work to make sure that the state of South Carolina is the safest place possible to live, work, and raise a family.

Sincerely,

A handwritten signature in blue ink that reads "Alan Wilson". The signature is written in a cursive, flowing style.

Alan Wilson

Attorney General

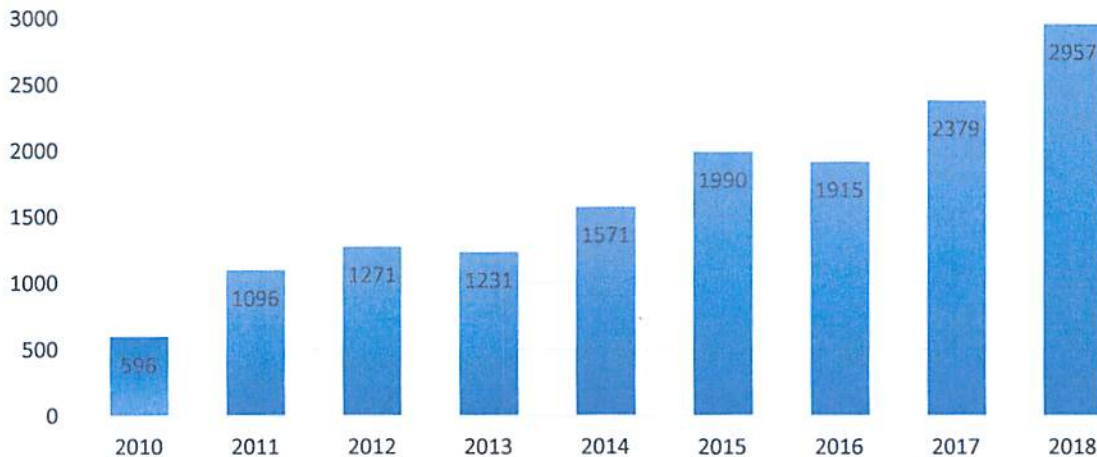


ALAN WILSON  
ATTORNEY GENERAL

## MESSAGE FROM THE ATTORNEY GENERAL'S INSURANCE FRAUD DIVISION

Insurance Fraud continues to be a significant problem in our state and has steadily grown each year. We must understand this crime is not victimless, but rather the victims of these crimes are South Carolinians who pay higher insurance premiums. While the state is struggling to prosecute these large caseloads with a limited staff, the perpetrators are becoming more creative in finding new ways to commit all types of insurance fraud. It is imperative that we address this problem and commit the necessary resources so residents of our great state do not continue to feel the penalties of these frauds.

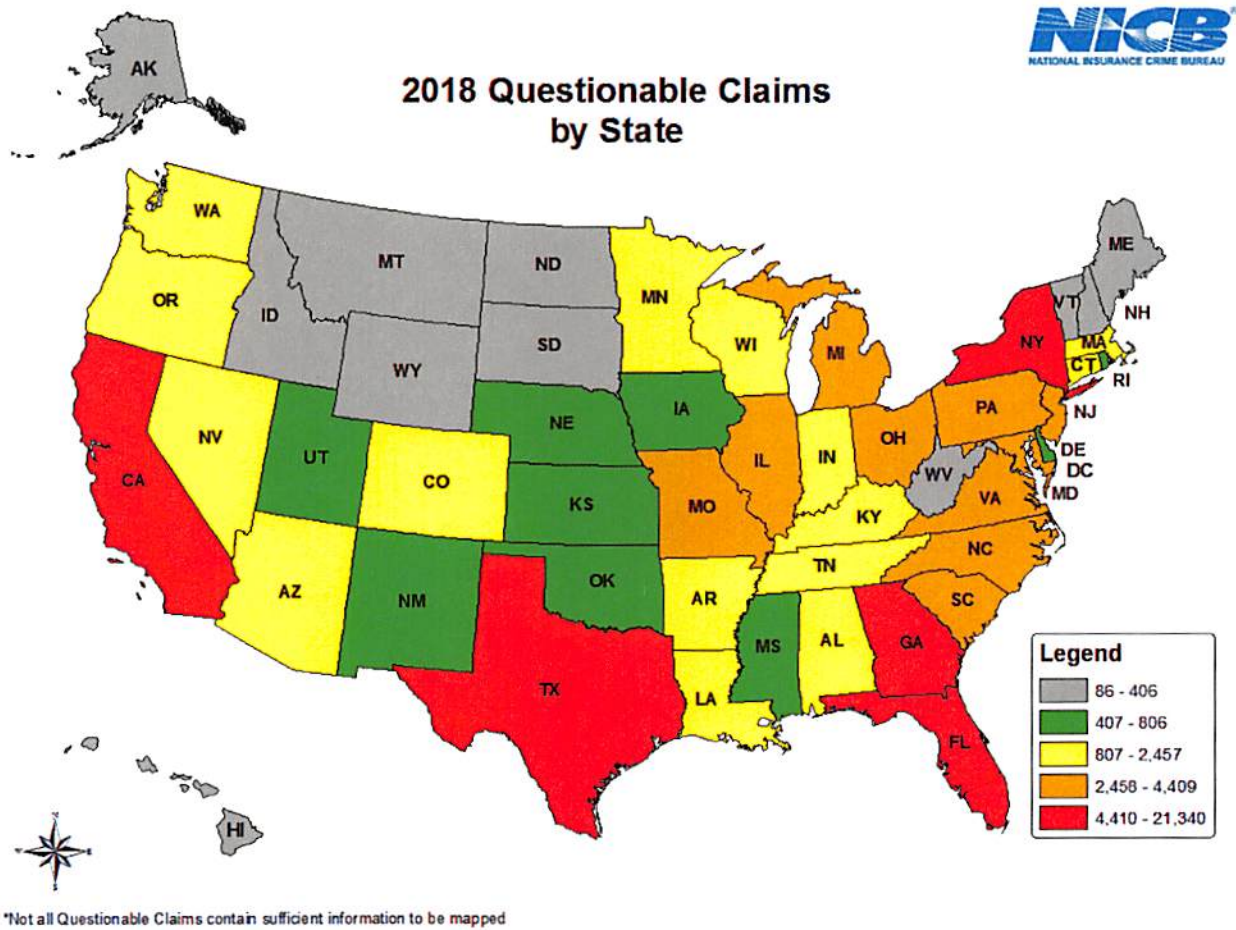
### Insurance Fraud Complaints



Twenty-five (25) years ago the South Carolina Legislature established the Insurance Fraud Division to prevent, investigate, and prosecute insurance fraud statewide. In what was named the Omnibus Insurance Fraud and Reporting Immunity Act, the General Assembly mandated the prosecution of insurance fraud cases by our division with investigations conducted by the South Carolina Law Enforcement Division (SLED). The SLED agents and attorneys investigate and prosecute the complaints from the National Insurance Crime Bureau, insurance companies, private citizens, the Department of Insurance, the South Carolina Worker's Compensation Commission, the Department of Employment and Workforce, and law enforcement agencies. In 2018, this small unit and the four SLED agents were and continue to be diligent in investigating and prosecuting insurance fraud through all forty-six counties in the

state. While the team disposed of an increased number of cases, even more assistance is necessary to combat insurance fraud effectively.

A few statistics best illustrate the current state of the insurance fraud epidemic in South Carolina. According to the research done by the National Insurance Crime Bureau (NICB), South Carolina ranks 14<sup>th</sup> nationally in the amount of questionable claims reported. With this ranking, our state will struggle to prevent insurance fraud because we rank **last** in funding to fight this growing problem.



Another statistic that must be highlighted is NICB's ranking of our state as 10<sup>th</sup> in the nation, dropping from 7<sup>th</sup> in staged car wrecks, in 2017. Staged car wrecks often lead to the development of staged accident rings. Rings occur when groups of people use one or more vehicles to purposefully wreck into another vehicle for the sake of collecting insurance payouts. Rings are typically led by one to five individuals who convince other offenders to join them in these crimes. We have seen the stagers fill the perpetrating vehicles with carloads of people in order to defraud insurance companies of as much money as possible. These rings present dangers to both

the participants and innocent victims who are driving on the road. Unsuspecting motorists cannot defend themselves from the unknown dangers of staged accidents. The investigation and prosecution of these cases demand resources from law enforcement and the Attorney General's Office.

The Insurance Fraud Division of the Attorney General's Office remains dedicated to combating insurance fraud in our state. Throughout the past year, we expanded our outreach. The office created a Program Coordinator with this particular goal in mind. One successful initiative our Coordinator pushes is recurring training for law enforcement and insurance agents throughout the state. In July 2018, our Program Coordinator and Director participated in creating a training video for law enforcement in partnership with NICB, which was distributed statewide through the criminal justice academy to teach officers how to better detect staged accidents at their beginning stages. Law Enforcement has found the training to be very educational and effective. Finally, the Insurance Fraud Division is working to engage in more outreach with communities around the state. The goal of this initiative is to raise the general public's awareness of the dangers of insurance fraud and the importance of fighting against it.

We want to thank all of the private citizens, insurance professionals, and those in law enforcement who reported cases to us in 2018. We also want to thank the investigators within the insurance industry who tirelessly work to investigate these cases. Without their participation and cooperation, fighting insurance fraud would not be possible.

We would also like to thank the National Insurance Crime Bureau (NICB), the Coalition Against Insurance Fraud, the South Carolina Insurance Fraud Investigators (SC-IFI), the South Carolina chapter of the International Association of Special Investigative Units (IASIU), and the South Carolina Insurance News Service for working with our office and for their help in raising the awareness of this fraud.

### **2018 Notable Cases**

#### ***State v. Weston***

On December 21, 2016, a vehicle collision occurred involving Carolyn Weston and Brittany Washington in Sumter County. There were 2 other occupants in Weston's vehicle, and 3 occupants in the car driven by Washington, a 2009 Audi owned by Tyburious Heyward. Heyward was a known ring leader of staged accidents. All parties went to a Florence hospital and made claims to Geico after the accident. Due to ongoing insurance fraud ring activity in Sumter County with the same parties, these claims were flagged by the insurance company. An investigation was opened to the South Carolina Law Enforcement Division. The Special Agent involved began by confirming with the hospital that the bill submitted by Weston was fraudulent. The bill for Weston, with all of her personal information, contained an invalid patient account number. The bill was also altered to increase the amount to \$13,110.00. Further investigation showed Geico sent Weston a check, and the check was cashed at a liquor store near the insurance

company's claims office. The agent then conducted an interview with Ms. Weston, and Weston admitted to participating as the driver of the vehicle in an intentional and staged vehicle accident for the sole purpose of collecting insurance money. On June 14, 2018, the Defendant pled guilty in front of Judge George McFaddin and was sentenced to 1 year suspended to 3 years of probation and restitution.

### ***State v. Goodman***

Arthur Rochester Goodman was involved in 2 insurance fraud incidents. On April 5, 2017, a motor vehicle collision involving Mr. Goodman occurred at Kings Pointe Drive in Sumter County. After the accident, Mr. Goodman was transported by EMS to Palmetto Health Tuomey for his alleged injuries. When he left the hospital, he made an insurance claim to ACCC Insurance by submitting bills and paperwork from Tuomey. The bills were flagged as suspicious, and the South Carolina Law Enforcement Division (SLED) was brought in to do an investigation. A passenger in the accident admitted to the SLED agent that she was allegedly told by Gregory Vaughn that they planned the accident to get some money. Also, the agent's review of the documents submitted to ACCC showed that they were not legitimate. One bill had been altered to add an extra CT body scan. A second bill was fabricated altogether. It also had the address that had been used in other fraudulent claims.

The second incident took place on June 19, 2017. Mr. Goodman claimed he was involved in another car accident with an alleged unknown vehicle on Interstate 20 in Sumter. Mr. Goodman alleged to have injuries resulting from the collision and submitted his medicals for payment to USAA Insurance in the amount of over \$18,000. The insurance company paid out installments of the claim, and the Defendant cashed the checks. This claim was eventually flagged and investigated by SLED. The SLED agent reviewed the medical bills submitted to the insurance company. His review showed that, while the bill submitted was legitimate, the bill was from a date prior to the time for which Goodman made the claim. Furthermore, SLED's investigation revealed that the accident was staged. At the end of 2018, the trial was pending. Goodman pleaded guilty on January 17, 2019 to one count of Presenting a False Claim for Payment \$2,000-\$10,000 and one count of Presenting a False Claim for Payment Greater than \$10,000. He received a two-year sentence in prison.

### ***State v. Durant***

On September 18, 2014, Lisa Durant filed an insurance claim with SafeAuto. During a recorded interview with the insurance company, Ms. Durant impersonated her mother Rosa Durant and spoke with a SafeAuto adjustor, explaining that an accident had occurred where her mother was driving and ran into a deer. The Defendant said she, her three children, her mother, and a family friend were in the car. Durant also told the adjustor she and her children suffered head and neck injuries. During the claim process, Ms. Durant also sent in medical bills, including ones from Wallace Chiropractic in the Kingstree area of Williamsburg County. The bills totaled \$7,326.78. SafeAuto flagged the bills as obvious forgeries. SLED also did an investigation and began by going to the offices from where the medical bills were supposed to be. The hospital pulled the account numbers and immediately determined that the bills had been altered. The bills Defendant submitted with her name on them were original bills from an earlier hospital visit and had been changed to reflect the date of the alleged accident. In addition, the dates of service were the dates when the defendant's mother's new insurance policy took effect and not the date of the accident.

Also, during the course of the SLED agent's investigation, multiple people confirmed that the recorded call made to the insurance company was the Defendant impersonating her mother. Moreover, an interview was conducted with Ms. Durant where she eventually admitted to being the one who made the phone call and claim. Ms. Durant pled guilty to Presenting a False Claim for Payment on October 4, 2018 and had to pay a substantial fine.

### ***State v. Hicks***

On August 19, 2016, Timothy Hicks presented a claim for payment to Homesite Insurance after an alleged burglary at his residence. Hicks signed a Personal Property Inventory form provided by Homesite to verify the items he was claiming as stolen during the burglary. On the form was an iPhone 6S Plus valued at \$949, a 65" Samsung TV valued at \$4,000 and a 20" diamond cut 14K gold chain valued at \$1,020. Hicks then submitted receipts for these items. Hicks also submitted a handwritten receipt from a co-defendant, which he attempted to prove with the co-defendant's credit card statement. The claim was flagged as suspicious, and the South Carolina Law Enforcement Division (SLED) was asked to do an investigation. The Special Agent responded to AT&T regarding the phone. The sales manager acknowledged the receipt Mr. Hicks submitted to the insurance company was not a legitimate receipt. The SLED agent then traveled to Badcock Home Furnishings about the television, and Badcock's manager acknowledged Mr. Hicks' receipt was not a legitimate one. Finally, Wal-Mart was visited to find out if the receipt for the chain was real. It was determined the receipts were not from there. Mr. Hicks entered a plea of guilty on September 10, 2018 to one count of Presenting a False Claim for Payment \$2,000 – \$10,000. He was sentenced to five years in prison on his charge. That sentence was then suspended to two years of probation.



As we look forward to 2019, our Insurance Fraud Division will continue to fight against insurance fraud in our state. In the next year, we hope to build upon 2018's success and raise awareness about the need for increased funding so that we can have even more success combatting South Carolina's insurance fraud problem.

A handwritten signature in blue ink that reads "LaRone Washington". The signature is written in a cursive style and is positioned above a horizontal line.

LaRone K. Washington  
Assistant Attorney General  
Director of Insurance Fraud



## SUMMARY

### Status of Cases – 2018

#### Complaints Received from National Insurance Crime Bureau and Constituents

Complaints Received in 2018	2,957
Complaints Unfounded or Declined before SLED Investigation	1,227
Complaints Pending Investigation or Prosecution (12/31/2018)	880

#### Complaints Opened to SLED For Further Investigation

\*explained later in “2018 Cases Opened to SLED by Region”

Complaints opened to SLED in 2018	182
Number of Arrests by SLED in 2018	92
Complaints under investigation by SLED 12/31/18	325

**Disposition of Attorney General Cases**

Cases disposed by Memorandum of Understanding (Civil Fine)	12
Individuals convicted in 2018 ( in General Sessions Court)	39
Number of counties in which convictions were obtained	8
Number of convictions in Staged Accident Rings	21
Cases closed after SLED investigation (not by conviction)	80
Cases where Restitution was ordered	12

**Monies ordered and/or collected pursuant to Civil Dispositions**

<b>CIVIL – MOU’s</b>	<b>AMOUNT</b>
Fines Ordered	\$4,900.00
Fines Collected	\$4,900.00
<b>TOTAL</b>	<b>\$4,900.00</b>

**Monies Ordered Pursuant to Court Order**

<b>COURT ORDERED – RESTITUTION</b>	<b>AMOUNT</b>
Restitution Ordered In Ring Cases	\$58,890.16
Restitution Ordered in Non-Ring Cases	\$38,700.30
<b>TOTAL</b>	<b>\$97,590.46</b>

<b>COURT ORDERED - FINES</b>	<b>AMOUNT</b>
Court Fines Ordered	\$750.00
<b>TOTAL</b>	<b>\$750.00</b>

<b>TOTAL COURT ORDERED MONIES</b>	<b>AMOUNT</b>
Restitution Ordered	\$97,590.46
Court Fines	\$750.00
<b>TOTAL</b>	<b>\$98,340.46</b>



## 2018 ORGANIZED RINGS IN SOUTH CAROLINA

### Sumter Ring #1

- Type of Fraud **Staged Accidents + Forged Medical Bills**
- Number of Defendants **15**
- Ringleader **Gregory Vaughn**
- Convictions/Pleas **9**

### Sumter Ring #2

- Type of Fraud **Staged Accidents + Forged Medical Bills**
- Number of Defendants **35**
- Ringleader **Tyburious Heyward**
- Convictions/Pleas **23**

### Greenville Ring

- Type of Fraud **Staged Accidents + Forged Medical Bills**
- Number of Defendants **21**
- Ringleader **Courtney Kelly**
- Convictions/Pleas **2**

**Florence Ring #1**

- Type of Fraud **Forged Medical Bills**
- Number of Defendants **13**
- Ringleader **Renara and Emeka Burgess**
- Convictions/Pleas **2**

**Florence Ring #2**

- Type of Fraud **Forged Medical Bills**
- Number of Defendants **6**
- Ringleader **Raynette Eaddy**
- Convictions/Pleas **0**

**Lee Ring**

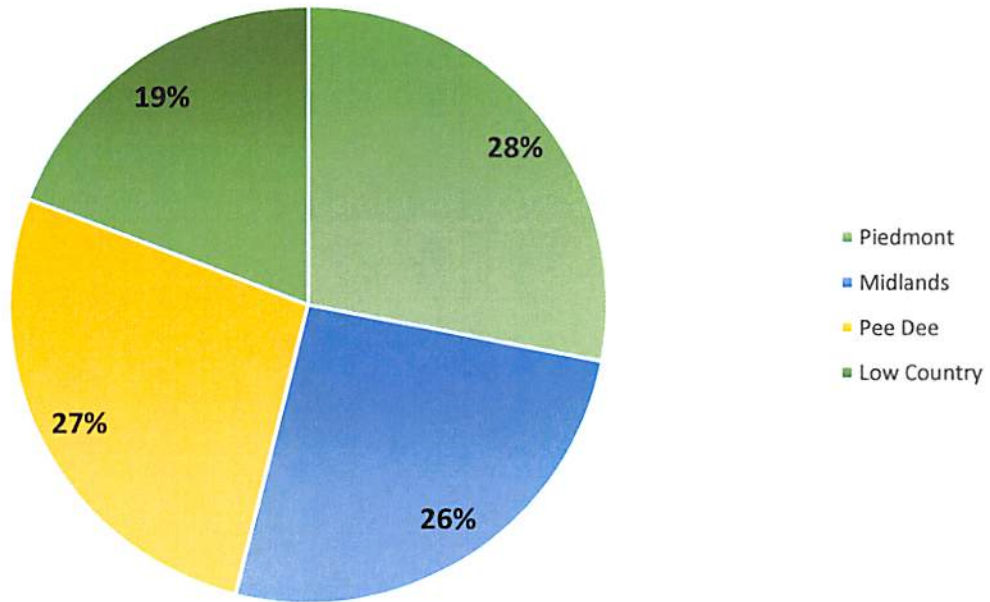
- Type of Fraud **Staged Accident**
- Number of Defendants **7**
- Ringleader **Gregory Vaughn**
- Convictions/Pleas **1**

**Clarendon Ring**

- Type of Fraud **Staged Accident**
- Number of Defendants **4**
- Ringleader **Gregory Vaughn**
- Convictions/Pleas **1**

## 2018 CASES OPENED TO SLED BY REGION

After Assistant Attorneys General decide that a complaint meets the elements of an insurance fraud crime, the office requests SLED to conduct an investigation. During 2018, the Insurance Fraud Division of the Attorney General’s office opened 182 cases to SLED. As the chart below indicates, these cases were received from all areas of the state:

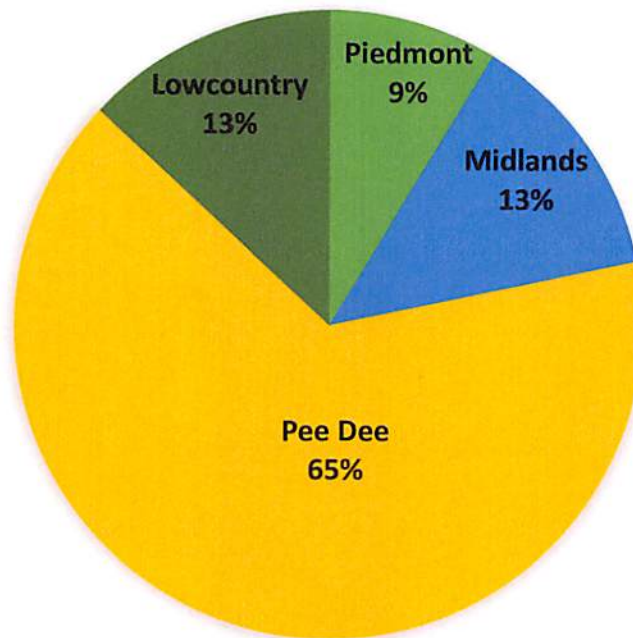


<b>REGION</b>	<b>NUMBER OF CASES</b>	<b>PERCENT OF TOTAL</b>
<b>Piedmont</b>	<b>51</b>	<b>28%</b>
<b>Midlands</b>	<b>47</b>	<b>26%</b>
<b>Pee Dee</b>	<b>49</b>	<b>27%</b>
<b>Low Country</b>	<b>35</b>	<b>19%</b>
<b>Total</b>	<b>182</b>	<b>100%</b>

## 2018 SLED ARRESTS BY REGION

During 2018, the South Carolina Law Enforcement Division had 92 arrests related to Insurance Fraud. As the chart below indicates, these arrests were made in all four regions of the state:

**ARRESTS**



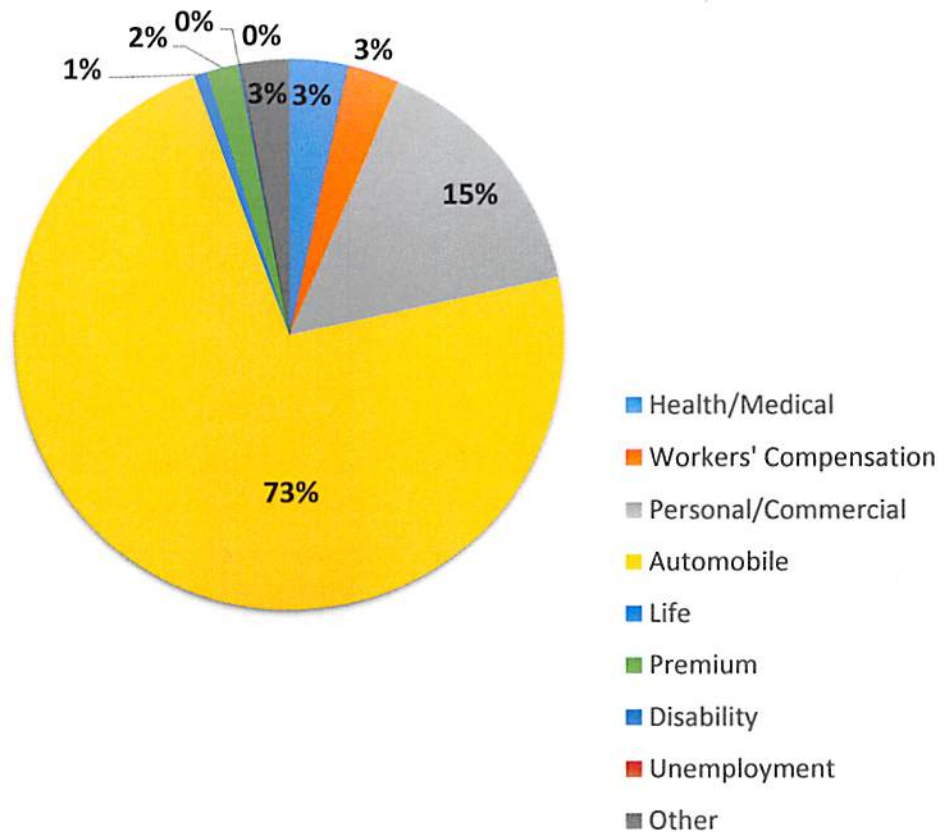
<b>REGION</b>	<b>NUMBER OF ARRESTS</b>	<b>PERCENT OF TOTAL</b>
<b>Piedmont</b>	<b>8</b>	<b>9%</b>
<b>Midlands</b>	<b>12</b>	<b>13%</b>
<b>Pee Dee</b>	<b>60</b>	<b>65%</b>
<b>Low Country</b>	<b>12</b>	<b>13%</b>
<b>Total</b>	<b>92</b>	<b>100%</b>

## 2018 COMPLAINTS RECEIVED BY TYPE OF FRAUD

The fraud complaints received during 2018 by the Insurance Fraud Division consisted of the following types of fraud:

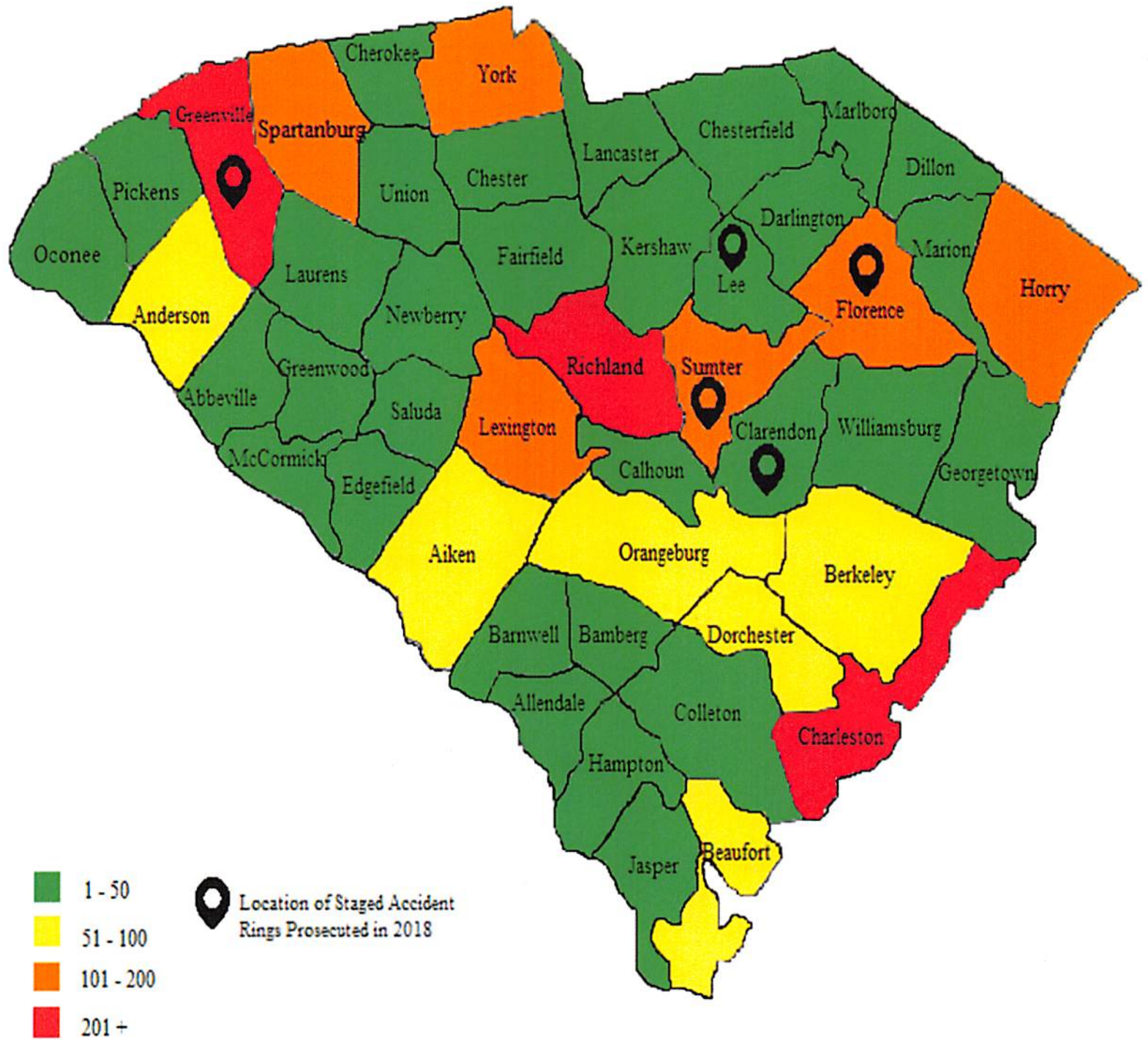
Type of Fraud	Number of Complaints	Percentage of Total
Health/Medical	101	3%
Workers' Compensation	91	3%
Personal/Commercial Property	447	15%
Automobile Insurance	2,151	73%
Life Insurance	23	1%
Premium Fraud	55	2%
Disability Insurance	5	< 1%
Unemployment	1	< 1%
Other	83	3%
<b>TOTAL</b>	<b>2,957</b>	

**Breakdown of Complaints by Type of Fraud Chart – 2018**

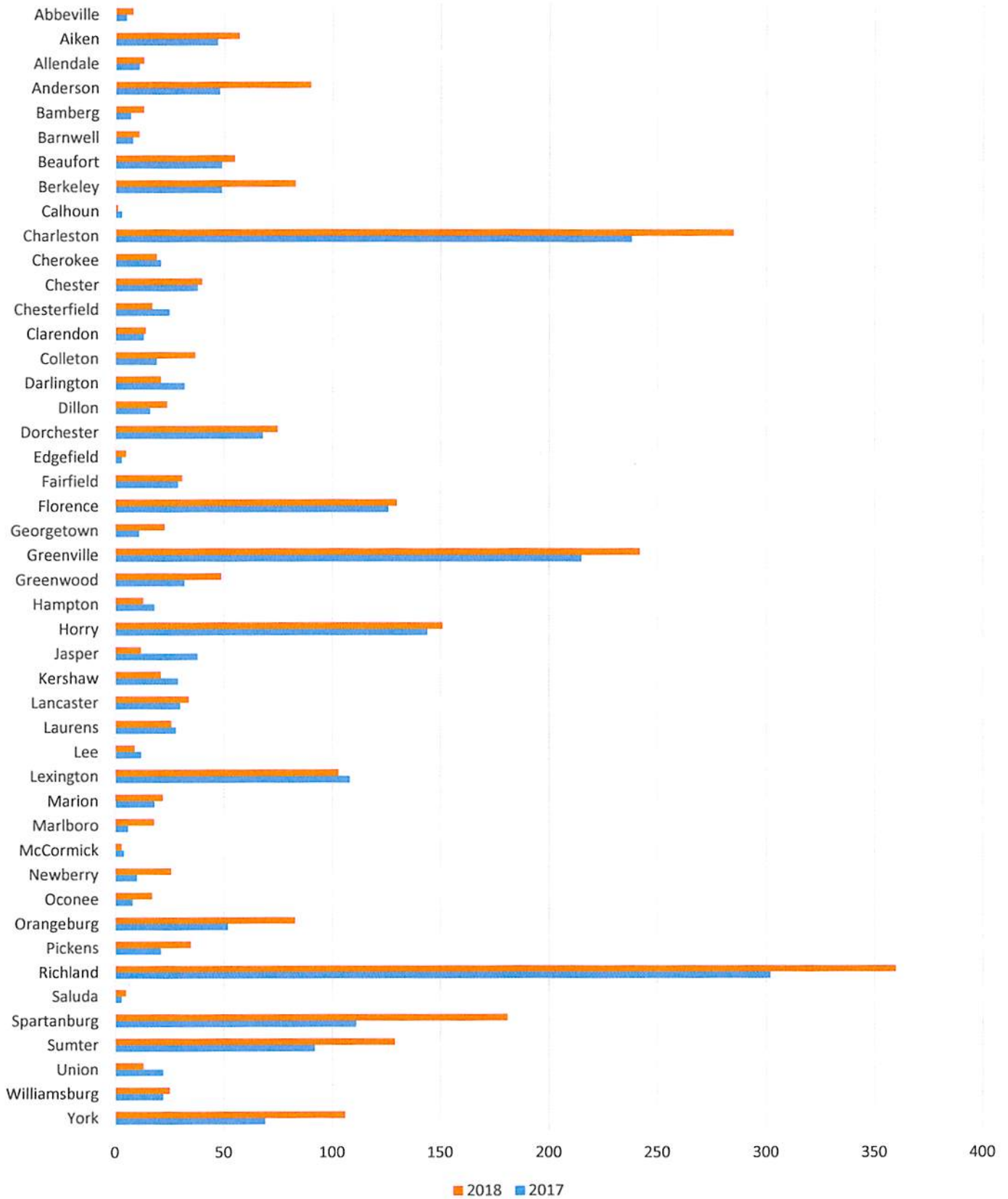




## 2018 COMPLAINTS BY COUNTY MAP



## COUNTY COMPARISON BETWEEN 2017 AND 2018



## 2018 COMPLAINTS BY COUNTY

### ABBEVILLE COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Personal/Commercial	1
Automobile	5
Other	1
<b>TOTAL</b>	<b>8</b>

### AIKEN COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Workers' Compensation	3
Personal/Commercial	11
Automobile	41
Other	1
<b>TOTAL</b>	<b>57</b>

### ALLENDALE COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Personal/Commercial	2
Automobile	10
<b>TOTAL</b>	<b>13</b>

### ANDERSON COUNTY

Type of Fraud	Number of Complaints
Health/Medical	3
Workers' Compensation	1
Personal/Commercial	19
Automobile	64
Disability	1
Other	1
<b>TOTAL</b>	<b>90</b>

## BAMBERG COUNTY

Type of Fraud	Number of Complaints
Automobile	13
<b>TOTAL</b>	<b>13</b>

## BARNWELL COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	1
Automobile	8
Premium	2
<b>TOTAL</b>	<b>11</b>

## BEAUFORT COUNTY

Type of Fraud	Number of Complaints
Health/Medical	6
Workers' Compensation	3
Personal/Commercial	3
Automobile	41
Premium	1
Other	1
<b>TOTAL</b>	<b>55</b>

## BERKELEY COUNTY

Type of Fraud	Number of Complaints
Workers' Compensation	3
Personal/Commercial	17
Automobile	55
Premium	1
Disability	1
Other	6
<b>TOTAL</b>	<b>83</b>

## CALHOUN COUNTY

Type of Fraud	Number of Complaints
Automobile	1
<b>TOTAL</b>	<b>1</b>

## CHARLESTON COUNTY

Type of Fraud	Number of Complaints
Health/Medical	14
Workers' Compensation	8
Personal/Commercial	52
Automobile	193
Life	2
Premium	7
Other	9
<b>TOTAL</b>	<b>285</b>

## CHEROKEE COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Personal/Commercial	5
Automobile	12
Premium	1
<b>TOTAL</b>	<b>19</b>

## CHESTER COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Personal/Commercial	2
Automobile	34
Premium	1
Disability	1
Other	1
<b>TOTAL</b>	<b>40</b>

## CHESTERFIELD COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Health/Medical	1
Automobile	15
Premium	1
<b>TOTAL</b>	<b>17</b>

## CLARENDON COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Health/Medical	2
Personal/Commercial	4
Automobile	8
<b>TOTAL</b>	<b>14</b>

## COLLETON COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Health/Medical	1
Workers' Compensation	2
Personal/Commercial	1
Automobile	31
Premium	1
Other	1
<b>TOTAL</b>	<b>37</b>

## DARLINGTON COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Health/Medical	1
Personal/Commercial	3
Automobile	16
Premium	1
<b>TOTAL</b>	<b>21</b>

## DILLON COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	6
Automobile	17
Premium	1
<b>TOTAL</b>	<b>24</b>

## DORCHESTER COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Workers' Compensation	1
Personal/Commercial	8
Automobile	59
Premium	3
Unemployment	1
Other	2
<b>TOTAL</b>	<b>75</b>

## EDGEFIELD COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Personal/Commercial	2
Automobile	2
<b>TOTAL</b>	<b>5</b>

## FAIRFIELD COUNTY

Type of Fraud	Number of Complaints
Health/Medical	3
Workers' Compensation	1
Personal/Commercial	3
Automobile	22
Premium	1
Other	1
<b>TOTAL</b>	<b>31</b>

## FLORENCE COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Health/Medical	4
Workers' Compensation	2
Personal/Commercial	12
Automobile	104
Premium	2
Other	6
<b>TOTAL</b>	<b>130</b>

## GEORGETOWN COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Health/Medical	1
Workers' Compensation	1
Personal/Commercial	2
Automobile	18
Life	1
<b>TOTAL</b>	<b>23</b>

## GREENVILLE COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Health/Medical	13
Workers' Compensation	14
Personal/Commercial	34
Automobile	166
Life	3
Premium	4
Other	8
<b>TOTAL</b>	<b>242</b>

## GREENWOOD COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Workers' Compensation	2
Personal/Commercial	6
Automobile	41
<b>TOTAL</b>	<b>49</b>



## HAMPTON COUNTY

Type of Fraud	Number of Complaints
Workers' Compensation	2
Personal/Commercial	3
Automobile	7
Premium	1
<b>TOTAL</b>	<b>13</b>

## HORRY COUNTY

Type of Fraud	Number of Complaints
Health/Medical	6
Workers' Compensation	2
Personal/Commercial	32
Automobile	106
Life	1
Premium	1
Other	3
<b>TOTAL</b>	<b>151</b>

## JASPER COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Personal/Commercial	2
Automobile	9
<b>TOTAL</b>	<b>12</b>

## KERSHAW COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	1
Automobile	19
Premium	1
<b>TOTAL</b>	<b>21</b>

## LANCASTER COUNTY

Type of Fraud	Number of Complaints
Health/Medical	3
Personal/Commercial	3
Automobile	26
Life	1
Premium	1
<b>TOTAL</b>	<b>34</b>

## LAURENS COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	7
Automobile	18
Other	1
<b>TOTAL</b>	<b>26</b>

## LEE COUNTY

Type of Fraud	Number of Complaints
Workers' Compensation	1
Personal/Commercial	1
Automobile	7
<b>TOTAL</b>	<b>9</b>

## LEXINGTON COUNTY

Type of Fraud	Number of Complaints
Health/Medical	3
Workers' Compensation	4
Personal/Commercial	20
Automobile	73
Life	1
Premium	1
Other	1
<b>TOTAL</b>	<b>103</b>

## MARION COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	4
Automobile	18
<b>TOTAL</b>	<b>22</b>

## MARLBORO COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	1
Automobile	17
<b>TOTAL</b>	<b>18</b>

## MCCORMICK COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	1
Automobile	1
Life	1
<b>TOTAL</b>	<b>3</b>

## NEWBERRY COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Personal/Commercial	3
Automobile	22
<b>TOTAL</b>	<b>26</b>

## OCONEE COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	4
Automobile	12
Other	1
<b>TOTAL</b>	<b>17</b>

## ORANGEBURG COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Health/Medical	2
Workers' Compensation	1
Personal/Commercial	13
Automobile	64
Premium	2
Other	1
<b>TOTAL</b>	<b>83</b>

## PICKENS COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Health/Medical	1
Workers' Compensation	1
Personal/Commercial	8
Automobile	22
Premium	1
Other	2
<b>TOTAL</b>	<b>35</b>

## RICHLAND COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Health/Medical	7
Workers' Compensation	9
Personal/Commercial	46
Automobile	284
Life	3
Premium	4
Disability	1
Other	6
<b>TOTAL</b>	<b>360</b>

## SALUDA COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Personal/Commercial	1
Automobile	4
<b>TOTAL</b>	<b>5</b>

## SPARTANBURG COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Health/Medical	8
Workers' Compensation	10
Personal/Commercial	26
Automobile	134
Premium	2
Other	1
<b>TOTAL</b>	<b>181</b>

## SUMTER COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Health/Medical	2
Workers' Compensation	2
Personal/Commercial	12
Automobile	106
Life	1
Premium	3
Other	3
<b>TOTAL</b>	<b>129</b>

## UNION COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Personal/Commercial	1
Automobile	11
Disability	1
<b>TOTAL</b>	<b>13</b>

## WILLIAMSBURG COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>
Personal/Commercial	6
Automobile	18
Premium	1
<b>TOTAL</b>	<b>25</b>

## YORK COUNTY

Type of Fraud	Number of Complaints
Health/Medical	4
Workers' Compensation	3
Personal/Commercial	22
Automobile	70
Life	1
Premium	3
Other	3
<b>TOTAL</b>	<b>106</b>

## OUT OF STATE/UNKNOWN

Type of Fraud	Number of Complaints
Health/Medical	7
Workers' Compensation	15
Personal/Commercial	36
Automobile	127
Life	8
Premium	6
Other	23
<b>TOTAL</b>	<b>222</b>

**SELECTED STATUTES FROM THE SOUTH CAROLINA CODE OF LAWS  
PERTAINING TO THE OFFENSES FOR WHICH DEFENDANTS ARE PROSECUTED  
AND CONVICTED**

**§38-55-590. Annual report by Director of Insurance Fraud Division in Office of Attorney General to General Assembly.**

The Director of the Insurance Fraud Division in the Office of the Attorney General shall annually report to the General Assembly regarding:

- (A) the status of matters reported to the division, if not privileged information by law;
- (B) the number of allegations or reports received;
- (C) the number of matters referred to the State Law Enforcement Division for investigation;
- (D) the outcome of all investigations and prosecutions under this article, if not privileged by law;
- (E) the total amount of fines levied by the court and paid to or deposited by the division; and
- (F) patterns and practices of fraudulent insurance transactions identified in the course of performing its duties. The director shall also periodically report this information to insurers transacting business in this State, health maintenance organizations transacting business in this State, and other persons, including the State of South Carolina, which provide benefits for health care in this State, whether these benefits are administered directly or through a third person.

**§ 38-55-530. Definitions.**

As used in this article:

(A) "Authorized agency" means any duly constituted criminal investigative department or agency of the United States or of this State; the Department of Insurance; the Department of Revenue; the Department of Public Safety; the Workers' Compensation Commission; the State Accident Fund; the Second Injury Fund; the Employment Security Commission; the Department of Consumer Affairs; the Human Affairs Commission; the Department of Health and Environmental Control; the Department of Social Services; the Department of Health and Human Services; the Department of Labor, Licensing and Regulation; all other state boards, commissions, and agencies; the Office of the Attorney General of South Carolina; or the prosecuting attorney of any judicial circuit, county, municipality, or political subdivision of this State or of the United States, and their respective employees or personnel acting in their official capacity.

(B) "Insurer" shall have the meaning set forth in Section 38-1-20(25) and includes any authorized insurer, self-insurer, reinsurer, broker, producer, or any agent thereof.

(C) "Person" means any natural person, company, corporation, unincorporated association, partnership, professional corporation, or other legal entity and includes any applicant, policyholder, claimant, medical providers, vocational rehabilitation provider, attorney, agent, insurer, fund, or advisory organization.

(D) "False statement and misrepresentation" means a statement or representation made by a person that is false, material, made with the person's knowledge of the falsity of the statement, and made with the intent of obtaining or causing another to obtain or attempting to obtain or causing another to obtain an undeserved economic advantage or benefit or made with the intent to deny or cause another to deny any benefit or payment in connection with an insurance transaction and such shall constitute fraud.



**§ 38-55-540. Criminal penalties for making false statement or misrepresentation, or assisting, abetting, soliciting or conspiring to do so; restitution to victims.**

(A) A person who knowingly makes a false statement or misrepresentation, and any other person knowingly, with an intent to injure, defraud, or deceive, or who assists, abets, solicits, or conspires with a person to make a false statement or misrepresentation, is guilty of a:

(1) misdemeanor, for a first offense violation, if the amount of the economic advantage or benefit received is less than one thousand dollars. Upon conviction, the person must be fined not less than one hundred nor more than five hundred dollars or imprisoned not more than thirty days;

(2) misdemeanor, for a first offense violation, if the amount of the economic advantage or benefit received is one thousand dollars or more but less than ten thousand dollars. Upon conviction, the person must be fined not less than two thousand nor more than ten thousand dollars or imprisoned not more than three years, or both;

(3) felony, for a first offense violation, if the amount of the economic advantage or benefit received is ten thousand dollars or more but less than fifty thousand dollars. Upon conviction, the person must be fined not less than ten thousand nor more than fifty thousand dollars or imprisoned not more than five years, or both;

(4) felony, for a first offense violation, if the amount of the economic advantage or benefit received is fifty thousand dollars or more. Upon conviction, the person must be fined not less than twenty thousand nor more than one hundred thousand dollars or imprisoned not more than ten years, or both;

(5) felony, for a second or subsequent violation, regardless of the amount of the economic advantage or benefit received. Upon conviction, the person must be fined not less than twenty thousand nor more than one hundred thousand dollars or imprisoned not more than ten years, or both.

(B) In addition to the criminal penalties set forth in subsection (A), a person convicted pursuant to the provisions of this section must be ordered by the court to make full restitution to a victim for any economic advantage or benefit which has been obtained by the person as a result of that violation, and to pay the difference between any taxes owed and any taxes the person paid, if applicable."

**SECTION 38-55-170. Presenting false claims for payment.**

A person who knowingly causes to be presented a false claim for payment to an insurer transacting business in this State, to a health maintenance organization transacting business in this State, or to any person, including the State of South Carolina, providing benefits for health care in this State, whether these benefits are administered directly or through a third person, or who knowingly assists, solicits, or conspires with another to present a false claim for payment as described above, is guilty of a:

- (1) felony if the amount of the claim is ten thousand dollars or more. Upon conviction, the person must be imprisoned not more than ten years or fined not more than five thousand dollars, or both;
- (2) felony if the amount of the claim is more than two thousand dollars but less than ten thousand dollars. Upon conviction, the person must be fined in the discretion of the court or imprisoned not more than five years, or both;
- (3) misdemeanor triable in magistrates court or municipal court, notwithstanding the provisions of Sections 22-3-540, 22-3-545, 22-3-550, and 14-25-65, if the amount of the claim is two thousand dollars or less. Upon conviction, the person must be fined not more than one thousand dollars, or imprisoned not more than thirty days, or both.

**§ 38-55-550. Civil penalties for violations of article; costs; payment; use of revenues; Attorney General to assist Insurance Fraud Division; consent agreements.**

(A) In addition to any criminal liability, any person who is found by a court of competent jurisdiction to have violated any provision of this article, including Section 38-55-170, is subject to a civil penalty for each violation as follows:

- (1) for a first offense, a fine not to exceed five thousand dollars;
- (2) for a second offense, a fine of not less than five thousand dollars but not to exceed ten thousand dollars;
- (3) for a third and subsequent offense, a fine of not less than ten thousand dollars but not to exceed fifteen thousand dollars.

(B) The civil penalty must be paid to the director of the Insurance Fraud Division to be used in accordance with subsection (D) of this section. The court may also award court costs and reasonable attorneys' fees to the director. When requested by the director, the Attorney General may assign one or more deputies attorneys general to assist the bureau in any civil court proceedings against the person.

(C) Nothing in subsections (A) and (B) shall be construed to prohibit the director of the Insurance Fraud Division and the person alleged to be guilty of a violation of this article from entering into a written agreement in which the person does not admit or deny the charges but consents to payment of the civil penalty. A consent agreement may not be used in a subsequent civil or criminal proceeding relating to any violation of this article.

(D) All revenues from the civil penalties imposed pursuant to this section must be used to provide funds for the costs of enforcing and administering the provisions of this article.

**§ 38-43-240. Other offenses by producers.**

(A) It is unlawful for a producer, collector, or other person to:

(1) undertake or pretend to represent an insurer licensed to do business in this State, or to collect or do business for the insurer without the authority of the insurer;

(2) secure cash advances by false statements; or

(3) fail to turn over or satisfactorily account for all collections of the insurer when required.

(B) A person who violates the provisions of this section is guilty of a misdemeanor and, upon conviction, must be fined in the discretion of the court or imprisoned not more than two years.

**§ 16-11-110. Arson.**

(A) A person who wilfully and maliciously causes an explosion, sets fire to, burns, or causes to be burned or aids, counsels, or procures a burning that results in damage to a building, structure, or any property specified in subsections (B) and (C), whether the property of the person or another, which results, either directly or indirectly, in death or serious bodily injury to a person is guilty of the felony of arson in the first degree and, upon conviction, must be imprisoned not less than thirty years.

(B) A person who wilfully and maliciously causes an explosion, sets fire to, burns, or causes to be burned or aids, counsels, or procures a burning that results in damage to a dwelling house, church or place of worship, public or private school facility, manufacturing plant or warehouse, building where business is conducted, institutional facility, or any structure designed for human occupancy including local and municipal buildings, whether the property of the person or another, is guilty of the felony of arson in the second degree and, upon conviction, must be imprisoned not less than three nor more than twenty-five years.

(C) A person commits a violation of the provisions of this subsection who wilfully and maliciously:

(1) causes an explosion, sets fire to, burns, or causes a burning which results in damage to a building or structure other than those specified in subsections (A) and (B), a railway car, a ship, boat, or other watercraft, an aircraft, an automobile or other motor vehicle, or personal property; or

(2) aids, counsels, or procures a burning that results in damage to a building or structure other than those specified in subsections (A) and (B), a railway car, a ship, boat, or other watercraft, an aircraft, an automobile or other motor vehicle, or personal property with intent to destroy or damage by explosion or fire, whether the property of the person or another.

A person who violates the provisions of this subsection is guilty of the felony of arson in the third degree and, upon conviction, must be imprisoned not more than fifteen years.

(D) For purposes of this section, "damage" means an application of fire or explosive that results in burning, charring, blistering, scorching, smoking, singeing, discoloring, or changing the fiber or composition of a building, structure, or any property specified in this section.

### **§ 16-13-10. Forgery.**

(A) It is unlawful for a person to:

(1) falsely make, forge, or counterfeit; cause or procure to be falsely made, forged, or counterfeited; or wilfully act or assist in the false making, forging, or counterfeiting of any writing or instrument of writing;

(2) utter or publish as true any false, forged, or counterfeited writing or instrument of writing;

(3) falsely make, forge, counterfeit, alter, change, deface, or erase; or cause or procure to be falsely made, forged, counterfeited, altered, changed, defaced, or erased any record or plat of land; or

(4) willingly act or assist in any of the premises, with an intention to defraud any person.

(B) A person who violates the provisions of this section is guilty of a:

(1) felony and, upon conviction, must be fined in the discretion of the court or imprisoned not more than ten years, or both, if the amount of the forgery is ten thousand dollars or more;

(2) felony and, upon conviction, must be fined in the discretion of the court or imprisoned not more than five years, or both, if the amount of the forgery is less than ten thousand dollars.

(C) If the forgery does not involve a dollar amount, the person is guilty of a misdemeanor under the jurisdiction of the magistrates or municipal court, notwithstanding the provisions of Sections 22-3-540, 22-3-545, 22-3-550, and 14-25-65, and, upon conviction, must be fined in the discretion of the court or imprisoned not more than three years, or both.

**§ 16-17-722. Filing of false police reports; knowledge; offense; penalties.**

(A) It is unlawful for a person to knowingly file a false police report.

(B) A person who violates subsection (A) by falsely reporting a felony is guilty of a felony and upon conviction must be imprisoned for not more than five years or fined not more than one thousand dollars, or both.

(C) A person who violates subsection (A) by falsely reporting a misdemeanor is guilty of a misdemeanor and must be imprisoned not more than thirty days or fined not more than five hundred dollars, or both.

(D) In imposing a sentence under this section, the judge may require the offender to pay restitution to the investigating agency to offset costs incurred in investigating the false police report.

**§ 16-11-125. Making false claim or statement in support of claim to obtain insurance benefits for fire or explosion loss.**

Any person who wilfully and knowingly presents or causes to be presented a false or fraudulent claim, or any proof in support of such claim, for the payment of a fire loss or loss caused by an explosion, upon any contract of insurance or certificate of insurance which includes benefits for such a loss, or prepares, makes, or subscribes to a false or fraudulent account, certificate, affidavit, or proof of loss, or other documents or writing, with intent that such documents may be presented or used in support of such claim, is guilty of a felony and, upon conviction, must be fined not more than ten thousand dollars or imprisoned for not more than five years or both in the discretion of the court.

The provisions of this section are supplemental to and not in lieu of existing law relating to falsification of documents and penalties therefor.

**§ 38-43-245. Fraudulent insurance application.**

A licensed insurance producer who, with the intent to injure, defraud, or deceive any insurance company or applicant for insurance:

(1) presents or causes to be presented to any insurance company an application for insurance, knowing that the application contains any false or misleading information or omissions concerning any fact or thing material to the underwriting of the insurance for which the application is submitted, or

(2) assists, abets, solicits, or conspires with another to prepare or make an application for insurance, knowing that the application contains any false or misleading information or omissions concerning any fact or thing material to the underwriting of the insurance for which

the applicant is submitted, is guilty of a felony and, upon conviction, must be punished by imprisonment for not more than five years or a fine not to exceed five thousand dollars, or both.

**§ 38-55-580. Immunity from liability arising out of providing information concerning false statements or misrepresentations to authorized agency; malice or bad faith.**

(A) A person, insurer, or authorized agency, when acting without malice or in good faith, is immune from any liability arising out of filing reports, cooperating with investigations by any authorized agency, or furnishing other information, whether written or oral, and whether in response to a request by an authorized agency or upon their own initiative, concerning any suspected, anticipated, or completed false statement or misrepresentation when such reports or information are provided to or received by any authorized agency.

(B) Nothing herein abrogates or modifies in any way common law or statutory privilege or immunity heretofore enjoyed by any person, insurer, or authorized agency.

(C) Nothing herein limits the liability of any person or insurer who, with malice or in bad faith, makes a report of suspected fraud under the provisions of this article.

(D) In addition to the immunity granted in this section, persons identified as designated employees whose responsibilities include the investigation and disposition of claims relating to suspected fraudulent insurance acts may share information relating to persons suspected of committing fraudulent insurance acts with other designated employees employed by the same or other insurers whose responsibilities include the investigation and disposition of claims relating to fraudulent insurance acts, provided the department has been given written notice of the names and job titles of these designated employees prior to any designated employee sharing information. Unless the designated employees of the insurer act in bad faith or in reckless disregard for the rights of any insured, neither the insurer nor its designated employees are civilly liable for libel, slander, or any other relevant tort, and a civil action does not arise against the insurer or its designated employees:

- (1) for any information related to suspected fraudulent insurance acts provided to an insurer; or
- (2) for information related to suspected fraudulent insurance acts provided to the National Insurance Crime Bureau or the National Association of Insurance Commissioners.

Provided, however, that the qualified immunity against civil liability conferred on any insurer or its designated employees shall be forfeited with respect to the exchange or publication of any defamatory information with third persons not expressly authorized by subsection (D) to share in such information.



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