



Annual Report 2020



ALAN WILSON
ATTORNEY GENERAL

A MESSAGE FROM THE ATTORNEY GENERAL

I am proud to present the 2020 annual report of the South Carolina Insurance Fraud Division to the General Assembly. Every year, my office remains focused on the fight against reported insurance fraud in our great state.

In 2020, my office received 2,491 complaints of suspected insurance fraud reported by National Insurance Crime Bureau (NICB) and the Insurance Fraud Hotline, which shows that insurance fraud in South Carolina continues to grow and thrive, even in the middle of worldwide pandemic. We foresee this number continue to grow, especially due to possible fraud cases that will arise due to the pandemic and the vaccine rollout. The 2020 complaints of insurance fraud covered a wide range of insurance policies, as reflected in this report, and were divided as follows: 1,332 (59%) Automobile, 353 (16%) Personal/Commercial, 75 (3%) Workers' Compensation, 64 (3%) Health/Medical, 273 (12%) Premium, 20 (1%) Life Insurance, 11 (<1%) Disability, 8 (<1%) Unemployment, and 141 (6%) Other.

This office works to bring the criminals who commit insurance fraud to justice through the court system. 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 small team, these investigators continue to forward cases to this office for prosecution.

Despite our steadfast efforts to confront this issue, insurance fraud continues to grow in South Carolina. Although our state ranks 23rd in population, according to reports from the National Insurance Crime Bureau (NICB), we currently rank 8th in the nation for staged car wreck complaints and 17th for complaints of suspected insurance fraud. This problem is dangerous and disconcerting, and this type of fraud makes the highways of South Carolina unsafe for innocent drivers. This behavior proves to be dangerous because the individuals committing insurance fraud, pack vehicles full of passengers, sometimes including young children, in an effort to maximize their claim value. While making large claims, these perpetrators exploit emergency services and these schemes take away the resources from those who truly are in states of emergency.

2020 proved to be a difficult year worldwide due to the COVID-19 pandemic. Here in South Carolina, my office pushed through, doing everything they could to continue to investigate and prosecute cases. However, with the closure of the courts, hardships in some businesses, and the pandemic itself, the numbers will be lower than prior years. This is by no means a reflection on the insurance fraud unit, but instead a reflection on the impact caused by a worldwide pandemic.

Keeping that in mind, it is impressive to see what the unit was able to accomplish within all the limitations they were presented with in 2020.

Based on information from the Coalition Against Insurance Fraud and NICB, South Carolina is ranked as one of, if not the lowest, states for insurance fraud funding. We have a \$400,000 insurance fraud budget and 4 dedicated investigators. South Carolina had 26 arrests, \$184,263.50 in restitution ordered and had 21 convictions in 2020. In comparison, our neighbor, North Carolina has a budget of \$5.9 million with over 40 full-time investigators, a forensic accountant, five reserve investigators, three prosecutors dedicated to insurance fraud, and one paralegal, as well as a criminal analyst for their division. North Carolina had 359 arrests, ordered \$6,905,636.00 in restitution, and had 152 convictions in 2020.

Fraud and crime travel the path of least resistance. South Carolina should no longer be a place where criminals are able to get away with crime. Insurance Fraud drains our systems, exploits resources, and raises premiums for all of our citizens. It is not a victimless crime. Every citizen of our great state is a victim of these perpetrators and have to pay for their crimes. Our office understands how vast 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,



Alan Wilson

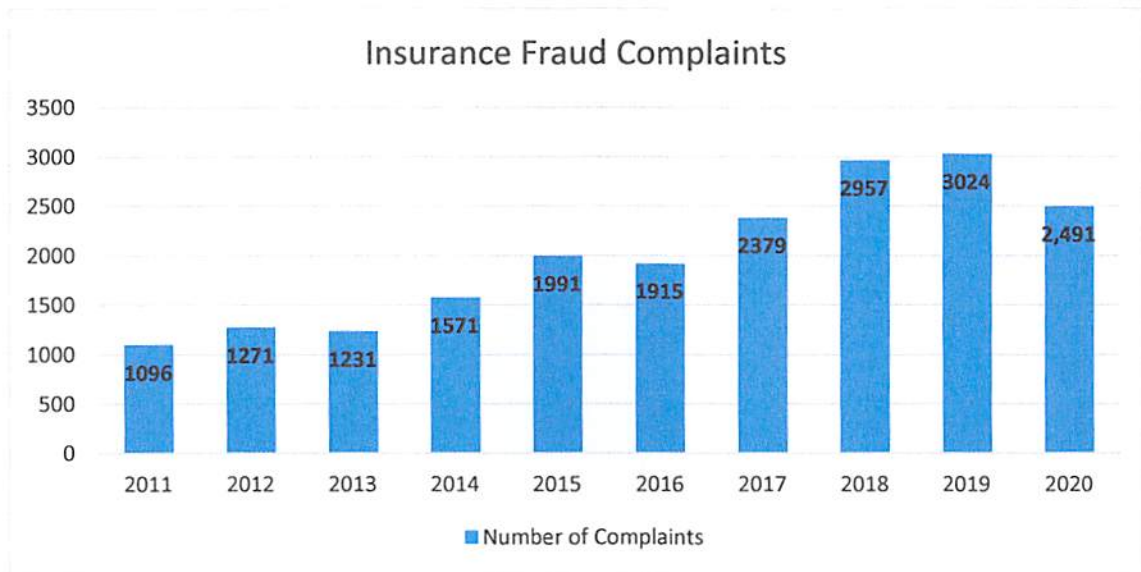
Attorney General



ALAN WILSON
ATTORNEY GENERAL

MESSAGE FROM THE ATTORNEY GENERAL'S INSURANCE FRAUD DIVISION

Insurance Fraud continues to be a substantial problem in our state and has continued to steadily grow each year. We must understand that this crime is not victimless, but rather the victims are South Carolinians who pay higher insurance premiums to counter the money lost by fraud. The victims are the unsuspecting drivers who are taken advantage of during a caused or orchestrated car accident. While the state continues to fight when it comes to prosecuting these large caseloads with a limited staff, the perpetrators continue to be more creative in finding new ways to commit all types of insurance fraud. It is necessary that we address this problem and push for the necessary resources so residents of South Carolina do not continue to feel the consequences of these frauds.



Twenty-seven (27) 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 2020, this small unit and the four SLED agents were and continue to be thorough 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 17th nationally in the amount of questionable claims reported. With this ranking, our state will struggle to prevent insurance fraud because we rank as one of the **last** in funding to fight this growing problem.

Another statistic that must be highlighted is NICB's ranking of our state as 8th in the nation, rising from 10th in 2018, for staged accident fraud. 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. Although we did not receive any new ring cases this year, our office continued to investigate and prosecute the rings we had received in previous years. The investigation and prosecution of these cases demands large numbers of 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. Even when faced with COVID-19, a worldwide pandemic, we remained steadfast in our mission to fight against insurance fraud in our state. Court closures may have made it harder to prosecute, but the attorneys, staff, and agents within our division still worked every day to prepare cases and be ready for courts to reopen. We want to thank all of the private citizens, insurance professionals, and those in law enforcement who reported cases to us in 2020. We also want to thank the investigators within the insurance industry who tirelessly work to investigate these cases. Without their participation and cooperation, fighting against 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), the Social Security Administration, and the South Carolina Insurance News Service for working with our office and for their help in raising the awareness of this fraud.

2020 Notable Cases

State v. Johnson

Mr. Johnson was identified as one of four "ringleaders" in this ring of staged accident/fraudulent medical bills. His first fraudulent instance took place on February 6, 2017. The case involved a motor vehicle accident at Young's Convenience Store on Bagnal Drive in

Sumter County. Sumter Police Department, EMS, and other emergency personnel responded and did inventory of two vehicles packed full of individuals. "Jair Golden" was listed as the rear seat passenger of Johnson's vehicle. Subsequently, Johnson made claims to Geico for the vehicle occupants, totaling \$59,750.30. Golden's pay out totaled \$16,564.12. Later the insurance company flagged this claim, and SLED was called in for an investigation. The SLED agent reviewed body cam footage of the first responders and saw Shawn Johnson impersonating "Jair Golden." The investigator interviewed individuals in the vehicles and found out this accident was also staged.

Johnson's second fraudulent instance took place on April 10, 2017. Mr. Johnson was involved in a vehicle collision at A&P Convenience Store off Plowden Mill Rd in Sumter County with Johnson's sister and others. Sumter Police Department responded. Occupants in the vehicles involved in the collision made more than \$30,000 claims. After a review of the bills submitted for the insurance claims, the bills were found to be fabricated. A SLED investigation was done on the fraudulent claims. SLED interviewed Johnson's sister, who said she got the altered bills from her brother in her name and she presented them to the insurance company.

The third instance occurred on April 28, 2017. The case involved another vehicle collision at A&P Convenience Store with "Khalil Hilton" and other passengers. After the accident, Hilton made a bodily injury claim to Geico for over \$8,000. A review of the documents submitted to Geico showed the files were fraudulent. SLED also investigated this case. The SLED agent noticed Johnson's mother was listed as Hilton's emergency contact and the documents also listed Johnson's address. Moreover, the height and weight listed on the documents were clearly wrong as well. In an interview with SLED, Hilton eventually admitted he had given his personal identifying information to Johnson so Johnson could use it in this claim. The investigation even found Johnson went to the hospital impersonating Hilton.

On January 15, 2020, Judge George McFaddin sentenced Johnson pursuant to the Youthful Offender Act to a sentence not to exceed 5 years and suspended the sentence to 5 years of probation. A special condition of his probation is to pay \$29,943.12 of restitution.

State v. Bennett

Lewis Bennett pleaded guilty to two incidents that occurred in 2017. The first incident happened on February 6, 2017. The events began with a vehicle collision with Shyquan Soloman on Bagnal Drive in Sumter County. Sumter Police Department responded, and a patrolman investigated the crash. The parties in the vehicle made insurance claims. The insurance companies had previous investigations of numerous similar fraudulent claims in the Sumter area. Because of the familiarity with this fraud, the claims were flagged. SLED investigated this case. A Special Agent began reviewing the claim file, and his investigation revealed that Bennett had impersonated Shyquan Soloman during a phone call with GEICO. Soloman was never actually in the accident. Bennett admitted to the Special Agent that he called in to the insurance company and impersonated Soloman. During an interview with Soloman, he provided a statement to the Special Agent that Bennett had confronted him about doing the

accident and making some money. Solomon also stated that Bennett went to Carolinas Hospital and impersonated him using his name, date of birth, and social security number.

The second incident happened on April 28, 2017. Lewis Denzel Bennett was a passenger in an automobile accident, while the vehicle was pulling out of the A&P Mart on Plowden Mill Road in Sumter County. Bennett was sitting in the rear of a vehicle when the vehicle collided with another because the other driver failed to yield. Sumter Police Department responded. In a post-accident insurance claim, Bennett informed the GEICO representative he went to Carolinas Hospital in Florence after the accident. He denied knowing any party in the other vehicle. Based on Sumter residents traveling to Carolinas Hospital for treatment and the parties involved, the claim was flagged by the insurance company. Upon meeting with Special Agent Joe Neff, Bennett confessed to submitting an altered bill after the accident.

On February 3, 2020, Bennett pleaded guilty to Making a False Statement or Misrepresentation in front of Judge Ferrell Cothran. Judge Cothran sentenced him to three years in prison, suspended to two years of probation and to repay the money paid out for the claims.

State v. Burgess

This case involved a ring of people who were submitting altered medical bills to insurance companies. The scheme spanned from September 2013 – July 2015 and involved nearly twenty people and over ten claims. The ringleader in the scheme was Renara Burgess. In some cases she altered her own or her children's medical bills and submitted them to the insurance companies. In other cases she recruited and coached others on how to alter their own medical bills and submit them to their insurance companies.

One incident took place on September 26, 2014. Co-defendants of Burgess were in a car accident on East Palmetto Street in the area of Francis Marion Rd. and South Evander Drive in Florence County. Two of the vehicle occupants were taken to the hospital. Their hospital bills were given to Renara Burgess who altered them and submitted them to State Farm Insurance. The bills were eventually flagged as suspicious. When confronted with the alterations, confessions were given by the claimants that their bills were given to Renara Burgess to be altered.

Another incident took place on July 8, 2015. Other co-defendants got into an accident near Zaxby's in Florence County. The vehicle occupants went to the hospital and faxed their bills into Nationwide. All of the bills were altered. SLED was brought in to do an investigation. Participants confessed that everyone gave their bills to Burgess who altered them and changed the information. One co-defendant, specifically, stated she gave her bills to Burgess to alter because Burgess kept pressuring her to do so. After the insurance money was received by this co-defendant, Burgess came by her residence and demanded money.

Burgess pleaded guilty in front of Judge Michael Nettles on October 14, 2020. He sentenced her to ten years in prison. That sentence was suspended to ninety-days in jail followed by five years of probation and sixty thousand dollars of restitution.

State v. Colclough

On June 22, 2016, Latroy Colclough reported to Sumter Police Department that an unknown suspect entered a vehicle parked at his residence and his garage without his knowledge or permission. Mr. Colclough reported that multiple items were taken from the car and the garage, and those items, including his child's hearing aids, totaled an amount over \$13,000.

No signs of forced entry were found at the residence so the claim was investigated for fraud. Special Agent Neff met with Sumter Police Department. The responding officer stated Colclough never mentioned the items he reported stolen to the insurance company. Agent Neff also reviewed a bill of sale sent in to the insurance company by Colclough from Children's Hospital of Atlanta for his son's alleged hearing aids. Neff confirmed the bill was fraudulent and altered. Colclough's son was not seen at the hospital near that date. Additionally, SLED met with the Defendant's mother, and she confirmed the Colclough did not have a son.

LaTroy Colclough pleaded guilty in front of Judge Kirk Griffin on November 17, 2020. Judge Griffin sentenced Colclough to ninety days in jail. The jail time was suspended to a \$250.00 fine to be paid within 120 days.

State v. Gainey

Derik Gainey, a resident of Darlington County, was employed by United Insurance Company as a field agent. Part of the defendant's responsibilities included going door to door collecting insurance premiums. During an annual audit, United Insurance Company discovered a \$7,457.59 deficit in Gainey's account, spanning from October 13, 2014 – December 1, 2014. This deficit was caused by Gainey moving money from current accounts to delinquent accounts, as to not reduce his commission-based pay. Gainey was arrested and charged under §38-43-240(A) for Failure to Remit Insurance Premiums. Judge Paul M. Burch presided over Gainey's guilty plea on January 15, 2020. Judge Burch sentenced Gainey to fifteen months in the South Carolina Department of Corrections. This sentence was suspended to three years of probation. A special condition of his probation is to repay \$7,457.59 to United Insurance Company.



LaRone K. Washington
Assistant Attorney General
Director of Insurance Fraud



SUMMARY

Status of Cases – 2020

Complaints Received from National Insurance Crime Bureau and Constituents

Complaints Received in 2020	2,491
Complaints Declined for Prosecution before SLED Investigation	1,965
Total Complaints Pending Investigation or Prosecution (12/31/2020)	780

Complaints Opened to SLED For Further Investigation Before Prosecution

Complaints opened by SLED in 2020	115
Number of Arrests by SLED in 2020	26
Complaints under investigation by SLED as of 12/31/20	345

Disposition of Attorney General Cases

Cases disposed by Memorandum of Understanding (MOU)	4
Individuals convicted in 2019 (in General Sessions Court)	21
Number of counties in which convictions were obtained	7
Number of convictions in Staged Accident Rings	15
Cases where Restitution was ordered	16
Total Restitution ordered	\$184,263.50

Monies ordered and/or collected pursuant to Civil Dispositions

CIVIL – MOU’s	AMOUNT
Fines Ordered	\$1,250.00
Fines Collected	\$1,250.00
TOTAL	\$1,250.00

Monies Ordered and/or Collected Pursuant to Court Order

COURT ORDERED – RESTITUTION	AMOUNT
Restitution Ordered In Ring Cases	\$171,305.91
Restitution Ordered in Non-Ring Cases	\$12,957.59
TOTAL	\$184,263.50

COURT ORDERED - FINES	AMOUNT
Court Fines Ordered in Ring Cases	\$3,086.25
Court Fines Ordered in Non-Ring Cases	\$1454.88
TOTAL	\$4,541.13

TOTAL COURT ORDRED MONIES	AMOUNT
Restitution Ordered	\$184,263.50
Court Fines	\$4,541.13
TOTAL	\$188,804.63



2018-2019 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 **11**

Sumter Ring #2

- Type of Fraud **Staged Accidents + Forged Medical Bills**
- Number of Defendants **35**
- Ringleader **Tyburious Heyward**
- *Convictions/Pleas **31**

Greenville Ring

- Type of Fraud **Staged Accidents + Forged Medical Bills**
- Number of Defendants **21**
- Ringleader **Courtney Kelly**
- *Convictions/Pleas **8**

Florence Ring #1

- Type of Fraud **Forged Medical Bills**
- Number of Defendants **13**
- Ringleader **Renara and Emeka Burgess**
- *Convictions/Pleas **3**

Florence Ring #2

- Type of Fraud **Forged Medical Bills**
- Number of Defendants **6**
- Ringleader **Raynette Eaddy**
- +Convictions/Pleas **1**

Lee Ring

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

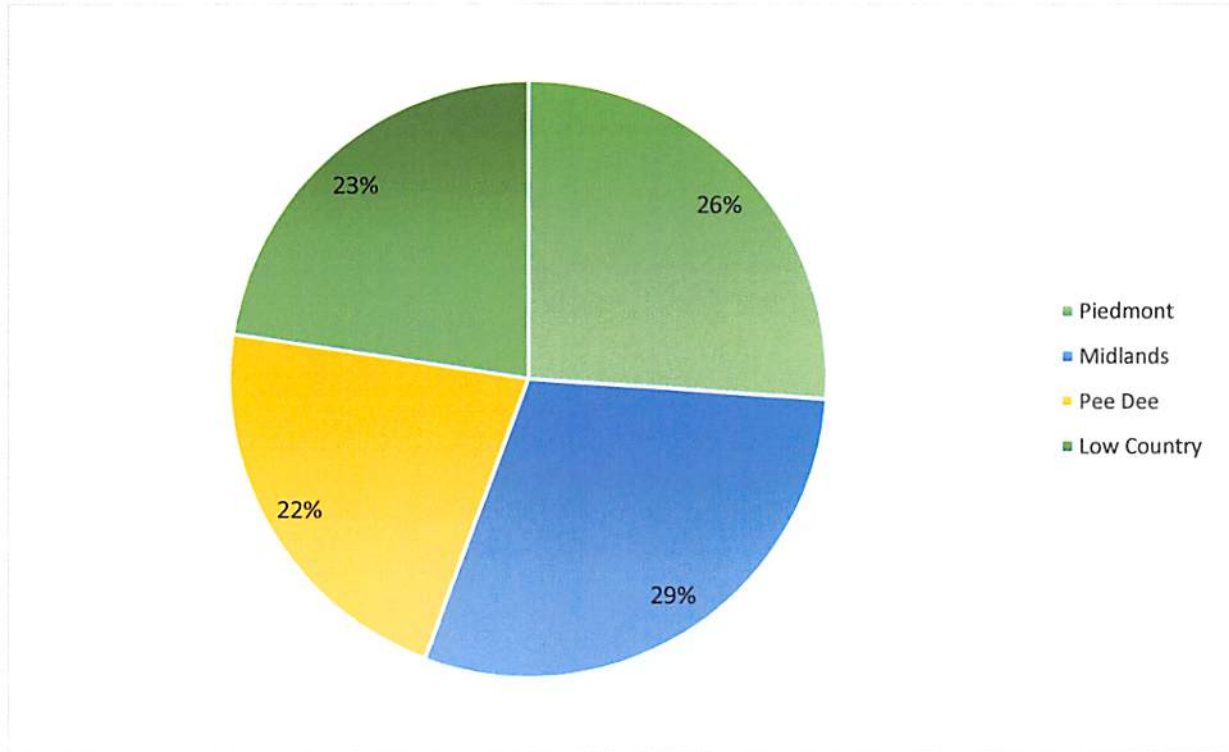
Clarendon Ring

- Type of Fraud **Staged Accident**
- Number of Defendants **4**
- Ringleader **Gregory Vaughn**
- *Convictions/Pleas **3**

***Convictions as of 12/31/2020; some defendant's cases still pending.**

2020 CASES OPENED TO SLED BY REGION

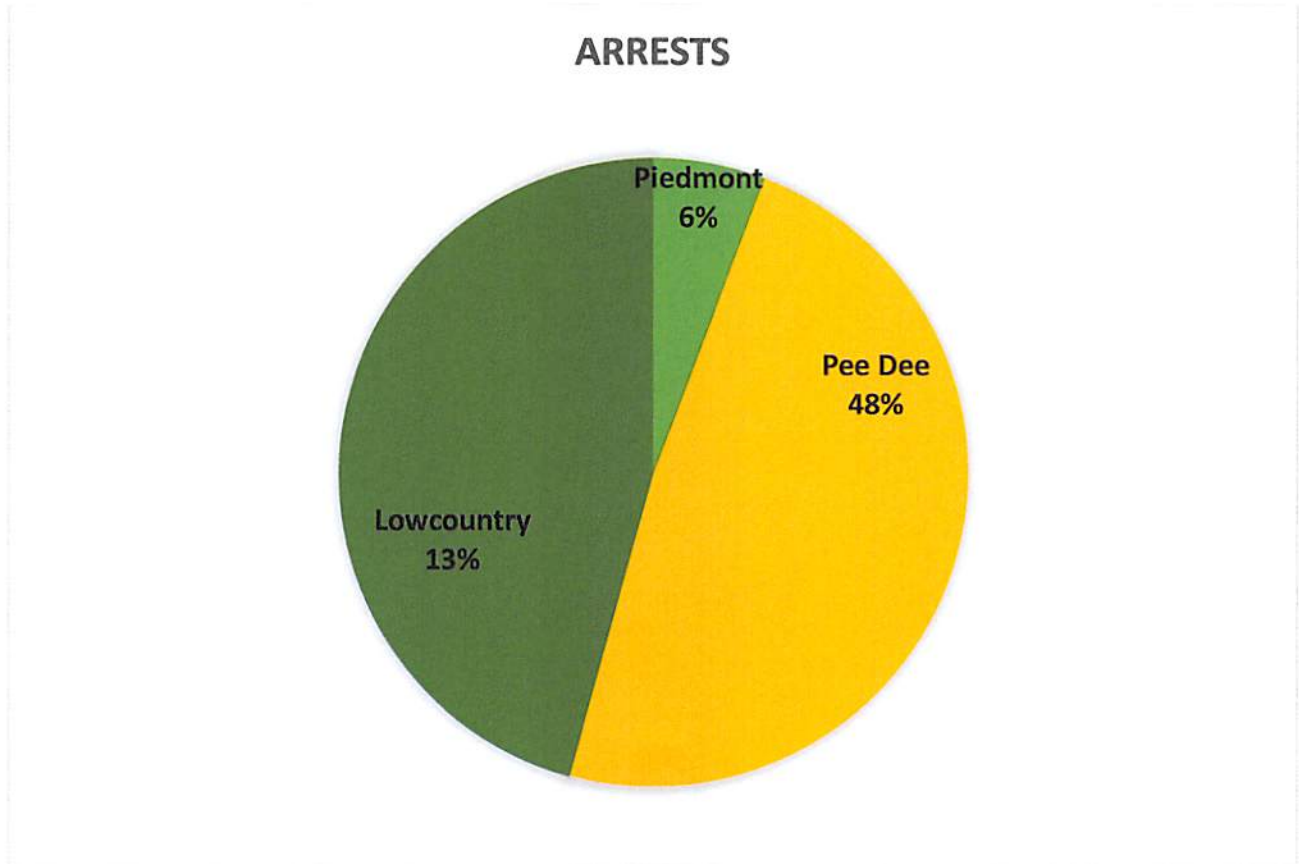
Referrals are sent to the South Carolina Law Enforcement Division in order to decide if a complaint meets the elements of an insurance fraud crime. During 2020, SLED opened 115 cases deeming them necessary for further investigation. As the chart below indicates, these cases were received from all areas of the state:



REGION	NUMBER OF CASES	PERCENT OF TOTAL
Piedmont	30	26%
Midlands	34	29%
Pee Dee	25	22%
Low Country	26	23%
Total	115	

2020 SLED ARRESTS BY REGION

During 2020, the South Carolina Law Enforcement Division had 26 arrests related to Insurance Fraud. As the chart below indicates, these arrests were made in all four regions of the state:



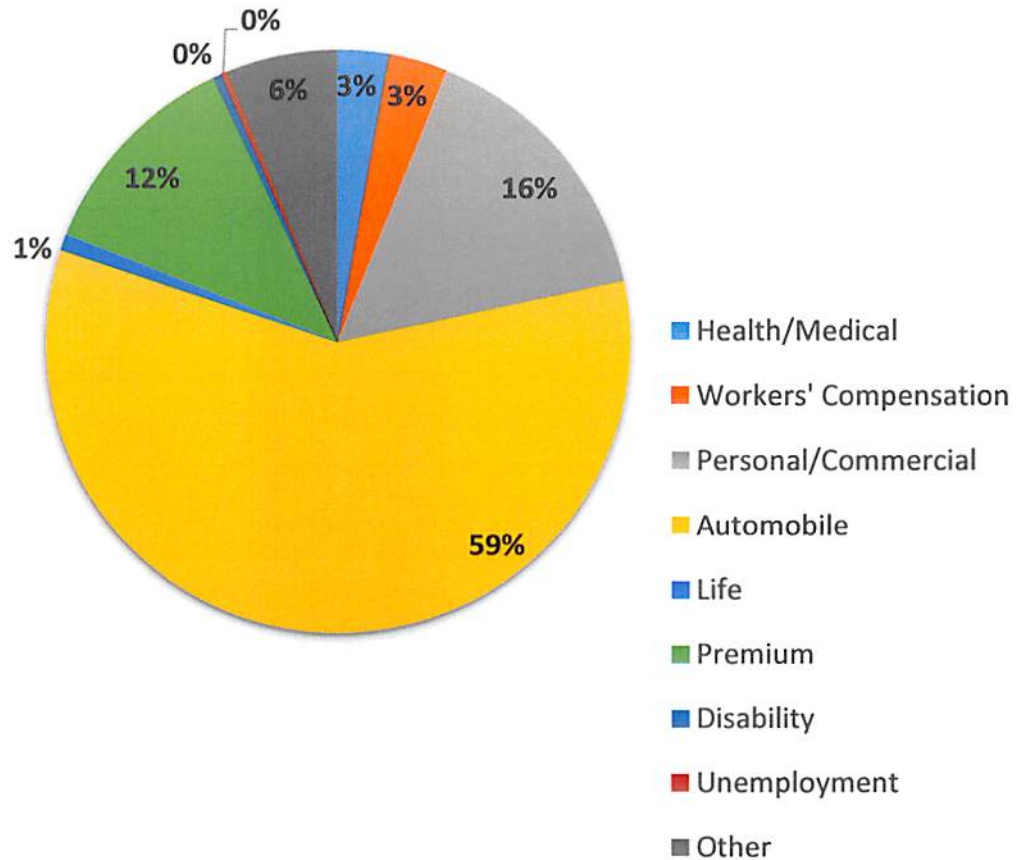
REGION	NUMBER OF ARRESTS	PERCENT OF TOTAL
Piedmont	2	6%
Midlands	0	0%
Pee Dee	17	48%
Low Country	7	13%
Total	26	

2020 COMPLAINTS RECEIVED BY TYPE OF FRAUD

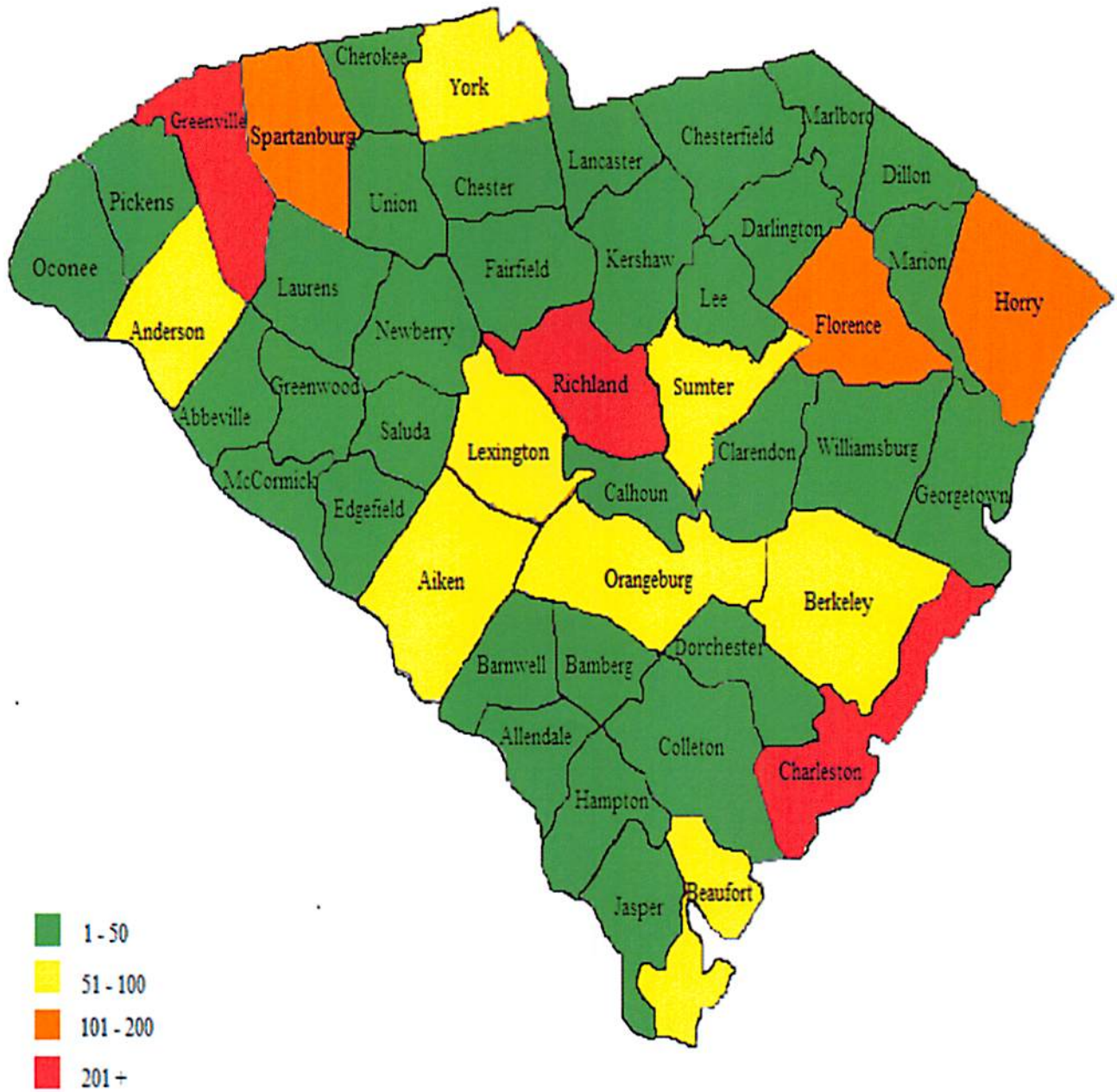
The fraud complaints received during 2020 by the Insurance Fraud Division consisted of the following types of fraud:

Type of Fraud	Number of Complaints	Percentage of Total
Health/Medical	64	3%
Workers' Compensation	75	3%
Personal/Commercial Property	353	16%
Automobile Insurance	1332	59%
Life Insurance	20	1%
Premium Fraud	487	12%
Disability Insurance	11	<1%
Unemployment	8	<1%
Other	141	6%
TOTAL	2,491	

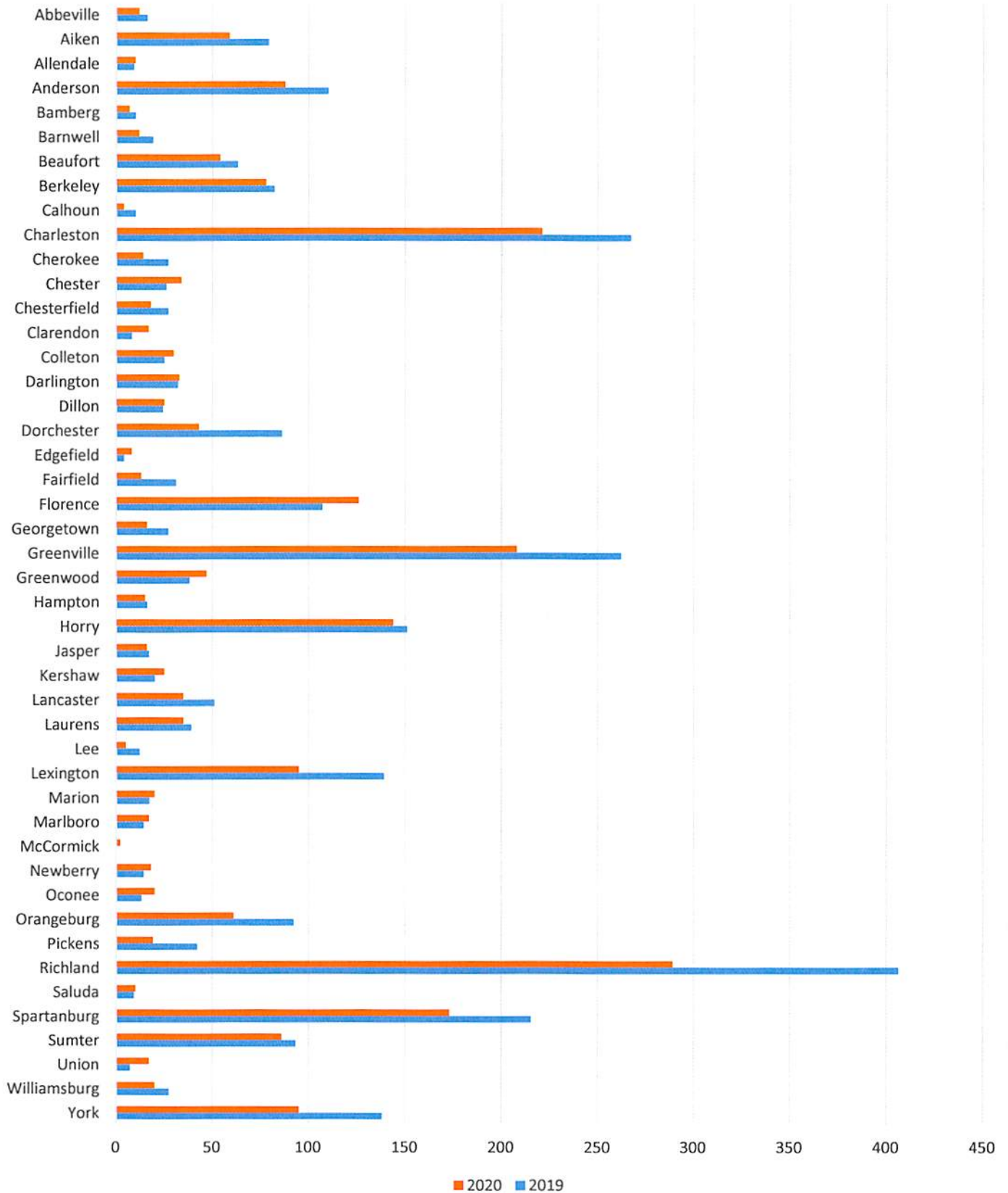
Breakdown of Complaints by Type of Fraud Chart – 2020



2020 COMPLAINTS BY COUNTY MAP



COUNTY COMPARISON BETWEEN 2019 AND 2020



2020 COMPLAINTS BY COUNTY

ABBEVILLE COUNTY

Type of Fraud	Number of Complaints
Worker's Compensation	1
Automobile	7
Premium	2
Unemployment	2
TOTAL	12

AIKEN COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Worker's Compensation	6
Personal/Commercial	14
Automobile	22
Premium	12
Other	4
TOTAL	59

ALLENDALE COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	1
Automobile	6
Premium	3
TOTAL	10

ANDERSON COUNTY

Type of Fraud	Number of Complaints
Health/Medical	7
Worker's Compensation	5
Personal/Commercial	16
Automobile	37
Life	1
Premium	15
Other	7
TOTAL	88

BAMBERG COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	1
Automobile	1
Life	2
Premium	3
TOTAL	7

BARNWELL COUNTY

Type of Fraud	Number of Complaints
Worker's Compensation	1
Personal/Commercial	5
Automobile	6
TOTAL	12

BEAUFORT COUNTY

Type of Fraud	Number of Complaints
Health/Medical	2
Worker's Compensation	1
Personal/Commercial	10
Automobile	18
Premium	19
Other	4
TOTAL	54

BERKELEY COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Worker's Compensation	2
Personal/Commercial	7
Automobile	38
Life	3
Premium	22
Other	5
TOTAL	78

CALHOUN COUNTY

Type of Fraud	Number of Complaints
Automobile	3
Premium	1
TOTAL	4

CHARLESTON COUNTY

Type of Fraud	Number of Complaints
Health/Medical	8
Worker's Compensation	5
Personal/Commercial	27
Automobile	123
Premium	45
Other	13
TOTAL	221

CHEROKEE COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	1
Automobile	8
Premium	4
Other	1
TOTAL	14

CHESTER COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Personal/Commercial	3
Automobile	23
Premium	5
Other	2
TOTAL	34

CHESTERFIELD COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Worker's Compensation	1
Personal/Commercial	3
Automobile	8
Premium	5
TOTAL	18

CLARENDON COUNTY

Type of Fraud	Number of Complaints
Worker's Compensation	1
Personal/Commercial	3
Automobile	11
Premium	2
TOTAL	17

COLLETON COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Automobile	21
Premium	7
Other	1
TOTAL	30

DARLINGTON COUNTY

Type of Fraud	Number of Complaints
Health/Medical	2
Worker's Compensation	1
Personal/Commercial	4
Automobile	22
Premium	3
Disability	1
TOTAL	33

DILLON COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	4
Automobile	14
Life	1
Premium	2
Disability	1
Other	3
TOTAL	25

DORCHESTER COUNTY

Type of Fraud	Number of Complaints
Worker's Compensation	1
Personal/Commercial	5
Automobile	21
Premium	9
Disability	1
Other	6
TOTAL	43

EDGEFIELD COUNTY

Type of Fraud	Number of Complaints
Automobile	6
Premium	1
Other	1
TOTAL	8

FAIRFIELD COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	2
Automobile	7
Premium	2
Other	2
TOTAL	13

FLORENCE COUNTY

Type of Fraud	Number of Complaints
Health/Medical	4
Worker's Compensation	2
Personal/Commercial	13
Automobile	79
Life	1
Premium	23
Unemployment	2
Other	2
TOTAL	126

GEORGETOWN COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	1
Automobile	10
Premium	4
Other	1
TOTAL	16

GREENVILLE COUNTY

Type of Fraud	Number of Complaints
Health/Medical	4
Worker's Compensation	6
Personal/Commercial	38
Automobile	106
Life	3
Premium	43
Other	8
TOTAL	208

GREENWOOD COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Worker's Compensation	1
Personal/Commercial	6
Automobile	26
Premium	11
Other	2
TOTAL	47

HAMPTON COUNTY

Type of Fraud	Number of Complaints
Automobile	11
Premium	4
TOTAL	15

HORRY COUNTY

Type of Fraud	Number of Complaints
Health/Medical	4
Worker's Compensation	6
Personal/Commercial	21
Automobile	77
Life	1
Premium	22
Disability	1
Other	12
TOTAL	144

JASPER COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	1
Automobile	13
Premium	1
Other	1
TOTAL	16

KERSHAW COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Personal/Commercial	4
Automobile	13
Premium	6
Disability	1
TOTAL	25

LANCASTER COUNTY

Type of Fraud	Number of Complaints
Worker's Compensation	1
Personal/Commercial	5
Automobile	19
Premium	5
Other	5
TOTAL	35

LAURENS COUNTY

Type of Fraud	Number of Complaints
Worker's Compensation	1
Personal/Commercial	2
Automobile	27
Life	1
Premium	2
Unemployment	2
TOTAL	35

LEE COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	2
Automobile	3
TOTAL	5

LEXINGTON COUNTY

Type of Fraud	Number of Complaints
Worker's Compensation	8
Personal/Commercial	12
Automobile	48
Life	1
Premium	21
Other	5
TOTAL	95

MARION COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Worker's Compensation	3
Personal/Commercial	1
Automobile	10
Premium	5
TOTAL	20

MARLBORO COUNTY

Type of Fraud	Number of Complaints
Health/Medical	2
Automobile	10
Premium	4
Other	1
TOTAL	17

MCCORMICK COUNTY

Type of Fraud	Number of Complaints
Automobile	2
TOTAL	2

NEWBERRY COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	1
Automobile	10
Premium	4
Other	3
TOTAL	18

OCONEE COUNTY

Type of Fraud	Number of Complaints
Worker's Compensation	1
Personal/Commercial	5
Automobile	12
Premium	2
TOTAL	20

ORANGEBURG COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	9
Automobile	39
Premium	9
Other	4
TOTAL	61

PICKENS COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Personal/Commercial	5
Automobile	8
Premium	3
Disability	1
Other	1
TOTAL	19

RICHLAND COUNTY

Type of Fraud	Number of Complaints
Health/Medical	9
Worker's Compensation	7
Personal/Commercial	47
Automobile	156
Life	2
Premium	56
Disability	1
Unemployment	2
Other	9
TOTAL	289

SALUDA COUNTY

Type of Fraud	Number of Complaints
Automobile	6
Premium	2
Other	2
TOTAL	10

SPARTANBURG COUNTY

Type of Fraud	Number of Complaints
Health/Medical	4
Worker's Compensation	5
Personal/Commercial	32
Automobile	76
Life	2
Premium	44
Disability	1
Other	9
TOTAL	173

SUMTER COUNTY

Type of Fraud	Number of Complaints
Health/Medical	2
Worker's Compensation	2
Personal/Commercial	17
Automobile	43
Premium	14
Disability	3
Other	5
TOTAL	86

UNION COUNTY

Type of Fraud	Number of Complaints
Worker's Compensation	3
Automobile	10
Premium	3
Other	1
TOTAL	17

WILLIAMSBURG COUNTY

Type of Fraud	Number of Complaints
Health/Medical	2
Personal/Commercial	1
Automobile	12
Premium	4
Other	1
TOTAL	20

YORK COUNTY

Type of Fraud	Number of Complaints
Health/Medical	3
Worker's Compensation	2
Personal/Commercial	13
Automobile	49
Premium	18
Other	10
TOTAL	95

OUT OF STATE/UNKNOWN

Type of Fraud	Number of Complaints
Health/Medical	2
Worker's Compensation	2
Personal/Commercial	11
Automobile	55
Life	2
Premium	15
Other	10
TOTAL	97

**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.



ALAN WILSON
ATTORNEY GENERAL

**THE HONORABLE ALAN WILSON
SOUTH CAROLINA ATTORNEY GENERAL
INSURANCE FRAUD DIVISION
P.O. Box 11549
Columbia, South Carolina 29211
Telephone: 803-737-6424
Fax 803-734-0084
Hotline: 1-888-95-FRAUD**

**LaRone K. Washington
Director of Insurance Fraud
Assistant Attorney General**

**Jordan Grubbs
Program Coordinator**

**Melanie Cain
Legal Assistant**

**THE HONORABLE ALAN WILSON
SOUTH CAROLINA ATTORNEY GENERAL
INSURANCE FRAUD DIVISION**

ANNUAL REPORT 2020



CURRENT INSURANCE FRAUD STAFF:

LaRone K. Washington
Director of Insurance Fraud
Assistant Attorney General

Jordan Grubbs
Program Coordinator

Melanie Cain
Legal Assistant