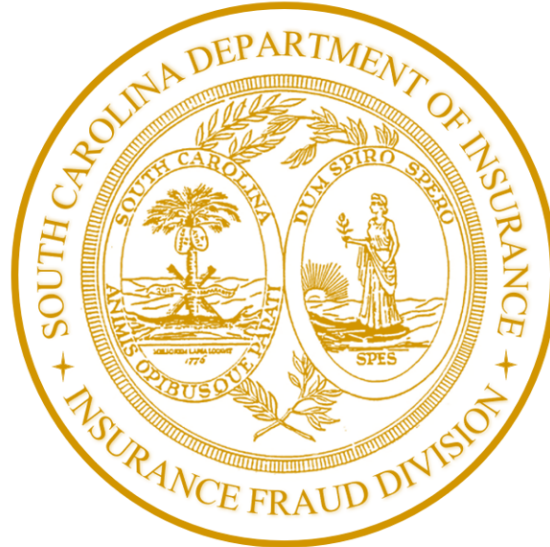


# Annual Report 2021

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South Carolina Department of Insurance  
Insurance Fraud Division  
1201 Main Street, Suite 1000  
Columbia, South Carolina 29201  
Telephone: 803-737-6424  
Hotline: 1-888-95-FRAUD  
Fax: 803-737-0195

## Current Insurance Fraud Division Staff:

Joshua R. Underwood  
Special Assistant Attorney General  
Director, Insurance Fraud Division

Larry G. Wedekind  
Special Assistant Attorney General

Moultrie D. Roberts  
Special Assistant Attorney General

T. Brandon Steen  
Special Assistant Attorney General

Della Sisson  
Paralegal

Ellen DuBois  
Paralegal



# South Carolina Department of Insurance

Capitol Center  
1201 Main Street, Suite 1000  
Columbia, South Carolina 29201

HENRY McMASTER  
Governor

MICHAEL WISE  
Acting Director

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Mailing Address:  
P.O. Box 100105, Columbia, S.C. 29202-3105

## MESSAGE FROM THE ACTING DIRECTOR OF INSURANCE

I proudly present the 2021 Annual Report of the South Carolina Insurance Fraud Division to the General Assembly. This report marks the beginning of the Insurance Fraud Division joining the South Carolina Department of Insurance.

Director Raymond G. Farmer, now retired, endeavored for several years to bring the Insurance Fraud Division into the Department of Insurance. In 2021, that goal was finally achieved with the execution of a Memorandum of Understanding between the Department of Insurance, the Attorney General's Office, and the South Carolina Law Enforcement Division (SLED). This agreement, combined with funding from the General Assembly, brought the Insurance Fraud Division to the Department of Insurance midway through the calendar year. The Insurance Fraud Division shall continue to operate pursuant to the MOU until legislation makes the change permanent.

This past year revealed that insurance fraud continues to persist and grow in South Carolina despite the recent COVID-19 pandemic. In 2021, the Insurance Fraud Division received a combined total of 2,573 complaints of suspected insurance fraud, a slight increase from the previous year. These complaints came to the Attorney General's Office and the Department of Insurance by way of reports from the National Insurance Crime Bureau (NICB), individual insurance companies, and citizens utilizing online complaint forms and the Insurance Fraud Hotline. The complaints from 2021 involve a wide range of insurance products as further explained in this report.

Two statistics from 2021 must be mentioned in this report. First, despite South Carolina ranking 23<sup>rd</sup> in population, NICB reports that we currently rank 15<sup>th</sup> in the country for questionable insurance claims. In 2020, South Carolina ranked 17<sup>th</sup> for overall insurance fraud complaints. This shows that the amount of suspected insurance fraud in South Carolina has risen faster than in other states.

Even more importantly, South Carolina has risen from 8<sup>th</sup> to 7<sup>th</sup> nationally in suspected staged vehicle wrecks. This type of fraud creates danger to our citizens. The people who commit this fraud stage fake car "accidents" for the purpose of making money from insurance claims. To increase the profit from these claims, the perpetrators pack the vehicles with passengers, often including children, to inflate potential claims for bodily injury. In many cases, everyone involved in the "collision" is a knowing participant in the fraud. Unfortunately, in other cases the perpetrators intentionally cause collisions with innocent and unsuspecting drivers. These schemes take advantage of emergency services and divert these resources from people truly in need of help.

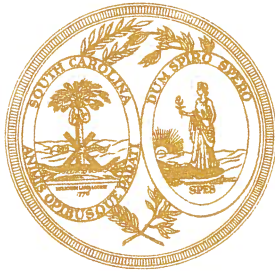
Ultimately, this fraud affects the safety of our roads and adds to the cost of premiums paid by every South Carolina driver.

The Department of Insurance recognizes the scope of insurance fraud in South Carolina and the problems caused by these crimes. Insurance fraud diverts resources and increases costs affecting every citizen of this great state. Insurance fraud is not a victimless crime. The Department of Insurance remains dedicated to the cause of fighting insurance fraud and will continue to support the Insurance Fraud Division in the year ahead. The Department looks forward to the development of the unit, its continued cooperation with SLED, and their successful investigations and prosecutions in the months and years ahead.

Sincerely,



Michael Wise  
Acting Director of Insurance



# South Carolina Department of Insurance

HENRY McMASTER  
Governor

RAYMOND G. FARMER  
Director

## MESSAGE FROM THE RETIRING DIRECTOR OF INSURANCE

The 2021 annual report of the South Carolina Insurance Fraud Division represents a fresh start and renewed commitment to South Carolina's fight against insurance fraud. This is the first annual report of the Insurance Fraud Division to come from the South Carolina Department of Insurance.

The Insurance Fraud Division was statutorily created as part of the Omnibus Insurance Fraud and Reporting Immunity Act in 1994. This law placed the Insurance Fraud Division within the Office of the Attorney General and mandated the South Carolina Law Enforcement Division to conduct investigations into insurance fraud. The General Assembly took this action because it recognized, at that time, that insurance fraud was a significant problem for South Carolina. Unfortunately, that problem has grown in volume and complexity.

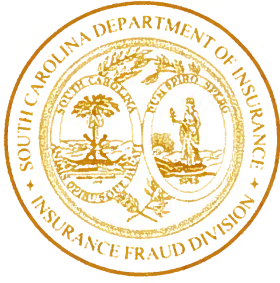
In 2021, the Department of Insurance, the Office of the Attorney General, and SLED entered into a memorandum of understanding to relocate the Insurance Fraud Division to the Department of Insurance to prosecute insurance fraud related crimes under the authority of the Attorney General. In conjunction with this MOU, the General Assembly authorized the funding of up to \$2 million for the Department of Insurance to staff the Insurance Fraud Division with a Director, 4 additional prosecutors, and 4 support staff positions and for 5 dedicated SLED agents. Legislation, namely bill H. 3586, was also introduced in the General Assembly to permanently relocate the Insurance Fraud Division to the Department of Insurance. The House of Representatives passed this bill with tremendous support. As of my retirement on April 15, 2022, this legislation is still pending in the South Carolina Senate.

This new funding, combined with the agreement and partnership between the Department, the Attorney General, and SLED, represents a huge step forward in the fight against insurance fraud in South Carolina. The reinvigorated Insurance Fraud Division is now operational and housed within the Department of Insurance along with SLED's Insurance Fraud Unit. Now, for the first time, all of the State's insurance subject matter experts, including the insurance fraud prosecutors, SLED investigators, and DOI regulators, are all housed under the same roof. This new level of collaboration will prove to be a great benefit to the insurance industry and the citizens of South Carolina.

Sincerely,

A handwritten signature in blue ink, which appears to read "Raymond G. Farmer".

Raymond G. Farmer  
Director of Insurance



# South Carolina Department of Insurance

Capitol Center  
1201 Main Street, Suite 1000  
Columbia, South Carolina 29201

**HENRY McMASTER**  
Governor

**MICHAEL WISE**  
Acting Director

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Mailing Address:  
P.O. Box 100105, Columbia, S.C. 29202-3105

## MESSAGE FROM THE INSURANCE FRAUD DIVISION

The Insurance Fraud Division was established by the Omnibus Insurance Fraud and Reporting Immunity Act in 1994. This Act created the Division within the Office of the Attorney General to prosecute insurance fraud throughout the State. The Act further requires the South Carolina Law Enforcement Division (SLED) to investigate allegations of insurance fraud. In 2021, the Office of the Attorney General, SLED, and the Department of Insurance entered into a Memorandum of Understanding to relocate the Insurance Fraud Division to the Department of Insurance. This MOU was made possible by a new funding proviso from the General Assembly. The House of Representatives passed bill H.3586, still pending in the Senate, to make this relocation permanent.

Pursuant to this agreement, the Attorney General will appoint certain attorneys, hired by the Department of Insurance, as Special Assistant Attorneys General to prosecute insurance fraud related crimes under the general supervision and control of the Attorney General. SLED will continue to investigate insurance fraud as a partner with the Insurance Fraud Division. The Department of Insurance will employ and house the staff of the Insurance Fraud Division. The Department of Insurance will also provide office space and equipment for SLED's five insurance fraud investigators and their supervising lieutenant to facilitate the partnership of the investigators and the prosecutors.

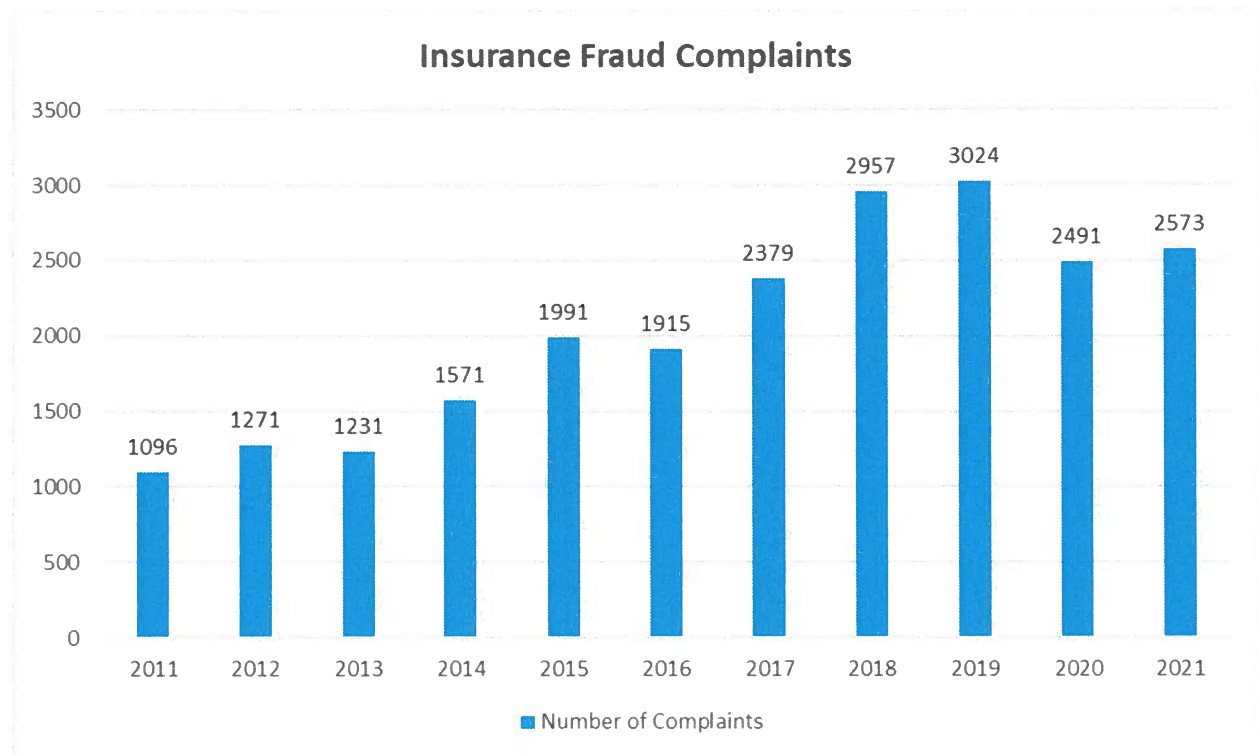
In 2021, the Department of Insurance hired six new full-time employees to staff the Insurance Fraud Division. The new Director of the Insurance Fraud Division also serves as one of the Special Assistant Attorneys General to prosecute insurance fraud cases across the state. Three more Special Assistant Attorneys General, all experienced attorneys, and two paralegals have also been hired. An additional prosecutor and a program coordinator are expected to be hired in 2022.

Much of the second half of 2021 focused on the transition of the Insurance Fraud Division from the Office of the Attorney General to the Department of Insurance. A large part of this transition deals with the backlog of existing cases. Ultimately, it was agreed that the Attorney General's Office would retain some of the cases at the prosecution stage in which that office was already heavily invested. The Department of Insurance has assumed responsibility for the remaining cases at the prosecution stage as well as all matters that were currently pending review or investigation as of August 2021. The transfer of the backlog of cases pending review or SLED investigation has proven to be the most cumbersome part of the transition with copies of these files continuing to be delivered well into 2022.

This transition also involved the transfer of insurance fraud reporting methods. The toll-free Insurance Fraud Hotline now rings inside the Department of Insurance. The Department has also added an online complaint form to its website. Most importantly, the Department of Insurance has taken over the daily download of insurance fraud complaints from the National Association of Insurance Commissioners and the NICB. The daily downloads represent the vast majority of complaints received in any given year.

The Insurance Fraud Division has begun to build a new case management system to track cases from initial complaint through final disposition. This system is expected to be operational before the end of the fiscal year. This case management system will do more than increase efficiency. It will allow for greater tracking methods which will increase analytical abilities to better identify insurance fraud trends. This new system will also improve the abilities of SLED and the Insurance Fraud Division to share case information.

Insurance fraud persists as a substantial problem in our state. The number of complaints peaked at 3,024 in 2019. As the state and the nation endured the COVID-19 pandemic, the number of complaints dipped to 2,491 in 2020 with an uptick to 2,573 in 2021. Despite dealing with the pandemic, the past 2 years each saw more than double the 1,096 complaints in 2011. As the nation emerges from the pandemic, the number of complaints is expected to rise even more.



Together, the Department of Insurance, SLED, and the Attorney General's Office all recognize that insurance fraud is not a victimless crime. Every citizen who must pay higher insurance premiums to recoup the money lost to fraud is a victim. Every innocent driver and passenger who gets caught up in a staged collision is a victim. Every person or business that must absorb the cost of a loss when no insurance exists because a contractor presents a false certificate of insurance is a victim. The Insurance Fraud Division remains dedicated to fighting insurance fraud in this state.

We would like to thank the private citizens, insurance professionals, and members of law enforcement who reported cases of suspected insurance fraud in 2021. We also thank the investigators and other insurance professionals who investigate these cases. Without their work and assistance, the fight against insurance fraud would be near impossible. We also thank the National Insurance Crime Bureau (NICB), the Coalition Against Insurance Fraud, the South Carolina chapter of the International Association of Special Investigative Units (IASIU), the South Carolina Insurance Association, and the Independent Insurance Agents & Brokers of South Carolina for partnering with our office and for their work in raising the awareness of insurance fraud.

Respectfully,



Joshua R. Underwood  
Special Assistant Attorney General  
Director, Insurance Fraud Division





## SUMMARY

### Status of Cases – 2021\*

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

Complaints Received in 2021	2573
Complaints Declined for Prosecution before SLED Investigation	2198
Total Matters Pending Review, Investigation or Prosecution as of 12/31/2021	683

#### **Complaints Opened to SLED For Further Investigation Before Prosecution**

Complaints Opened by SLED in 2021	107
Number of Arrests by SLED in 2021	16
Complaints under Investigation by SLED as of 12/31/2021	224

\*This report contains a combination of statistics supplied by the South Carolina Department of Insurance, the Office of the Attorney General, and SLED.

**Disposition of Cases**

Cases disposed by Memorandum of Understanding (MOU)	3
Individuals convicted in 2021 (in General Sessions Court)	9
Number of counties in which convictions were obtained	3
<b>Total Restitution ordered</b>	<b>\$268,585.06</b>

**Monies Ordered and/or Collected Pursuant to Civil Dispositions**

<b>CIVIL – MOU’s</b>	<b>AMOUNT</b>
Fines Ordered	\$750.00
Fines Collected	\$750.00
<b>TOTAL</b>	<b>\$750.00</b>

**Monies Ordered and/or Collected Pursuant to Court Order**

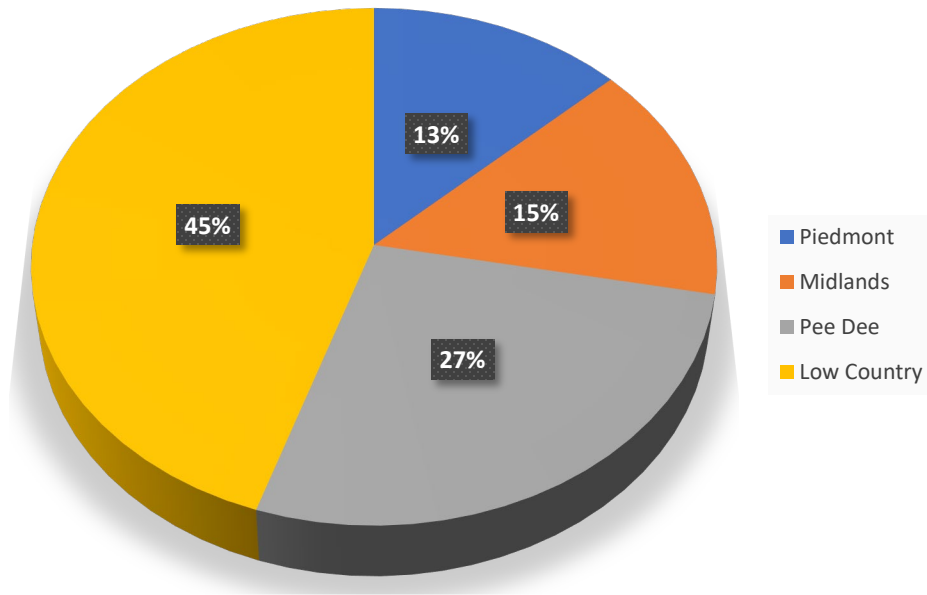
<b>COURT ORDERED – RESTITUTION</b>	<b>AMOUNT</b>
<b>TOTAL</b>	<b>\$268,585.06</b>

<b>COURT ORDERED – FINES</b>	<b>AMOUNT</b>
<b>TOTAL</b>	<b>\$772.50</b>

<b>TOTAL COURT ORDERED MONIES</b>	<b>AMOUNT</b>
Restitution Ordered	\$268,585.06
Court Fines	\$772.50
<b>TOTAL</b>	<b>\$269,357.56</b>

## 2021 CASES OPENED BY SLED BY REGION

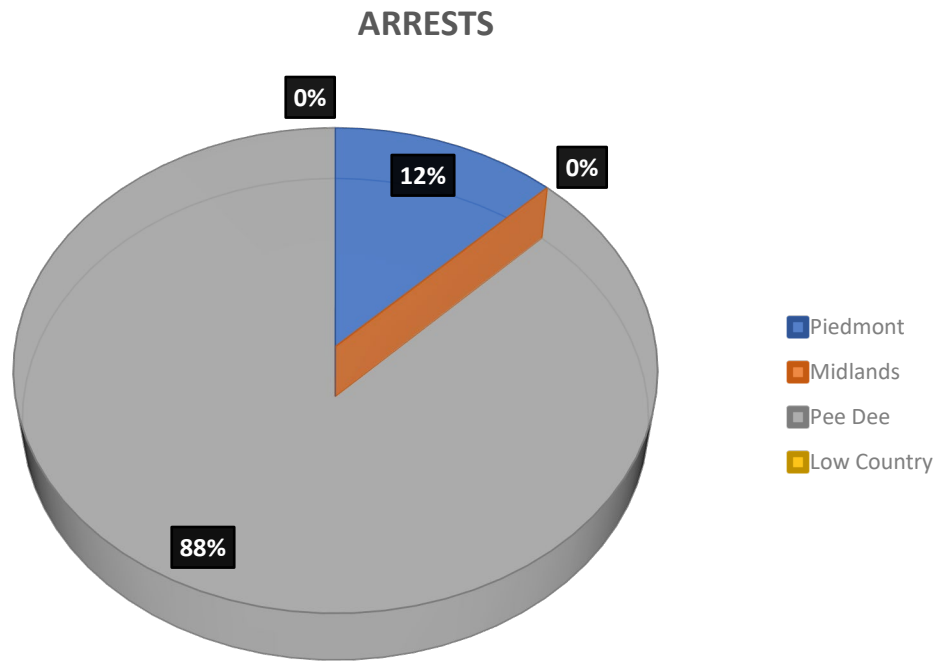
Referrals are sent to the South Carolina Law Enforcement Division (SLED) in order to decide if a complaint meets the elements of an insurance fraud crime. During 2021, SLED opened 107 cases deeming them necessary for further investigation. As the chart below indicates, these cases were received from all areas of the state:



REGION	NUMBER OF CASES	PERCENT OF TOTAL
Piedmont	14	13%
Midlands	16	15%
Pee Dee	29	27%
Low Country	48	45%
<b>TOTAL</b>	<b>107</b>	

## 2021 SLED ARRESTS BY REGION

During 2021, the South Carolina Law Enforcement Division (SLED) had 16 arrests related to Insurance Fraud. As the chart below indicates, these arrests were made in two regions of the state:



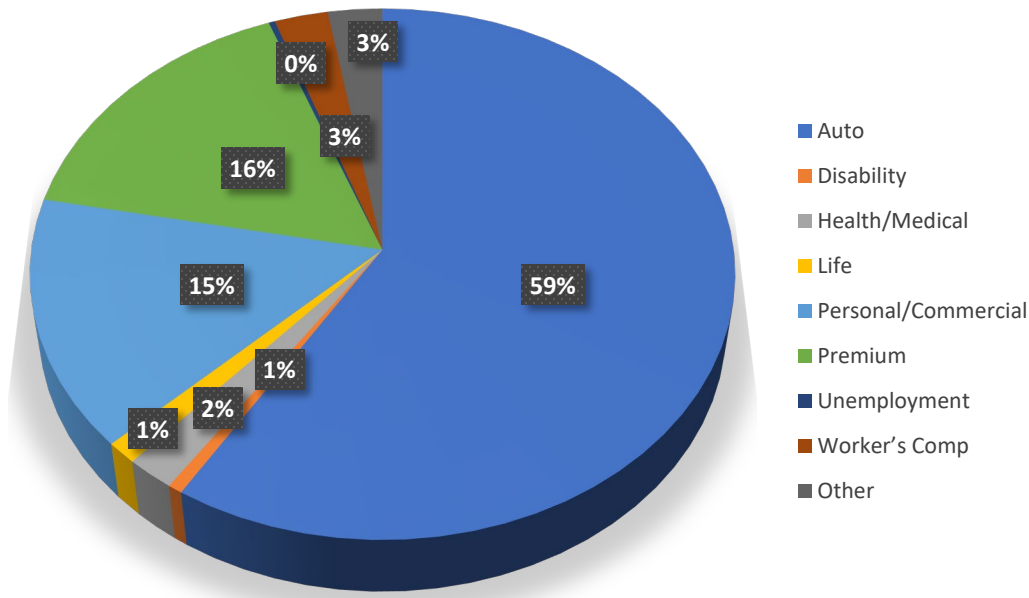
REGION	NUMBER OF ARRESTS	PERCENT OF TOTAL
Piedmont	2	12%
Midlands	0	0%
Pee Dee	14	88%
Low Country	0	0%
<b>TOTAL</b>	<b>16</b>	

## 2021 COMPLAINTS RECEIVED BY TYPE OF FRAUD

The fraud complaints received during 2021 by the Insurance Fraud Division consisted of the following types of fraud:

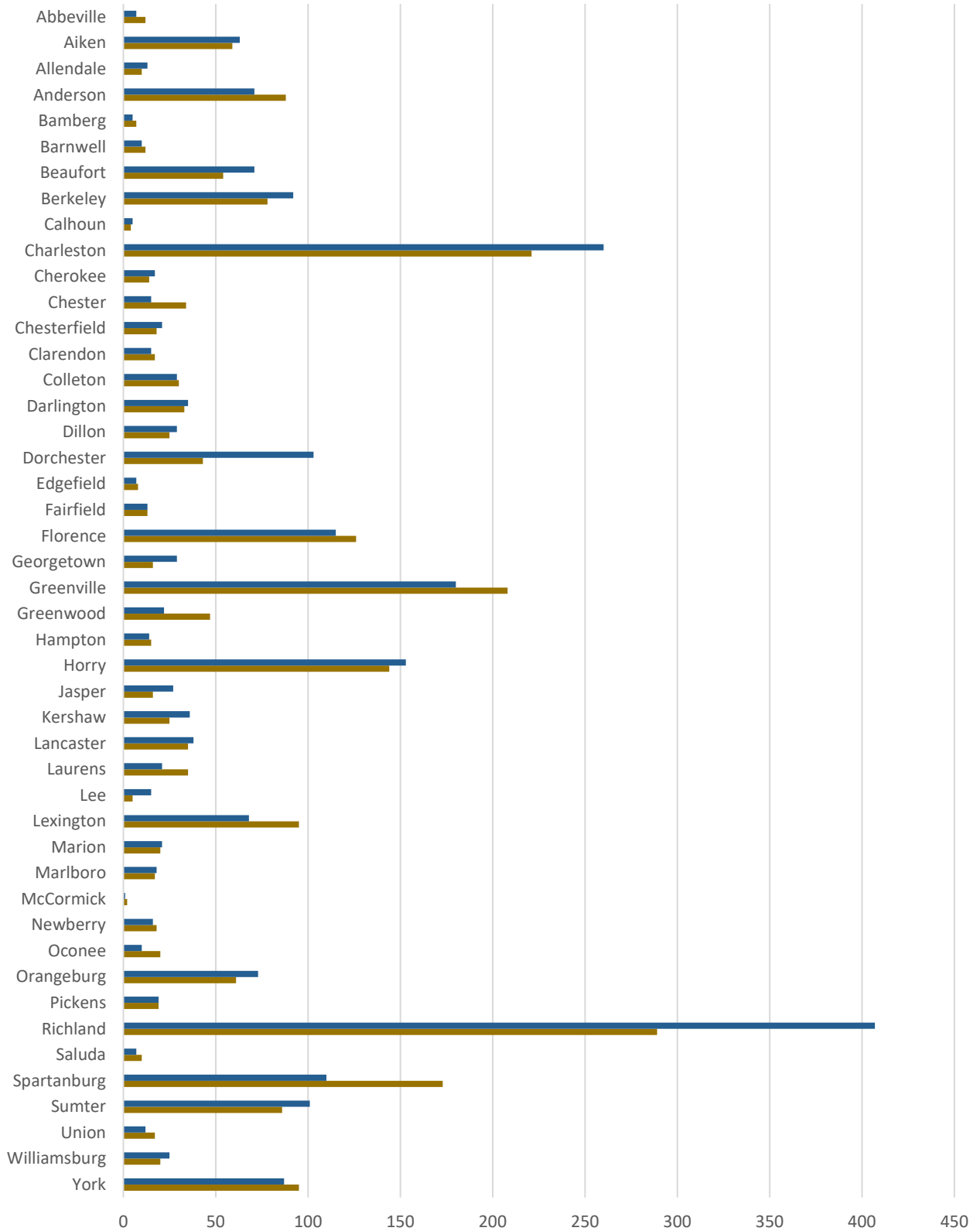
TYPE OF FRAUD	NUMBER OF COMPLAINTS	PERCENTAGE OF TOTAL
Auto	1515	59%
Disability	16	0.62%
Health/Medical	53	2%
Life	34	1%
Personal/Commercial	392	15%
Premium	416	16%
Unemployment	8	0.31%
Worker's Comp	69	3%
Other	70	3%
<b>TOTAL</b>	<b>2573</b>	

**Breakdown of Complaints by Type of Fraud Chart – 2021**



## COUNTY COMPARISON BETWEEN 2020 AND 2021

■ 2021 ■ 2020



## 2021 COMPLAINTS BY COUNTY

### ABBEVILLE COUNTY

Type of Fraud	Number of Complaints
Automobile	5
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	1
Premium	1
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>7</b>

### AIKEN COUNTY

Type of Fraud	Number of Complaints
Automobile	35
Disability	0
Health/Medical	1
Life	1
Personal/Commercial	10
Premium	12
Unemployment	0
Worker's Compensation	2
Other	2
<b>TOTAL</b>	<b>63</b>

### ALLENDALE COUNTY

Type of Fraud	Number of Complaints
Automobile	12
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	1
Premium	0
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>13</b>

## ANDERSON COUNTY

Type of Fraud	Number of Complaints
Automobile	39
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	14
Premium	12
Unemployment	0
Worker's Compensation	3
Other	3
<b>TOTAL</b>	<b>71</b>

## BAMBERG COUNTY

Type of Fraud	Number of Complaints
Automobile	4
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	0
Premium	1
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>5</b>

## BARNWELL COUNTY

Type of Fraud	Number of Complaints
Automobile	7
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	2
Premium	0
Unemployment	0
Worker's Compensation	1
Other	0
<b>TOTAL</b>	<b>10</b>



## BEAUFORT COUNTY

Type of Fraud	Number of Complaints
Automobile	32
Disability	1
Health/Medical	2
Life	1
Personal/Commercial	10
Premium	19
Unemployment	1
Worker's Compensation	4
Other	1
<b>TOTAL</b>	<b>71</b>

## BERKELEY COUNTY

Type of Fraud	Number of Complaints
Automobile	53
Disability	0
Health/Medical	0
Life	2
Personal/Commercial	12
Premium	19
Unemployment	0
Worker's Compensation	4
Other	2
<b>TOTAL</b>	<b>92</b>

## CALHOUN COUNTY

Type of Fraud	Number of Complaints
Automobile	3
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	0
Premium	2
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>5</b>

## CHARLESTON COUNTY

Type of Fraud	Number of Complaints
Automobile	159
Disability	3
Health/Medical	4
Life	4
Personal/Commercial	34
Premium	39
Unemployment	0
Worker's Compensation	11
Other	6
<b>TOTAL</b>	<b>260</b>

## CHEROKEE COUNTY

Type of Fraud	Number of Complaints
Automobile	7
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	1
Premium	6
Unemployment	0
Worker's Compensation	1
Other	2
<b>TOTAL</b>	<b>17</b>

## CHESTER COUNTY

Type of Fraud	Number of Complaints
Automobile	10
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	1
Premium	3
Unemployment	0
Worker's Compensation	0
Other	1
<b>TOTAL</b>	<b>15</b>

## CHESTERFIELD COUNTY

Type of Fraud	Number of Complaints
Automobile	15
Disability	0
Health/Medical	0
Life	1
Personal/Commercial	2
Premium	3
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>21</b>

## CLARENDON COUNTY

Type of Fraud	Number of Complaints
Automobile	10
Disability	0
Health/Medical	1
Life	0
Personal/Commercial	0
Premium	4
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>15</b>

## COLLETON COUNTY

Type of Fraud	Number of Complaints
Automobile	23
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	1
Premium	4
Unemployment	0
Worker's Compensation	1
Other	0
<b>TOTAL</b>	<b>29</b>

## DARLINGTON COUNTY

Type of Fraud	Number of Complaints
Automobile	21
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	5
Premium	7
Unemployment	0
Worker's Compensation	1
Other	1
<b>TOTAL</b>	<b>35</b>

## DILLON COUNTY

Type of Fraud	Number of Complaints
Automobile	21
Disability	0
Health/Medical	1
Life	0
Personal/Commercial	3
Premium	4
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>29</b>

## DORCHESTER COUNTY

Type of Fraud	Number of Complaints
Automobile	58
Disability	0
Health/Medical	3
Life	5
Personal/Commercial	19
Premium	9
Unemployment	0
Worker's Compensation	2
Other	7
<b>TOTAL</b>	<b>103</b>

## EDGEFIELD COUNTY

Type of Fraud	Number of Complaints
Automobile	6
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	0
Premium	1
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>7</b>

## FAIRFIELD COUNTY

Type of Fraud	Number of Complaints
Automobile	8
Disability	0
Health/Medical	0
Life	1
Personal/Commercial	1
Premium	1
Unemployment	0
Worker's Compensation	2
Other	0
<b>TOTAL</b>	<b>13</b>

## FLORENCE COUNTY

Type of Fraud	Number of Complaints
Automobile	71
Disability	0
Health/Medical	3
Life	1
Personal/Commercial	11
Premium	21
Unemployment	0
Worker's Compensation	6
Other	2
<b>TOTAL</b>	<b>115</b>

## GEORGETOWN COUNTY

Type of Fraud	Number of Complaints
Automobile	20
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	6
Premium	2
Unemployment	1
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>29</b>

## GREENVILLE COUNTY

Type of Fraud	Number of Complaints
Automobile	91
Disability	0
Health/Medical	6
Life	1
Personal/Commercial	32
Premium	39
Unemployment	1
Worker's Compensation	5
Other	5
<b>TOTAL</b>	<b>180</b>

## GREENWOOD COUNTY

Type of Fraud	Number of Complaints
Automobile	12
Disability	0
Health/Medical	1
Life	0
Worker's Compensation	1
Personal/Commercial	4
Premium	3
Unemployment	0
Other	1
<b>TOTAL</b>	<b>22</b>

## HAMPTON COUNTY

Type of Fraud	Number of Complaints
Automobile	11
Disability	1
Health/Medical	1
Life	0
Personal/Commercial	0
Premium	0
Unemployment	0
Worker's Compensation	1
Other	0
<b>TOTAL</b>	<b>14</b>

## HORRY COUNTY

Type of Fraud	Number of Complaints
Automobile	95
Disability	2
Health/Medical	3
Life	0
Personal/Commercial	30
Premium	18
Unemployment	1
Worker's Compensation	1
Other	3
<b>TOTAL</b>	<b>153</b>

## JASPER COUNTY

Type of Fraud	Number of Complaints
Automobile	17
Disability	1
Health/Medical	0
Life	0
Personal/Commercial	2
Premium	6
Unemployment	0
Worker's Compensation	1
Other	0
<b>TOTAL</b>	<b>27</b>

## KERSHAW COUNTY

Type of Fraud	Number of Complaints
Automobile	26
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	2
Premium	7
Unemployment	0
Worker's Compensation	0
Other	1
<b>TOTAL</b>	<b>36</b>

## LANCASTER COUNTY

Type of Fraud	Number of Complaints
Automobile	24
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	6
Premium	6
Unemployment	0
Worker's Compensation	2
Other	0
<b>TOTAL</b>	<b>38</b>

## LAURENS COUNTY

Type of Fraud	Number of Complaints
Automobile	13
Disability	0
Health/Medical	1
Life	1
Personal/Commercial	0
Premium	5
Unemployment	0
Worker's Compensation	0
Other	1
<b>TOTAL</b>	<b>21</b>



## LEE COUNTY

Type of Fraud	Number of Complaints
Automobile	8
Disability	0
Health/Medical	0
Life	1
Personal/Commercial	1
Premium	4
Unemployment	0
Worker's Compensation	0
Other	1
<b>TOTAL</b>	<b>15</b>

## LEXINGTON COUNTY

Type of Fraud	Number of Complaints
Automobile	37
Disability	0
Health/Medical	2
Life	1
Personal/Commercial	15
Premium	10
Unemployment	0
Worker's Compensation	1
Other	2
<b>TOTAL</b>	<b>68</b>

## MARION COUNTY

Type of Fraud	Number of Complaints
Automobile	16
Disability	1
Health/Medical	0
Life	0
Personal/Commercial	0
Premium	4
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>21</b>

## MARLBORO COUNTY

Type of Fraud	Number of Complaints
Automobile	15
Disability	0
Health/Medical	0
Life	1
Personal/Commercial	0
Premium	2
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>18</b>

## McCORMICK COUNTY

Type of Fraud	Number of Complaints
Automobile	0
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	0
Premium	1
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>1</b>

## NEWBERRY COUNTY

Type of Fraud	Number of Complaints
Automobile	8
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	2
Premium	5
Unemployment	0
Worker's Compensation	1
Other	0
<b>TOTAL</b>	<b>16</b>

## OCONEE COUNTY

Type of Fraud	Number of Complaints
Automobile	5
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	2
Premium	3
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>10</b>

## ORANGEBURG COUNTY

Type of Fraud	Number of Complaints
Automobile	54
Disability	0
Health/Medical	1
Life	0
Personal/Commercial	6
Premium	11
Unemployment	0
Worker's Compensation	1
Other	0
<b>TOTAL</b>	<b>73</b>

## PICKENS COUNTY

Type of Fraud	Number of Complaints
Automobile	8
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	11
Premium	0
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>19</b>

## RICHLAND COUNTY

Type of Fraud	Number of Complaints
Automobile	217
Disability	7
Health/Medical	14
Life	2
Personal/Commercial	85
Premium	58
Unemployment	2
Worker's Compensation	8
Other	14
<b>TOTAL</b>	<b>407</b>

## SALUDA COUNTY

Type of Fraud	Number of Complaints
Automobile	6
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	0
Premium	1
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>7</b>

## SPARTANBURG COUNTY

Type of Fraud	Number of Complaints
Automobile	66
Disability	0
Health/Medical	0
Life	1
Personal/Commercial	15
Premium	22
Unemployment	1
Worker's Compensation	1
Other	4
<b>TOTAL</b>	<b>110</b>

## SUMTER COUNTY

Type of Fraud	Number of Complaints
Automobile	56
Disability	0
Health/Medical	2
Life	3
Personal/Commercial	15
Premium	22
Unemployment	1
Worker's Compensation	1
Other	1
<b>TOTAL</b>	<b>101</b>

## UNION COUNTY

Type of Fraud	Number of Complaints
Automobile	10
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	1
Premium	1
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>12</b>

## WILLIAMSBURG COUNTY

Type of Fraud	Number of Complaints
Automobile	17
Disability	0
Health/Medical	1
Life	0
Personal/Commercial	3
Premium	4
Unemployment	0
Worker's Compensation	0
Other	0
<b>TOTAL</b>	<b>25</b>

## YORK COUNTY

Type of Fraud	Number of Complaints
Automobile	44
Disability	0
Health/Medical	3
Life	5
Personal/Commercial	18
Premium	10
Unemployment	0
Worker's Compensation	5
Other	2
<b>TOTAL</b>	<b>87</b>

## OUT-OF-STATE / UNKNOWN

Type of Fraud	Number of Complaints
Automobile	40
Disability	0
Health/Medical	3
Life	2
Personal/Commercial	8
Premium	4
Unemployment	0
Worker's Compensation	2
Other	8
<b>TOTAL</b>	<b>67</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.

(8) 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.