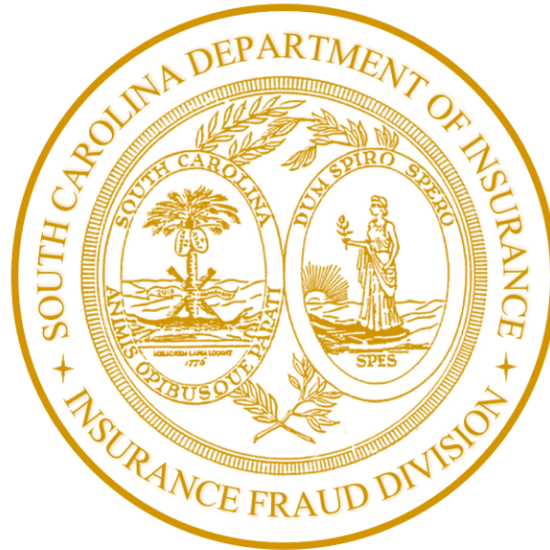


Annual Report

2022

Annual Report 2022



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

Jason M. Allen
Special Assistant Attorney General

Sam J. Jones
Special Assistant Attorney General

Della Sisson
Paralegal

Ellen DuBois
Paralegal

Shayna Thompson
Program Coordinator

IN MEMORY



Stephen E. Baumgardner

April 3, 1959 to December 30, 2022

The Insurance Fraud Division lost a great friend and partner with the death of Special Agent Stephen E. Baumgardner whose long and valiant battle with cancer ended in 2022. Baumgardner began his law enforcement career with the Lexington County Sheriff's Department where he served as a patrol deputy, school resource officer, and investigator. He was proud of his work creating the Midlands Financial Crimes Working Group which was named Financial Crimes Task Force of the Year by the Carolinas Chapter of the International Association of Financial Crimes Investigators. Baumgardner served as a Special Agent with the South Carolina Law Enforcement Division investigating insurance fraud from 2015 until his death. While he will be greatly missed, we will continue to remember him for his humor, sense of style, dedication, and professionalism.



South Carolina Department of Insurance

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

HENRY McMASTER
Governor

MICHAEL WISE
Acting Director

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

MESSAGE FROM THE ACTING DIRECTOR OF INSURANCE

I proudly present the 2022 Annual Report of the South Carolina Insurance Fraud Division to the General Assembly. This report reflects the first full year of the Insurance Fraud Division joining the South Carolina Department of Insurance.

The Insurance Fraud Division joined the Department of Insurance after 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, allowed the Department of Insurance to hire its first Director of the Insurance Fraud Division in September 2021. Since that time, the Division has grown to include a total of 8 employees. 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. In 2022, the Insurance Fraud Division received a combined total of 3,182 complaints of suspected insurance fraud, a significant increase from the previous year. This represents the largest number of insurance fraud complaints ever received in South Carolina in a single calendar year. These complaints came to the Department of Insurance by way of reports from the National Insurance Crime Bureau (NICB), the National Association of Insurance Commissioners (NAIC), individual insurance companies, and citizens utilizing online complaint forms and the Insurance Fraud Hotline. The complaints from 2022 involve a wide range of insurance products as further explained in this report.

Despite South Carolina ranking 23rd in population, NICB reports that we currently rank 19th in the country for questionable insurance claims. More importantly, South Carolina ranks 9th in questionable insurance claims involving suspected staged vehicle collisions. 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, sometimes 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 years ahead. The Department looks forward to the further 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

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

HENRY McMASTER
Governor

MICHAEL WISE
Acting Director

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 executed a Memorandum of Understanding to relocate the Insurance Fraud Division to the Department of Insurance.

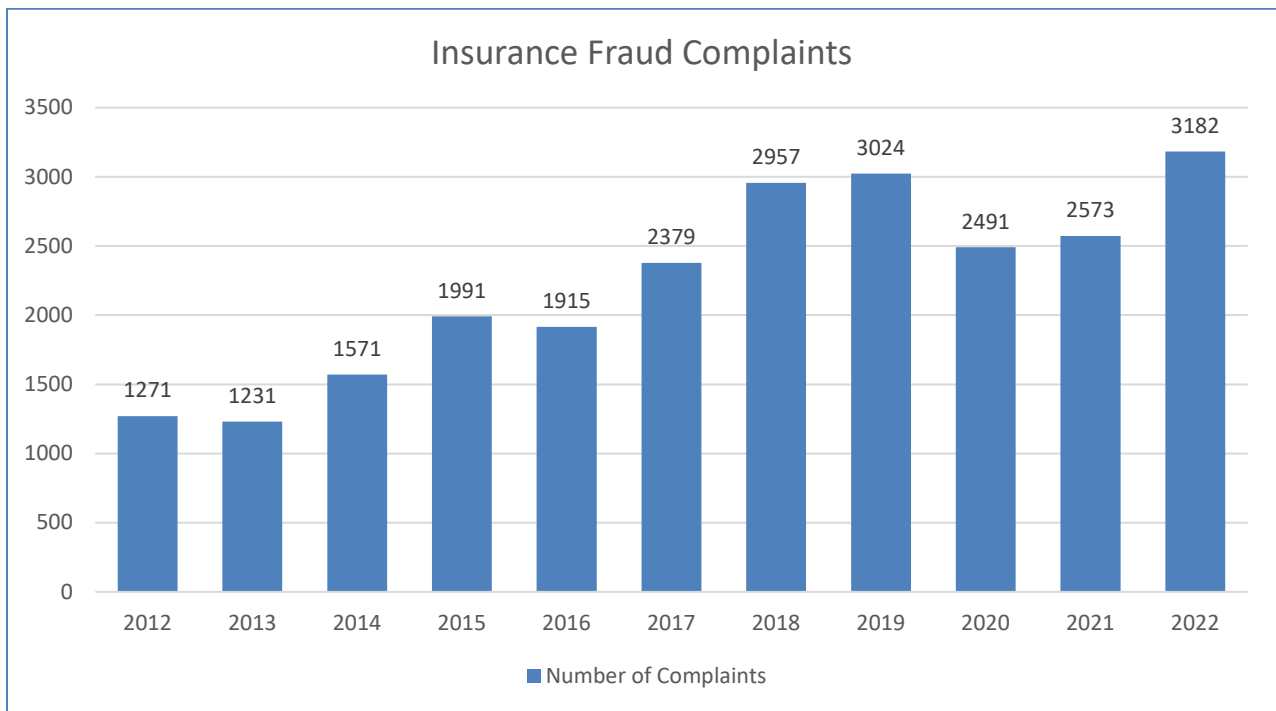
Pursuant to this agreement, the Attorney General appoints certain attorneys, hired by the Department of Insurance, as Special Assistant Attorneys General to prosecute insurance fraud related crimes under the general supervision and control of the Attorney General. SLED continues to investigate insurance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

In 2022, the Department of Insurance added three new full-time employees, a program coordinator (July) and two attorneys (December), to the Insurance Fraud Division. The eight-person staff now consists of the Director of the Insurance Fraud Division, four Special Assistant Attorneys General, two paralegals, and a program coordinator. The Director of the Insurance Fraud Division also serves as a Special Assistant Attorney General to prosecute insurance fraud cases across the state.

The backlog of cases pending review or SLED investigation has proven to be one of the most cumbersome parts of the Division's transition with copies of these files continuing to be delivered well into 2022. Our prosecutors reviewed and closed more than 300 of these cases in 2022, many of which were several years old. This focus on the older backlog of cases has resulted in a temporary backlog of newer cases and complaints. However, it was necessary to concentrate efforts to clear the older backlog to allow for better use of resources to increase the likelihood of successful investigations and prosecutions of the newer cases. The newly hired staff members are expected to catch up on the temporary backlog of newer cases while the Division continues to work through the shrinking number of older cases.

The Insurance Fraud Division has been working to build a new case management system to better track cases from initial complaint through final disposition. The first phase of the new system went into operation midway through 2022. The second phase is expected to be completed in 2023. Once fully operational, this case management system will greatly increase efficiency. It will also allow for better 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.

In 2022, the Insurance Fraud Division received a record high 3,182 complaints. Despite receiving more insurance fraud complaints than ever before, South Carolina's situation has surprisingly improved in comparison to other states. According to the National Insurance Crime Bureau, South Carolina now ranks 19th in the nation in the number of questionable insurance claims submitted, down from 15th last year.



Unfortunately, South Carolina, at 9th, still ranks in the top ten of states with the highest number of questionable claims related to staged automobile accidents. These cases pose a serious problem for the citizens of South Carolina. Artificial property and injury claims create a higher area of risk for insurance carriers who are forced to pass the cost on to South Carolina's consumers in the form of higher premium payments. More importantly, these staged accidents often involve innocent drivers and passengers who do not know that these criminals are going to intentionally collide with their vehicles. This places both the criminals and victims at serious risk of bodily injury or death. Pursuing cases involving staged automobile accidents, particularly those involving organized ring activity, will continue to be a high priority for the Division in 2023.

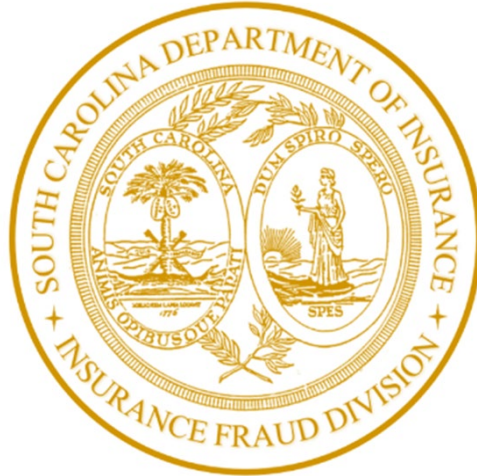
Together, the Department of Insurance, SLED, and the Attorney General's Office all recognize that insurance fraud is not a victimless crime. Every citizen who must pay higher insurance premiums to recoup the money lost to fraud is a victim. Every innocent driver and passenger who gets caught up in a 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 throughout 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 2022. 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 nearly 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 – 2022

Complaints Received

Complaints received in 2022	3182
Complaints declined for prosecution before SLED investigation	1653
Total matters pending review, investigation or prosecution as of 12/31/2022	1914

Complaints Opened to SLED For Further Investigation Before Prosecution

Investigations opened by SLED in 2022*	62
Number of arrests by SLED in 2022	53
Complaints under investigation by SLED as of 12/31/2022*	65

*These condensed numbers of investigations opened by SLED include investigations pertaining to multiple, related complaints received by the Department of Insurance and referred to SLED for investigation. Many of these complaints also relate to the investigation of multiple individuals.

Disposition of Cases

Cases disposed by Memorandum of Understanding (MOU)	1
Individuals convicted in 2022 (in General Sessions Court)	12
Number of counties in which convictions were obtained	9
Cases where restitution was ordered	5
Total Restitution ordered	\$22,234.66

Monies Ordered and/or Collected Pursuant to Civil Dispositions

CIVIL – MOU’s	AMOUNT
Fines ordered	\$400.00
Fines collected	\$400.00
TOTAL	\$400.00

Monies Ordered and/or Collected Pursuant to Court Order

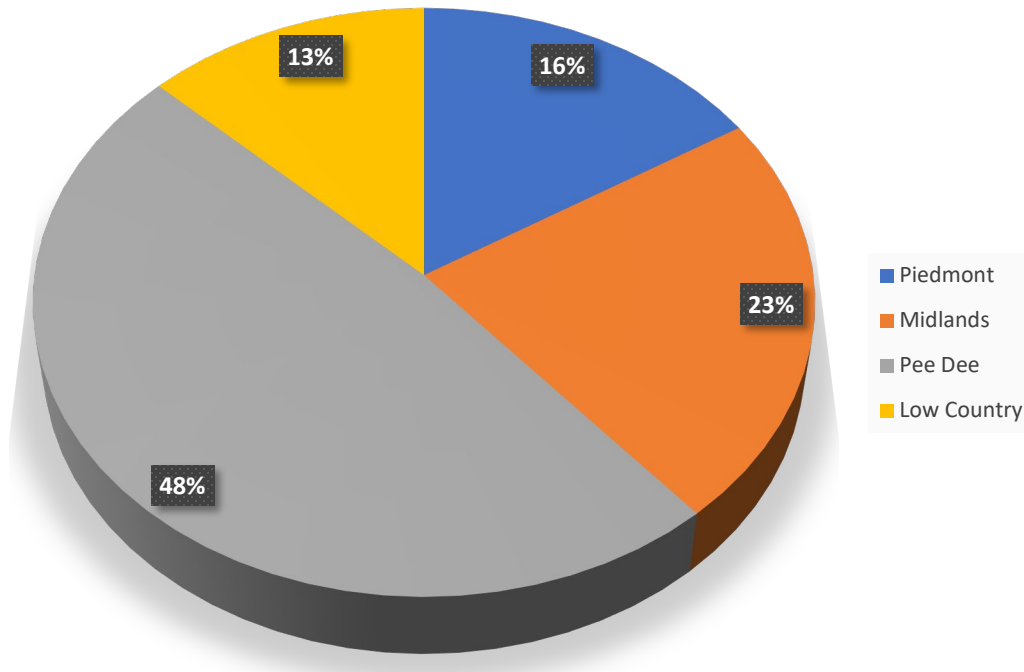
COURT ORDERED – RESTITUTION	AMOUNT
TOTAL	\$22,234.66

COURT ORDERED – FINES	AMOUNT
TOTAL	\$0

TOTAL COURT ORDERED MONIES	AMOUNT
Restitution ordered	\$22,234.66
Court fines	\$0
TOTAL	\$22,234.66

2022 CASES OPENED BY SLED BY REGION

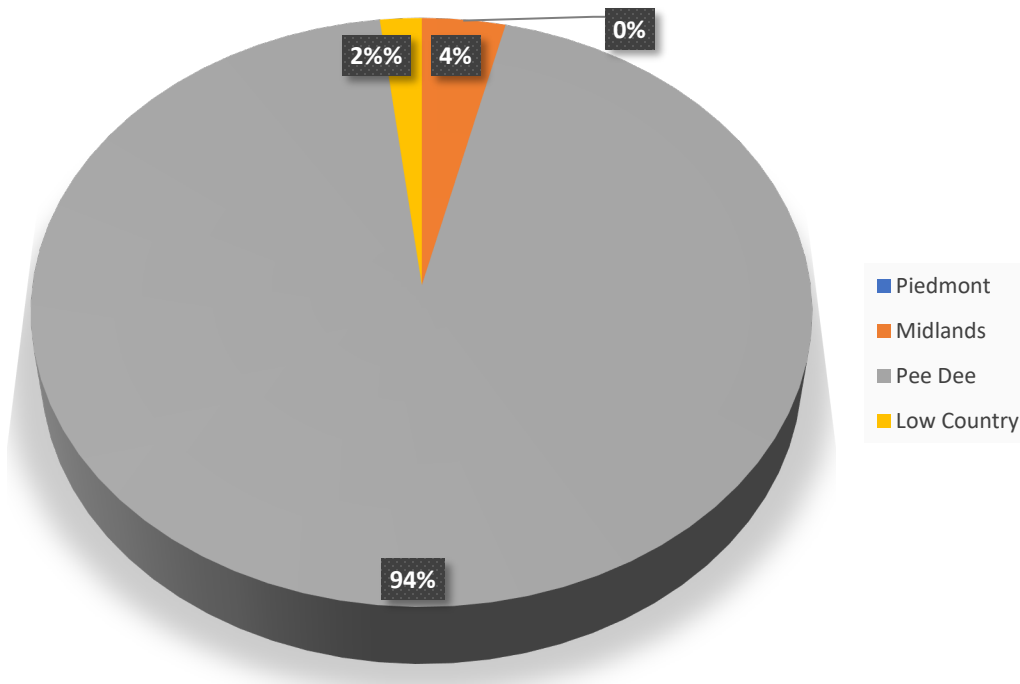
Referrals are sent to the South Carolina Law Enforcement Division (SLED) in order to decide if a complaint meets the elements of an insurance fraud crime. During 2022, SLED opened 62 cases deeming them necessary for further investigation. As the chart below indicates, these cases were received from all areas of the state:



REGION	NUMBER OF CASES	PERCENT OF TOTAL
Piedmont	10	16%
Midlands	14	23%
Pee Dee	30	48%
Low Country	8	13%
TOTAL	62	

2022 SLED ARRESTS BY REGION

During 2022, the South Carolina Law Enforcement Division (SLED) had 53 (2 indictments) arrests related to Insurance Fraud. As the chart below indicates, these arrests were made in two regions of the state:



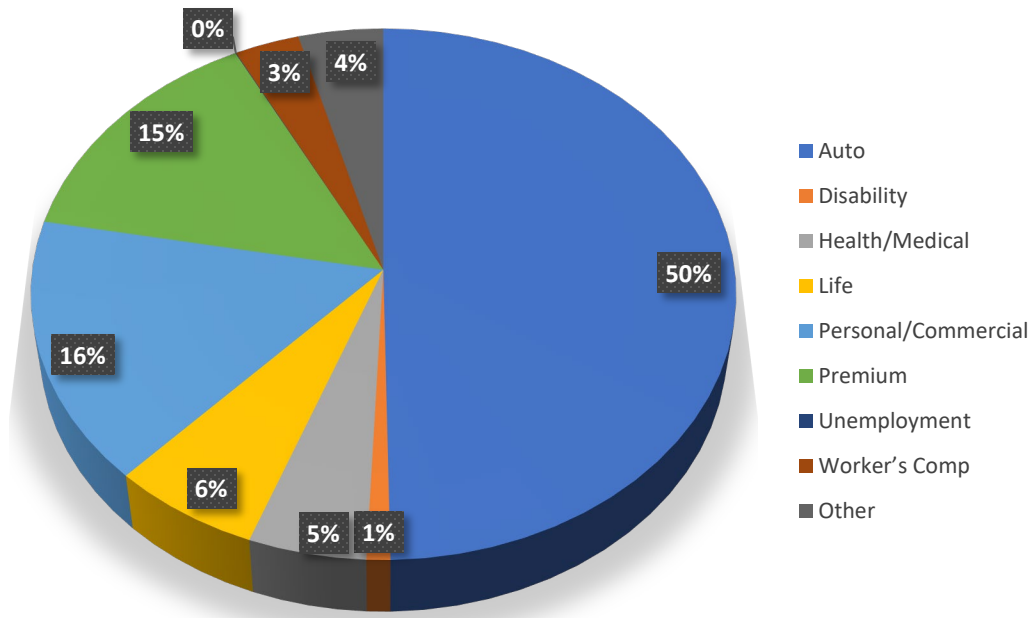
REGION	NUMBER OF ARRESTS	PERCENT OF TOTAL
Piedmont	0	0%
Midlands	2	4%
Pee Dee	50	94%
Low Country	1	2%
TOTAL	53	

2022 COMPLAINTS RECEIVED BY TYPE OF FRAUD

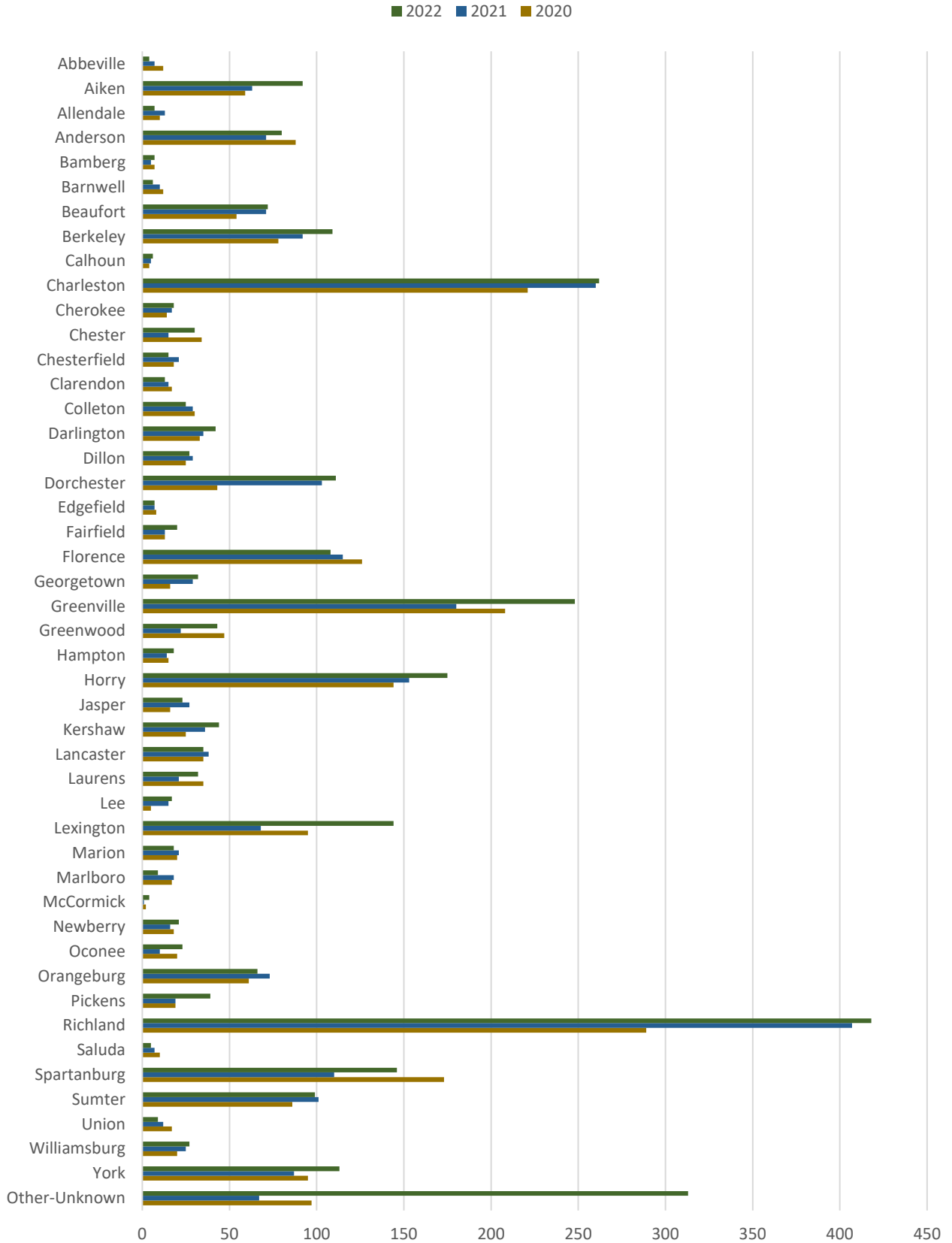
The fraud complaints received during 2022 by the Insurance Fraud Division consisted of the following types of fraud:

TYPE OF FRAUD	NUMBER OF COMPLAINTS	PERCENTAGE OF TOTAL
Auto	1589	50%
Disability	33	1%
Health/Medical	143	5%
Life	202	6%
Personal/Commercial	511	16%
Premium	463	15%
Unemployment	1	.03%
Worker's Comp	104	3%
Other	136	4%
TOTAL	3182	

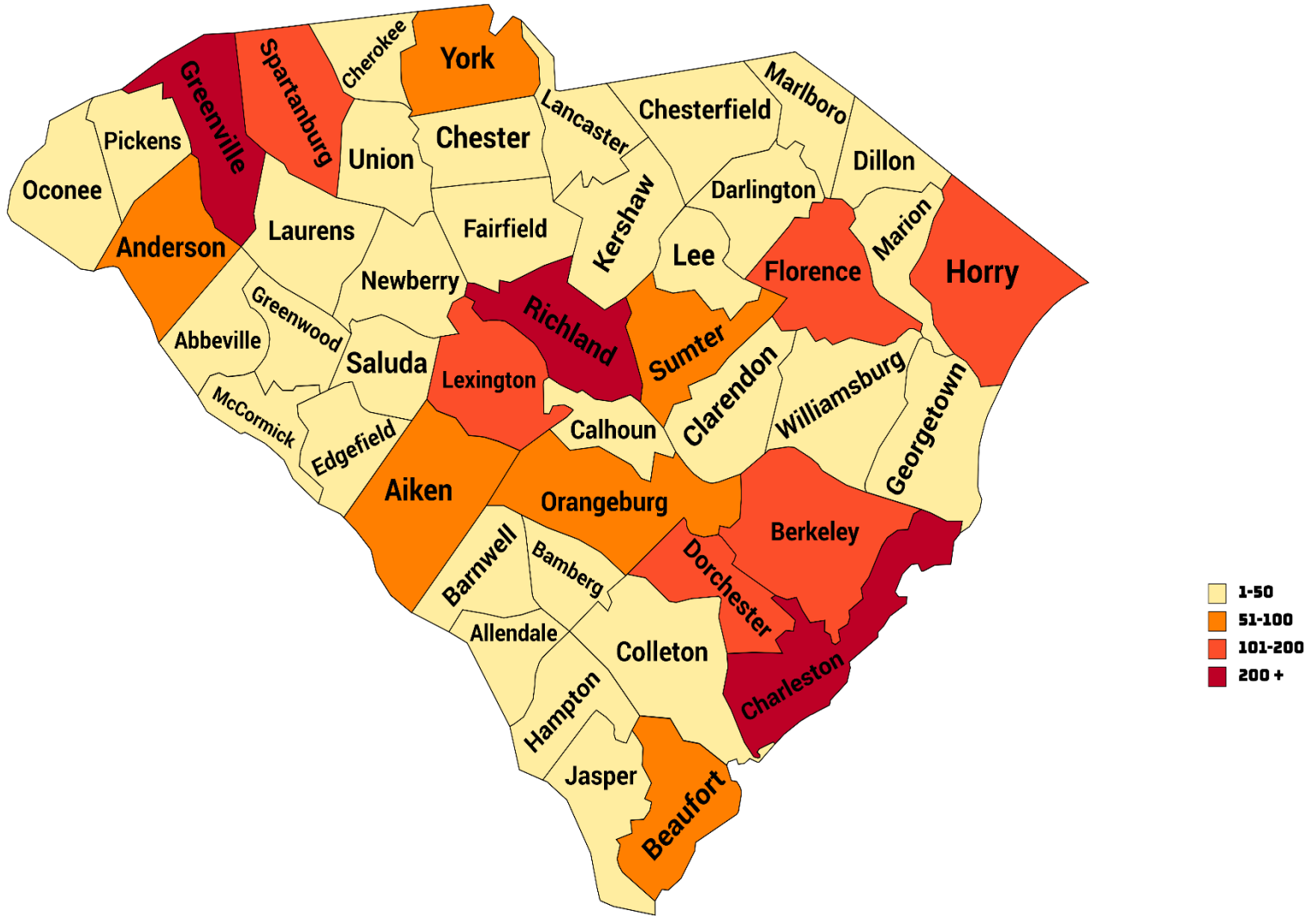
Breakdown of Complaints by Type of Fraud Chart – 2022



COUNTY COMPARISON BETWEEN 2020, 2021, AND 2022



2022 COMPLAINTS BY COUNTY MAP



2022 COMPLAINTS BY COUNTY

ABBEVILLE COUNTY

Type of Fraud	Number of Complaints
Automobile	2
Disability	0
Health/Medical	0
Life	1
Personal/Commercial	0
Premium	1
Unemployment	0
Worker's Compensation	0
Other	0
TOTAL	4

AIKEN COUNTY

Type of Fraud	Number of Complaints
Automobile	38
Disability	1
Health/Medical	0
Life	21
Personal/Commercial	17
Premium	10
Unemployment	0
Worker's Compensation	3
Other	2
TOTAL	92

ALLENDALE COUNTY

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

ANDERSON COUNTY

Type of Fraud	Number of Complaints
Automobile	40
Disability	0
Health/Medical	2
Life	3
Personal/Commercial	19
Premium	11
Unemployment	0
Worker's Compensation	3
Other	2
TOTAL	80

BAMBERG COUNTY

Type of Fraud	Number of Complaints
Automobile	3
Disability	0
Health/Medical	0
Life	1
Personal/Commercial	2
Premium	1
Unemployment	0
Worker's Compensation	0
Other	0
TOTAL	7

BARNWELL COUNTY

Type of Fraud	Number of Complaints
Automobile	3
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	1
Premium	1
Unemployment	0
Worker's Compensation	1
Other	0
TOTAL	6

BEAUFORT COUNTY

Type of Fraud	Number of Complaints
Automobile	32
Disability	0
Health/Medical	1
Life	6
Personal/Commercial	14
Premium	11
Unemployment	0
Worker's Compensation	0
Other	8
TOTAL	72

BERKELEY COUNTY

Type of Fraud	Number of Complaints
Automobile	59
Disability	1
Health/Medical	4
Life	8
Personal/Commercial	13
Premium	14
Unemployment	0
Worker's Compensation	3
Other	7
TOTAL	109

CALHOUN COUNTY

Type of Fraud	Number of Complaints
Automobile	4
Disability	0
Health/Medical	0
Life	2
Personal/Commercial	0
Premium	0
Unemployment	0
Worker's Compensation	0
Other	0
TOTAL	6

CHARLESTON COUNTY

Type of Fraud	Number of Complaints
Automobile	138
Disability	2
Health/Medical	5
Life	9
Personal/Commercial	42
Premium	39
Unemployment	0
Worker's Compensation	17
Other	10
TOTAL	262

CHEROKEE COUNTY

Type of Fraud	Number of Complaints
Automobile	8
Disability	0
Health/Medical	1
Life	0
Personal/Commercial	4
Premium	5
Unemployment	0
Worker's Compensation	0
Other	0
TOTAL	18

CHESTER COUNTY

Type of Fraud	Number of Complaints
Automobile	26
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	2
Premium	2
Unemployment	0
Worker's Compensation	0
Other	0
TOTAL	30

CHESTERFIELD COUNTY

Type of Fraud	Number of Complaints
Automobile	9
Disability	0
Health/Medical	1
Life	2
Personal/Commercial	2
Premium	1
Unemployment	0
Worker's Compensation	0
Other	0
TOTAL	15

CLARENDON COUNTY

Type of Fraud	Number of Complaints
Automobile	6
Disability	0
Health/Medical	1
Life	1
Personal/Commercial	3
Premium	2
Unemployment	0
Worker's Compensation	0
Other	0
TOTAL	13

COLLETON COUNTY

Type of Fraud	Number of Complaints
Automobile	16
Disability	0
Health/Medical	0
Life	1
Personal/Commercial	5
Premium	2
Unemployment	0
Worker's Compensation	1
Other	0
TOTAL	25

DARLINGTON COUNTY

Type of Fraud	Number of Complaints
Automobile	23
Disability	1
Health/Medical	1
Life	5
Personal/Commercial	6
Premium	3
Unemployment	0
Worker's Compensation	1
Other	2
TOTAL	42

DILLON COUNTY

Type of Fraud	Number of Complaints
Automobile	20
Disability	0
Health/Medical	1
Life	1
Personal/Commercial	2
Premium	3
Unemployment	0
Worker's Compensation	0
Other	0
TOTAL	27

DORCHESTER COUNTY

Type of Fraud	Number of Complaints
Automobile	61
Disability	2
Health/Medical	4
Life	6
Personal/Commercial	20
Premium	10
Unemployment	0
Worker's Compensation	1
Other	7
TOTAL	111

EDGEFIELD COUNTY

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

FAIRFIELD COUNTY

Type of Fraud	Number of Complaints
Automobile	14
Disability	0
Health/Medical	0
Life	2
Personal/Commercial	1
Premium	3
Unemployment	0
Worker's Compensation	0
Other	0
TOTAL	20

FLORENCE COUNTY

Type of Fraud	Number of Complaints
Automobile	50
Disability	0
Health/Medical	2
Life	2
Personal/Commercial	24
Premium	20
Unemployment	0
Worker's Compensation	7
Other	3
TOTAL	108

GEORGETOWN COUNTY

Type of Fraud	Number of Complaints
Automobile	17
Disability	0
Health/Medical	0
Life	4
Personal/Commercial	7
Premium	3
Unemployment	0
Worker's Compensation	1
Other	0
TOTAL	32

GREENVILLE COUNTY

Type of Fraud	Number of Complaints
Automobile	103
Disability	4
Health/Medical	8
Life	20
Personal/Commercial	43
Premium	52
Unemployment	0
Worker's Compensation	12
Other	6
TOTAL	248

GREENWOOD COUNTY

Type of Fraud	Number of Complaints
Automobile	19
Disability	0
Health/Medical	0
Life	1
Personal/Commercial	5
Premium	15
Unemployment	0
Worker's Compensation	1
Other	2
TOTAL	43

HAMPTON COUNTY

Type of Fraud	Number of Complaints
Automobile	11
Disability	0
Health/Medical	1
Life	1
Personal/Commercial	5
Premium	0
Unemployment	0
Worker's Compensation	0
Other	0
TOTAL	18

HORRY COUNTY

Type of Fraud	Number of Complaints
Automobile	98
Disability	2
Health/Medical	6
Life	6
Personal/Commercial	19
Premium	30
Unemployment	0
Worker's Compensation	6
Other	8
TOTAL	175

JASPER COUNTY

Type of Fraud	Number of Complaints
Automobile	14
Disability	0
Health/Medical	1
Life	1
Personal/Commercial	2
Premium	3
Unemployment	0
Worker's Compensation	1
Other	1
TOTAL	23

KERSHAW COUNTY

Type of Fraud	Number of Complaints
Automobile	20
Disability	0
Health/Medical	1
Life	4
Personal/Commercial	10
Premium	6
Unemployment	0
Worker's Compensation	1
Other	2
TOTAL	44

LANCASTER COUNTY

Type of Fraud	Number of Complaints
Automobile	21
Disability	2
Health/Medical	1
Life	4
Personal/Commercial	3
Premium	1
Unemployment	0
Worker's Compensation	1
Other	2
TOTAL	35

LAURENS COUNTY

Type of Fraud	Number of Complaints
Automobile	18
Disability	1
Health/Medical	0
Life	2
Personal/Commercial	3
Premium	8
Unemployment	0
Worker's Compensation	0
Other	0
TOTAL	32

LEE COUNTY

Type of Fraud	Number of Complaints
Automobile	13
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	1
Premium	2
Unemployment	0
Worker's Compensation	0
Other	1
TOTAL	17

LEXINGTON COUNTY

Type of Fraud	Number of Complaints
Automobile	65
Disability	1
Health/Medical	4
Life	5
Personal/Commercial	37
Premium	24
Unemployment	0
Worker's Compensation	3
Other	5
TOTAL	144

MARION COUNTY

Type of Fraud	Number of Complaints
Automobile	11
Disability	0
Health/Medical	0
Life	3
Personal/Commercial	1
Premium	2
Unemployment	0
Worker's Compensation	1
Other	0
TOTAL	18

MARLBORO COUNTY

Type of Fraud	Number of Complaints
Automobile	7
Disability	0
Health/Medical	0
Life	0
Personal/Commercial	1
Premium	1
Unemployment	0
Worker's Compensation	0
Other	0
TOTAL	9

McCORMICK COUNTY

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

NEWBERRY COUNTY

Type of Fraud	Number of Complaints
Automobile	13
Disability	1
Health/Medical	0
Life	1
Personal/Commercial	3
Premium	3
Unemployment	0
Worker's Compensation	0
Other	0
TOTAL	21

OCONEE COUNTY

Type of Fraud	Number of Complaints
Automobile	12
Disability	0
Health/Medical	0
Life	2
Personal/Commercial	4
Premium	3
Unemployment	0
Worker's Compensation	2
Other	0
TOTAL	23

ORANGEBURG COUNTY

Type of Fraud	Number of Complaints
Automobile	36
Disability	0
Health/Medical	1
Life	5
Personal/Commercial	15
Premium	6
Unemployment	0
Worker's Compensation	1
Other	2
TOTAL	66

PICKENS COUNTY

Type of Fraud	Number of Complaints
Automobile	24
Disability	0
Health/Medical	1
Life	4
Personal/Commercial	2
Premium	5
Unemployment	0
Worker's Compensation	1
Other	2
TOTAL	39

RICHLAND COUNTY

Type of Fraud	Number of Complaints
Automobile	208
Disability	5
Health/Medical	13
Life	10
Personal/Commercial	98
Premium	49
Unemployment	1
Worker's Compensation	12
Other	22
TOTAL	418

SALUDA 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
TOTAL	5

SPARTANBURG COUNTY

Type of Fraud	Number of Complaints
Automobile	78
Disability	0
Health/Medical	4
Life	12
Personal/Commercial	19
Premium	23
Unemployment	0
Worker's Compensation	6
Other	4
TOTAL	146

SUMTER COUNTY

Type of Fraud	Number of Complaints
Automobile	53
Disability	1
Health/Medical	0
Life	6
Personal/Commercial	6
Premium	14
Unemployment	0
Worker's Compensation	5
Other	14
TOTAL	99

UNION COUNTY

Type of Fraud	Number of Complaints
Automobile	5
Disability	0
Health/Medical	1
Life	0
Personal/Commercial	1
Premium	1
Unemployment	0
Worker's Compensation	0
Other	1
TOTAL	9

WILLIAMSBURG COUNTY

Type of Fraud	Number of Complaints
Automobile	16
Disability	0
Health/Medical	1
Life	1
Personal/Commercial	5
Premium	3
Unemployment	0
Worker's Compensation	0
Other	1
TOTAL	27

YORK COUNTY

Type of Fraud	Number of Complaints
Automobile	51
Disability	4
Health/Medical	3
Life	6
Personal/Commercial	21
Premium	17
Unemployment	0
Worker's Compensation	4
Other	7
TOTAL	113

OUT-OF-STATE / UNKNOWN

Type of Fraud	Number of Complaints
Automobile	111
Disability	4
Health/Medical	73
Life	30
Personal/Commercial	21
Premium	50
Unemployment	0
Worker's Compensation	9
Other	15
TOTAL	313

**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.