



ALAN WILSON
ATTORNEY GENERAL

A MESSAGE FROM THE ATTORNEY GENERAL

We are proud to present the 2017 annual report of the South Carolina Insurance Fraud Division to the General Assembly. Our office continues to fight insurance fraud by prosecuting these cases in court and raising awareness of the problem in communities across our state.

The prosecutors in the Insurance Fraud Division and the Special Assistant Attorney General employed by the Department of Employment and Workforce worked diligently in prosecuting these cases. In 2017, these prosecutors secured multiple fraud convictions and numerous other outcomes to pending cases.

During 2017, our office received approximately 2,400 complaints of insurance fraud. The number of complaints remains shockingly high, and we must continue to be dedicated in our investigation and prosecution of these cases. These fraud claims impacted a wide range of insurance policies including Automobile, Personal/Commercial Property, Workers' Compensation, Health/Medical, Premium, Life Insurance, and Disability. Automobile cases, by far, make up the majority of the claims at 79% (1,876 complaints). We also continue to work with the Department of Employment and Workforce in responding to fraudulent claims on unemployment insurance.

Our office brings the perpetrators of insurance fraud to justice. We strive to assist the victims of these crimes by requesting our courts order restitution to be paid to them. I am proud of our accomplishments in 2017 and am looking forward to accomplishing even more in 2018. For all of 2017, the Insurance Fraud Division has prepared and prosecuted the cases with only four full-time investigators assigned from the State Law Enforcement Division (SLED) to handle the entire state's investigations. These veteran investigators are forwarding an increasing number of cases to the office for prosecution.

Despite our diligence, insurance fraud continues to grow in South Carolina. Even though we are only 24th in population, our state currently ranks 7th in the nation for staged car wrecks. This is a dangerous problem that not only puts innocent drivers at risk, but also requires emergency crews to respond to these staged crime scenes, which wastes taxpayer dollars. Even more troubling, these criminals will often pack vehicles with other passengers, especially children, in order to maximize their claim value and insulate themselves from criminal culpability.

South Carolina is a breeding ground for insurance fraud. While South Carolina is no longer the smallest insurance fraud bureau in the country thanks to two additional investigators in 2016, we continue to trail our neighbors in the Southeast in terms of dedicated resources and personnel. In contrast to South

Carolina's \$360,000 insurance fraud unit budget and the 4 dedicated SLED investigators, states in the region boast significantly higher budgets and numbers of prosecutors and investigators. In 2017, North Carolina formed a Fraud Control Group, and the Commissioner received an additional \$2.4 million, bringing his total budget up to \$3.4 million. Georgia has eight dedicated criminal insurance fraud investigators and is currently hiring four more. Georgia also has a nearly \$4 million budget. Virginia has 23 investigators and a budget of almost \$5.7 million.

Insurance fraud is a real problem in South Carolina that raises all of our rates. South Carolina can no longer be a place where these criminals are able to thrive. My office will continue to go after these perpetrators. We must work to make sure that South Carolina remains the safest place possible to live, work and raise a family.

Sincerely,



Alan Wilson
Attorney General

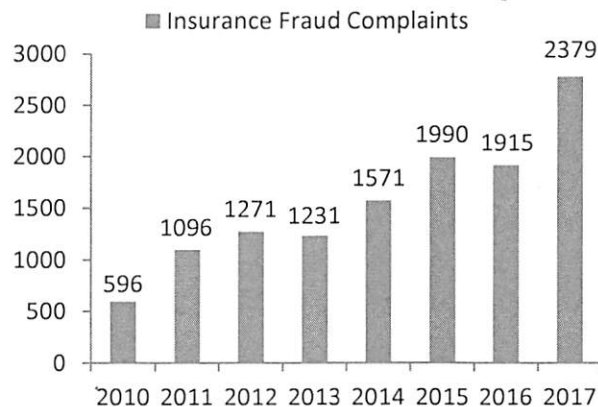


ALAN WILSON
ATTORNEY GENERAL

MESSAGE FROM THE ATTORNEY GENERAL'S INSURANCE FRAUD DIVISION

Insurance Fraud continues to be a significant problem in our state that has steadily grown larger and more pervasive every year. The real victims of these crimes are South Carolinians who end up paying increased premiums as a result of these criminal activities. The number of complaints received in 2017, at 2,379, continues the disturbing trend of ever-increasing instances of fraud. While the state is struggling to fight these large caseloads, the perpetrators are becoming more sophisticated in finding new ways to commit more insurance fraud. We must address this issue in order to protect the residents and economy of our state.

Insurance Fraud Complaints

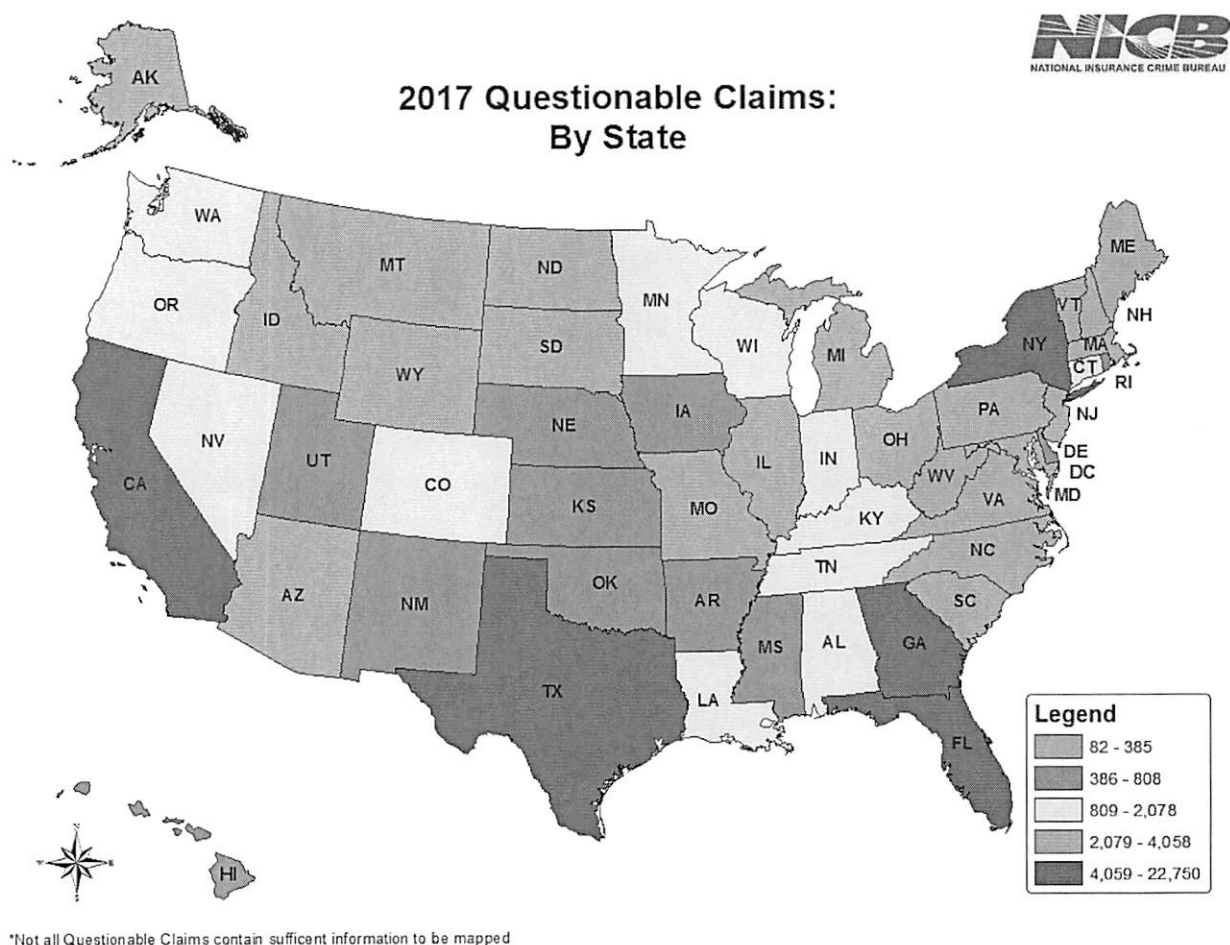


The Insurance Fraud Division was established with legislation passed on July 1, 1994. The Omnibus Insurance Fraud and Reporting Immunity Act mandated the prosecution of insurance fraud cases by our division with investigations conducted by the South Carolina Law Enforcement Division (SLED). The Insurance Fraud Division receives cases referred from the Department of Insurance, the South Carolina Worker's Compensation Commission, the Department of Employment and Workforce, insurance companies, private citizens, and law enforcement agencies. The SLED agents must investigate complaints from all of these groups. In 2017, there were only four SLED investigators dedicated to the investigation of cases for all forty-six counties in the state. While they greatly helped to increase the number of prosecutions and convictions, even more assistance is necessary to police insurance fraud.

Since 1995, the reported amount of insurance fraud across the state is approximately \$129,993,706.72, and the number grows more staggering every year. It is imperative to identify

insurance fraud as a thriving criminal enterprise and commit the necessary resources to solving the problem.

A few statistics best illustrate the insurance fraud epidemic. According to the National Insurance Crime Bureau (NICB), South Carolina ranks in the Top 10 nationally in the amount of suspected fraud. Also, although we are twenty-fifth in population, NICB concluded that our state is 7th in the nation in staged car wrecks. 2017 saw an explosion of larger and more organized crime rings committing insurance fraud, including these staged accidents and forged medical documentation. Finally, despite being in the top 10 nationally for insurance fraud, our state ranks last nationally in funding to fight this problem.



The Insurance Fraud Division of the Attorney General’s Office remains steadfast in combatting insurance fraud, despite limited resources. Since taking over as Director of Insurance Fraud in September of 2017, the unit has been utilizing an ambitious staff, new approaches, and continued initiatives to expand our outreach. One successful initiative we plan on continuing is recurring trainings for law enforcement and insurance agents throughout the state. The purpose of these trainings is to raise

awareness of the indicators of insurance fraud and how to best handle these cases when officers come across them. Additionally, we continue to push for legislation that will better enable increased funding for the Insurance Fraud Division. Finally, the Insurance Fraud Division has also been engaging in outreach with communities around the state to raise their awareness of the importance of fighting against fraud and what citizens can do to help.

We thank all of the private citizens, insurance professionals and those in law enforcement who reported cases to us in 2017. We also thank those in the insurance industry who investigate these cases, because their participation and cooperation makes our fight against insurance fraud possible.

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

2017 Notable Cases

State v. Eric Austin

On May 23, 2017, Eric Austin pled guilty to Presenting a False Claim for Payment in Laurens County. Mr. Austin was one of eight passengers involved in a two-vehicle staged wreck. The wreck was staged on a rural road near Ware Shoals, SC, to avoid being seen by witnesses. Despite their efforts, however, an employee of a nearby power station observed the entire staging and immediately reported it to local law enforcement. Mr. Austin was sentenced to one year in prison to run concurrent with an unrelated charge. This case was investigated by SLED Senior Special Agent Joe Jordan.

State v. Vincent Jones

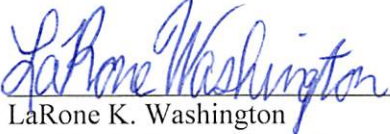
On December 7, 2017, in Sumter County, Vincent Jones pled guilty to the charge of Forgery (no dollar amount). He was sentenced to two years suspended to one year of probation. Jones knew a man who approached him and told him he could provide him with some medical bills, even though Jones had never been to the hospital. Jones took the altered bills from the man and submitted them to his insurance company. The billing office at the hospital confirmed the bill that was submitted to USAA with the name Vincent C. Jones was an altered bill. The bill was an original bill that was generated as a result of service to another individual. This case was investigated by Special Agent Joe Neff with SLED.

State v. Dwayne Brown

On August 29, 2017, in Florence County, Dwayne Brown pled guilty to one count of Failure to Remit Premiums. Brown was sentenced to jail time. Around September 1, 2015, the Attorney General's Office was contacted by Jay Spencer of United Insurance Company. Spencer alleged Dwayne Chris Brown, an insurance agent, was keeping collected premiums for his personal use. This discrepancy was discovered in an April 21, 2014 to May 26, 2014 audit performed by the company. Brown kept a total of \$6,850.76 in premiums. Brown's insurance license was revoked.

Special Agent Joseph Neff located Brown and interviewed him. Brown admitted that he did indeed take the premiums.

Looking forward to the rest of 2018, our Insurance Fraud Division will continue to address insurance fraud in our state. An increase in funding will have a significant impact on our ability to successfully combat this growing problem.



LaRone K. Washington
Assistant Attorney General
Director of Insurance Fraud



SUMMARY
Status of Cases – 2017

MONIES ORDERED AND/OR COLLECTED IN 2017
Criminal Penalties, Civil Penalties, Fines and Restitution

The following tables indicate the amounts of fines, penalties, restitution and attorneys' fees that have been ordered paid by the Courts or by a Memorandum of Understanding.

Monies Ordered and/or Collected Pursuant to Civil Dispositions in 2017

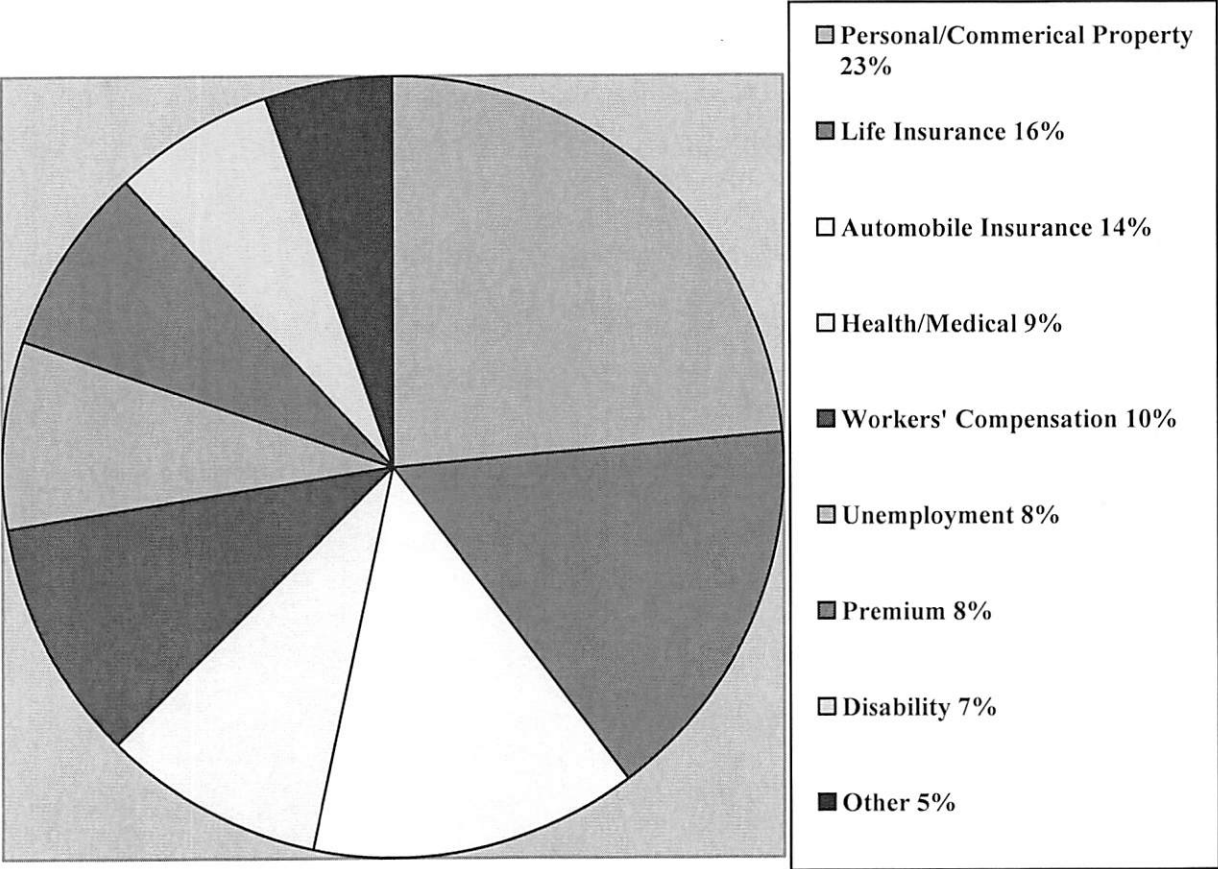
CIVIL	AMOUNT
Fines Ordered	\$2,750.00
Fines Collected	\$1,375.00

Cumulative Statistics of the Insurance Fraud Division 1995-2017

TOTAL COMPLAINTS RECEIVED	22,203
TOTAL FILES OPENED	7,307
CRIMINAL CONVICTIONS	1501
CIVIL REMEDIES	819

* Based on available 2017 data.

CUMULATIVE STATISTICS OF THE INSURANCE FRAUD DIVISION 1995-2017



Total Reported Fraud Since 1995: \$129,993,706.72

* Based on available 2017 data.

SUMMARY
Status of Cases – 2017

Complaints

▪ Complaints Carried Forward from 2016	76
▪ Complaints Received in 2017	2379
▪ Information Only Referrals in 2017	146
▪ Complaints Unfounded or Declined	1748
▪ Complaints Carried Forward to 2018	55

Open Files

▪ Files Opened to SLED in 2017	67
▪ Open Files Disposed of 2017 (convictions, civil fines, PTI, etc.)	124
▪ Open Files under investigation as of 12/31/17	65

Disposition

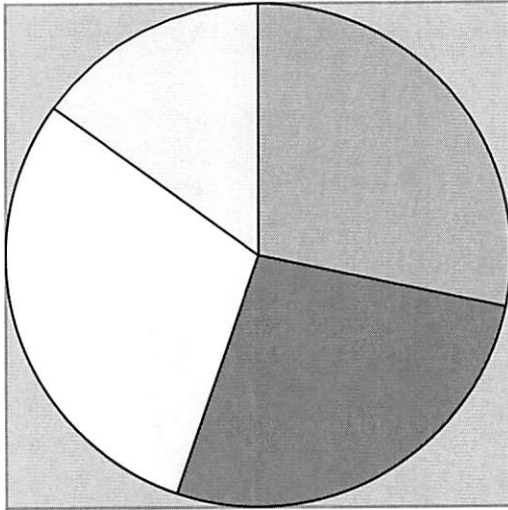
▪ 2017 Civil Remedies	3
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On the Docket

▪ Indicted Cases as of December 31, 2017	15
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BREAKDOWN OF CASES OPENED TO SLED BY REGION

During 2017, the Insurance Fraud Division of the Attorney General's office opened 67 cases to SLED. As the chart below indicates, these cases were received from all areas of the state:



■ Piedmont	19
■ Midlands	18
□ Pee Dee	20
□ Low Country	10

REGION	PERCENT OF TOTAL
Piedmont	28%
Midlands	27%
Pee Dee	30%
Low Country	15%
TOTAL	100%

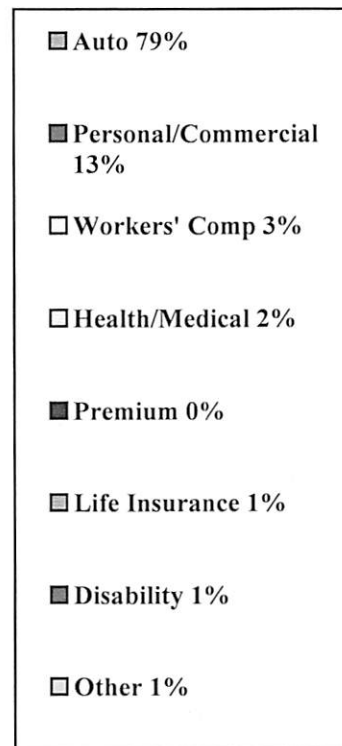
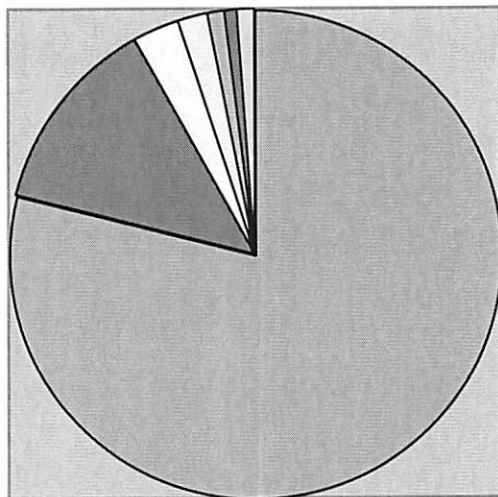
* Based on available 2017 data.

BREAKDOWN OF COMPLAINTS RECEIVED BY TYPE

The fraud complaints received during 2017 by the Insurance Fraud Division consisted of the following types of fraud:

Type of Fraud	Number of Complaints	Percentage of Total
Automobile	1876	79%
Personal/Commercial Property	304	13%
Workers' Compensation	68	3%
Health/Medical	53	2%
Premium	11	<1%
Life Insurance	22	1%
Disability	16	1%
Other	29	1%
TOTAL	2379	100%

Breakdown of Complaints by Type of Fraud – 2017



* Based on available 2017 data.

BREAKDOWN OF COMPLAINTS BY COUNTY

ABBEVILLE COUNTY

Type of Fraud	Number of Complaints
Automobile	5
TOTAL	5

AIKEN COUNTY

Type of Fraud	Number of Complaints
Automobile	32
Health/Medical	1
Personal/Commercial	11
Workers' Comp	3
TOTAL	47

ALLENDALE COUNTY

Type of Fraud	Number of Complaints
Automobile	8
Other	2
Personal/Commercial Property	1
TOTAL	11

* Based on available 2017 data.

ANDERSON COUNTY

Type of Fraud	Number of Complaints
Automobile	40
Personal/Commercial Property	8
TOTAL	48

BAMBERG COUNTY

Type of Fraud	Number of Complaints
Automobile	6
Personal/Commercial Property	1
TOTAL	7

BARNWELL COUNTY

Type of Fraud	Number of Complaints
Automobile	5
Life Insurance	1
Personal/Commercial	1
Workers' Comp	1
TOTAL	8

* Based on available 2017 data.

BEAUFORT COUNTY

Type of Fraud	Number of Complaints
Automobile	35
Health/Medical	2
Personal/Commercial	8
Premium Fraud	2
Workers' Comp	2
TOTAL	49

BERKELEY COUNTY

Type of Fraud	Number of Complaints
Automobile	39
Disability Insurance	1
Health/Medical	1
Personal/Commercial	7
Premium Fraud	1
TOTAL	49

CALHOUN COUNTY

Type of Fraud	Number of Complaints
Automobile	2
Life Insurance	1
TOTAL	3

* Based on available 2017 data.

CHARLESTON COUNTY

Type of Fraud	Number of Complaints
Automobile	189
Health/Medical	7
Disability Insurance	1
Life Insurance	1
Other	6
Personal/Commercial	28
Premium Fraud	1
Workers' Comp	5
TOTAL	238

CHEROKEE COUNTY

Type of Fraud	Number of Complaints
Automobile	19
Personal/Commercial	2
TOTAL	21

CHESTER COUNTY

Type of Fraud	Number of Complaints
Automobile	32
Other	1
Personal/Commercial	4
Workers' Comp	1
TOTAL	38

* Based on available 2017 data.

CHESTERFIELD COUNTY

Type of Fraud	Number of Complaints
Automobile	21
Life Insurance	2
Personal/Commercial	1
Workers' Comp	1
TOTAL	25

CLARENDON COUNTY

Type of Fraud	Number of Complaints
Automobile	11
Personal/Commercial	2
TOTAL	13

COLLETON COUNTY

Type of Fraud	Number of Complaints
Automobile	18
Health/Medical	1
TOTAL	19

DARLINGTON COUNTY

Type of Fraud	Number of Complaints
Automobile	27
Personal/Commercial	5
TOTAL	32

* Based on available 2017 data.

DILLON COUNTY

Type of Fraud	Number of Complaints
Automobile	15
Life Insurance	1
TOTAL	16

DORCHESTER COUNTY

Type of Fraud	Number of Complaints
Automobile	48
Health/Medical	3
Other	1
Personal/Commercial	10
Premium Fraud	1
Workers' Comp	5
TOTAL	68

EDGEFIELD COUNTY

Type of Fraud	Number of Complaints
Automobile	2
Life Insurance	1
TOTAL	3

* Based on available 2017 data.

FAIRFIELD COUNTY

Type of Fraud	Number of Complaints
Automobile	26
Personal/Commercial	1
Workers' Comp	2
TOTAL	29

FLORENCE COUNTY

Type of Fraud	Number of Complaints
Automobile	108
Health/Medical	1
Life Insurance	1
Personal/Commercial	15
Premium Fraud	1
TOTAL	126

GEORGETOWN COUNTY

Type of Fraud	Number of Complaints
Automobile	10
Personal/Commercial	1
TOTAL	11

* Based on available 2017 data.

GREENVILLE COUNTY

Type of Fraud	Number of Complaints
Automobile	167
Health/Medical	4
Disability Insurance	2
Life Insurance	2
Other	4
Personal/Commercial	27
Workers' Comp	9
TOTAL	215

GREENWOOD COUNTY

Type of Fraud	Number of Complaints
Automobile	27
Health/Medical	1
Disability Insurance	1
Personal/Commercial	2
Workers' Comp	1
TOTAL	32

HAMPTON COUNTY

Type of Fraud	Number of Complaints
Automobile	15
Other	1
Personal/Commercial	2
TOTAL	18

* Based on available 2017 data.

HORRY COUNTY

Type of Fraud	Number of Complaints
Automobile	115
Health/Medical	3
Disability Insurance	3
Life Insurance	1
Other	1
Personal/Commercial	16
Premium Fraud	1
Workers' Comp	4
TOTAL	144

JASPER COUNTY

Type of Fraud	Number of Complaints
Automobile	24
Personal/Commercial	5
Workers' Comp	1
TOTAL	238

KERSHAW COUNTY

Type of Fraud	Number of Complaints
Automobile	14
Health/Medical	5
Life Insurance	2
Personal/Commercial	6
Workers' Comp	2
TOTAL	29

* Based on available 2017 data.

LANCASTER COUNTY

Type of Fraud	Number of Complaints
Automobile	30
TOTAL	30

LAURENS COUNTY

Type of Fraud	Number of Complaints
Automobile	26
Disability Insurance	1
Personal/Commercial	1
TOTAL	28

LEE COUNTY

Type of Fraud	Number of Complaints
Automobile	11
Personal/Commercial	1
TOTAL	12

* Based on available 2017 data.

LEXINGTON COUNTY

Type of Fraud	Number of Complaints
Automobile	71
Health/Medical	1
Disability Insurance	2
Personal/Commercial	29
Workers' Comp	5
TOTAL	108

MARION COUNTY

Type of Fraud	Number of Complaints
Automobile	15
Health/Medical	1
Personal/Commercial	2
TOTAL	18

MARLBORO COUNTY

Type of Fraud	Number of Complaints
Automobile	4
Workers' Comp	2
TOTAL	6

* Based on available 2017 data.

McCORMICK COUNTY

Type of Fraud	Number of Complaints
Automobile	3
Health/Medical	1
TOTAL	4

NEWBERRY COUNTY

Type of Fraud	Number of Complaints
Automobile	9
Personal/Commercial	1
TOTAL	10

OCONEE COUNTY

Type of Fraud	Number of Complaints
Automobile	6
Other	1
Personal/Commercial	1
TOTAL	8

* Based on available 2017 data.

ORANGEBURG COUNTY

Type of Fraud	Number of Complaints
Automobile	42
Health/Medical	1
Disability Insurance	1
Personal/Commercial	8
TOTAL	52

PICKENS COUNTY

Type of Fraud	Number of Complaints
Automobile	12
Health/Medical	1
Personal/Commercial	5
Workers' Comp	3
TOTAL	21

RICHLAND COUNTY

Type of Fraud	Number of Complaints
Automobile	240
Health/Medical	5
Life Insurance	4
Other	2
Personal/Commercial	45
Workers' Comp	6
TOTAL	302

* Based on available 2017 data.

SALUDA COUNTY

Type of Fraud	Number of Complaints
Automobile	3
TOTAL	3

SPARTANBURG COUNTY

Type of Fraud	Number of Complaints
Automobile	88
Health/Medical	3
Disability Insurance	1
Personal/Commercial	14
Premium Fraud	1
Workers' Comp	4
TOTAL	111

SUMTER COUNTY

Type of Fraud	Number of Complaints
Automobile	78
Health/Medical	2
Life Insurance	1
Personal/Commercial	11
TOTAL	92

UNION COUNTY

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

* Based on available 2017 data.

WILLIAMSBURG COUNTY

Type of Fraud	Number of Complaints
Automobile	19
Personal/Commercial	2
Workers' Comp	1
TOTAL	22

YORK COUNTY

Type of Fraud	Number of Complaints
Automobile	51
Health/Medical	4
Life Insurance	1
Personal/Commercial	9
Premium Fraud	2
Workers' Comp	2
TOTAL	69

* Based on available 2017 data.

**SELECTED STATUTES FROM THE SOUTH CAROLINA CODE OF LAWS
PERTAINING TO THE INVESTIGATION AND PROSECUTION OF INSURANCE
FRAUD and GLASS COUPONING**

§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.

§ 39-5-170. Vehicle glass repair business; unlawful practices.

It is an unfair trade practice and unlawful for a person who is acting on behalf of or engaged in a vehicle glass repair business to offer or make a payment or transfer money or other consideration to:

- (1) a third person for the third person's referral of an insurance claimant to the vehicle glass repair business for the repair or replacement of vehicle safety glass;
- (2) an insurance claimant in connection with the repair or replacement of vehicle safety glass; or
- (3) waive, rebate, give, or pay all or part of an insurance claimant's casualty or property insurance deductible as consideration for selecting the vehicle glass repair business.

§ 38-55-173. Unlawful vehicle glass repair business practices; penalties.

(A) A person who is acting on behalf of or engaged in a vehicle glass repair business is guilty of a misdemeanor if the person offers or makes a payment or transfer of money or other consideration to:

- (1) a third person for the third person's referral of an insurance claimant to the vehicle glass repair business for the repair or replacement of vehicle safety glass;
 - (2) an insurance claimant in connection with the repair or replacement of vehicle safety glass;
- or
- (3) waive, rebate, give, or pay all or part of an insurance claimant's casualty or property insurance deductible as consideration for selecting the vehicle glass repair business.

(B) If the amount of the payment or transfer of subsection (A) has a value of:

- (1) one thousand dollars or more, the person, upon conviction, must be fined in the discretion of the court or imprisoned for not more than three years, or both, per violation; or
- (2) less than one thousand dollars, the person, upon conviction, must be fined not more than five hundred dollars or imprisoned for not more than thirty days, or both, per violation.

§ 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

* Based on available 2017 data.

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.

**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**

CURRENT OFFICE STAFF:

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

**M. Brooks Biediger
Assistant Attorney General**

**J. Clayton Mitchell
Assistant Attorney General**

**Sam J. Jones
Assistant Attorney General**

**Jordan Grubbs
Program Coordinator**

**Kristina Hill
Legal Assistant**

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

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