



Annual Report 2019



ALAN WILSON
ATTORNEY GENERAL

A MESSAGE FROM THE ATTORNEY GENERAL

I am proud to present the 2019 annual report of the South Carolina Insurance Fraud Division to the General Assembly. Every year, my office remains focused on the fight against reported insurance fraud in our great state.

In 2019, my office received 3,024 complaints of suspected insurance fraud reported by National Insurance Crime Bureau (NICB) and the Insurance Fraud Hotline, a slight increase in referrals from last year, which shows that insurance fraud in South Carolina continues to grow and thrive. Due to the increase in the number of complaints, even slightly, we must continue our diligence and dedication to the investigation and prosecution of these crimes. The 2019 complaints of insurance fraud covered a wide range of insurance policies, as reflected in this report, and were divided as follows: 1,884 (62%) Automobile, 396 (13%) Personal/Commercial, 86 (3%) Workers' Compensation, 164 (6%) Health/Medical, 273 (9%) Premium, 9 (<1%) Life Insurance, 30 (1%) Disability, 2 (<1%) Unemployment, and 180 (6%) Other.

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

Despite our steadfast efforts to confront this issue, insurance fraud continues to grow in South Carolina. Although our state ranks 23rd in population, according to reports from the National Insurance Crime Bureau (NICB), we currently rank 6th in the nation for staged car wrecks and 14th for complaints of suspected insurance fraud. This problem is dangerous and disconcerting, and this type of fraud makes the highways of South Carolina unsafe for innocent drivers. This behavior proves to be dangerous because the individuals committing insurance fraud, pack vehicles full of passengers, sometimes including young children, in an effort to maximize their claim value. While making large claims, these perpetrators exploit emergency services and their schemes take away the resources from those who truly are in states of emergency.

Based on information from the Coalition Against Insurance Fraud and NICB, South Carolina is ranked as one of, if not the lowest, states for insurance fraud funding. We have a \$400,000 insurance fraud budget and 4 dedicated investigators. South Carolina had 47 arrests, \$244,524.00 in restitution ordered and had 48 convictions in 2019. In comparison, our neighbor, North Carolina has a budget of over \$3 million with over 40 full-time investigators, seven reserve

investigators, three prosecutors dedicated to insurance fraud, as well as a criminal analyst for their division. North Carolina had 498 arrests in 2019, ordered \$2,253,266 in restitution, and had 274 convictions in 2019.

Fraud and crime travel the path of least resistance. South Carolina should no longer be a place where criminals are able to get away with crime. Insurance Fraud drains our systems, exploits resources, and raises premiums for all of our citizens. It is not a victimless crime. Every citizen of our great state is a victim of these perpetrators. Our office understands how vast the problem is and we will continue to work to make sure that the state of South Carolina is the safest place possible to live, work, and raise a family.

Sincerely,

A handwritten signature in blue ink that reads "Alan Wilson". The signature is fluid and cursive, with the first name "Alan" and last name "Wilson" clearly distinguishable.

Alan Wilson

Attorney General



ALAN WILSON
ATTORNEY GENERAL

MESSAGE FROM THE ATTORNEY GENERAL'S INSURANCE FRAUD DIVISION

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



Twenty-six (26) years ago the South Carolina Legislature established the Insurance Fraud Division to prevent, investigate, and prosecute insurance fraud statewide. In what was named the Omnibus Insurance Fraud and Reporting Immunity Act, the General Assembly mandated the prosecution of insurance fraud cases by our division with investigations conducted by the South Carolina Law Enforcement Division (SLED). The SLED agents and attorneys investigate and prosecute the complaints from the National Insurance Crime Bureau, insurance companies, private citizens, the Department of Insurance, the South Carolina Worker's Compensation Commission, the Department of Employment and Workforce, and law enforcement agencies. In 2019, this small

unit and the four SLED agents were and continue to be thorough in investigating and prosecuting insurance fraud through all forty-six counties in the state. While the team disposed of an increased number of cases, even more assistance is necessary to combat insurance fraud effectively.

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

Another statistic that must be highlighted is NICB's ranking of our state as 6th in the nation, rising from 10th in 2018, for staged accident fraud. Staged car wrecks often lead to the development of staged accident rings. Rings occur when groups of people use one or more vehicles to purposefully wreck into another vehicle for the sake of collecting insurance payouts. Rings are typically led by one to five individuals who convince other offenders to join them in these crimes. We have seen the stagers fill the perpetrating vehicles with carloads of people in order to defraud insurance companies of as much money as possible. These rings present dangers to both the participants and innocent victims who are driving on the road. Unsuspecting motorists cannot defend themselves from the unknown dangers of staged accidents. Although we did not receive any new ring cases this year, our office continued to investigate and prosecute the rings we had received in previous years. The investigation and prosecution of these cases demands large numbers of resources from law enforcement and the Attorney General's Office.

The Insurance Fraud Division of the Attorney General's Office remains dedicated to combating insurance fraud in our state. Throughout the past year, we worked to expand our outreach so that we can fight against Insurance Fraud with knowledge. One successful initiative our Program Coordinator pushes is recurring training for law enforcement and insurance agents throughout the state. In 2019, our Coordinator worked with NICB to provide more specified Insurance Fraud training to agencies such as the State Accident Fund. She also presented in-person sessions that were based upon last year's training video to a few law enforcement agencies. Currently, our Coordinator is working with NICB, law enforcement, and a few insurance agencies, to create a course for Highway Patrol on spotting Insurance Fraud at the scene of reported accidents. The goal is to create a course that will help Highway Patrolmen to spot possible red flags when responding to accident calls. Finally, the Insurance Fraud Division is working to create ways to engage in more outreach with communities around the state. The goal of this initiative is to raise the general public's awareness of the dangers of insurance fraud and the importance of fighting against it.

We want to thank all of the private citizens, insurance professionals, and those in law enforcement who reported cases to us in 2019. We also want to thank the investigators within the insurance industry who tirelessly work to investigate these cases. Without their participation and cooperation, fighting against insurance fraud would not be possible.

We would also like to thank the National Insurance Crime Bureau (NICB), the Coalition Against Insurance Fraud, the South Carolina Insurance Fraud Investigators (SC-IFI), the South

Carolina chapter of the International Association of Special Investigative Units (IASIU), and the South Carolina Insurance News Service for working with our office and for their help in raising the awareness of this fraud.

2019 Notable Cases

State v. Heyward

Tyburious Heyward was the ringleader of a staged accident and altered medical bills ring out of Sumter County. In a February 6, 2017 incident, Heyward convinced Shyquan Soloman to give his date of birth and social security number to Heyward so Heyward could impersonate Soloman during a staged car accident. Heyward also instructed the other participants in this “accident” to drive off from Young’s Convenience Store and purposefully wreck into each other. After the defendants wrecked the vehicles, the occupants visited hospitals so medical bills could be incurred and later submitted to Geico Insurance. When emergency vehicles were called to the accident scene, Heyward provided Soloman’s personal identifying information. Additionally, Heyward also visited the hospital and gave the health care workers Soloman’s information. As planned, medical bills were submitted to Geico for Shyquan Soloman and the others. Upon the insurance company’s review of the bills, the nearly \$60,000 of bills submitted from the individuals in this accident were fabricated. South Carolina Law Enforcement Division (SLED) began an investigation. The Special Agent’s review of the body camera revealed Heyward impersonating Shyquan Soloman in the vehicle accident by providing Soloman’s name and date of birth to the responding police officer. SLED also interviewed the other occupants in the vehicles. One of them provided information that Heyward had approached him about being the driver in the staged accident. After this accident, Heyward instructed him to go to the hospital and run up a bill or give Heyward his name, date of birth, and social security number so Heyward could impersonate him at the hospital. In exchange for their participation, Heyward promised the defendants \$3,000 from the insurance settlement. Heyward set up multiple similar accidents with fabricated medical bills around Sumter County in the following months. The insurance companies and SLED solved the cases based upon the repetition of certain parties, incident locations, contact information listed, hospitals involved, etc.

On April 12, 2019, Tyburious Heyward pleaded guilty to three counts of Presenting a False Claim for Payment Greater than \$10,000. He received a five-year prison sentence.

State v. Vaughn

Gregory Vaughn was the coordinator of a staged accident ring in the Sumter, Lee, and Clarendon Counties areas involving over a dozen other co-defendants. In one incident multiple individuals reported a vehicle collision in which an unknown vehicle struck the vehicle he was operating in the rear, pushing it off the right side of the road. The alleged unknown vehicle then

fled the scene. South Carolina Highway Patrol responded and investigated. The parties to the crash were taken to Carolinas Hospital in Florence. The medical bills from Carolinas Hospital were submitted as part of their subsequent personal injury insurance claims to USAA. The insurance company noticed the bills were altered. South Carolina Law Enforcement Division (SLED) was brought in to assist with this investigation. SLED interviewed Vaughn about these accidents. In his statement to law enforcement, Vaughn admitted to coordinating the fake accidents with a number of different individuals. On February 28, 2019, Vaughn pleaded guilty to Presenting a False Claim for Payment Greater than \$10,000. He was sentenced to five years in the South Carolina Department of Corrections.

State v. Harris

From 2010-2018 Celestine Miller-Harris purchased a long term care insurance policy with Genworth Life Insurance Company. After taking out the policy, Miller-Harris was diagnosed with spinal stenosis and made a claim under the policy. She told the insurance company she needed Genworth to provide home health care employees to assist with transportation, bathing, dressing, and feeding. The terms of the policy allowed for the claimant to pay the health care workers, and the claimant received reimbursement from Genworth. Years after the defendant had been receiving home health care under the insurance policy, Genworth performed an audit, including Miller-Harris' case. The audit revealed the defendant's caregivers appeared to be earning incomes in excess of \$70,000. As a result of this irregularity, Genworth launched an investigation into Miller-Harris' case. The investigation by the insurance company discovered Miller-Harris was driving herself around and she was paying caregivers for time when they did not provide care for her. Genworth's and South Carolina Law Enforcement Division's (SLED) reviews of eight years of Miller-Harris' invoices/time sheets, receipts, and copies of personal checks made out to the caregivers proved the defendant received tens of thousands of dollars for care which had not been given. SLED also interviewed the defendant, and she admitted to her unauthorized conduct. Miller Harris pleaded no contest on August 19, 2019 to one count of Making a False Statement or Misrepresentation Greater than \$50,000 and one count of Forgery Greater than \$10,000. The Court sentenced her to probation and ordered her to pay restitution to the insurance company.

State v. Davis/Gregg/Singleton

Eric Tracy Davis, who owned a towing company, introduced himself to Tonya Gregg. During their introductory conversation, Davis learned Gregg was having transmission problems. Davis explained to Gregg he was someone who does staged accidents, and he asked her if she wanted to make some money by helping him with an "accident". When Gregg agreed to the scheme, Davis purposefully backed his rollback wrecker into the front of Gregg's SUV. After the accident, Davis told Gregg, "The good ones go to the hospital in Manning and say their neck and back are hurting." After his statement, he left the scene. Gregg reported to responding law enforcement she was involved in a hit and run with a car. As the South Carolina Highway Patrol

investigated the accident, it appeared that a vehicle had backed into Ms. Gregg's vehicle and the damage was similar to that of a rollback tow truck's bed. Based on the inconsistency of Gregg's description of the car and the damage to the vehicle, South Carolina Law Enforcement Division (SLED) was called in to investigate. SLED interviewed Gregg, who confessed Davis staged this accident.

A second incident took place on July 17, 2015 when Mr. Davis' other co-defendant, Artrell Singleton, reported a hit and run accident in front of her residence in the Rembert area of Sumter County. When Highway Patrol arrived and conducted an investigation, questions began to arise about how the accident actually occurred. The troopers observed that the damage and Singleton's story about the accident differed. After the accident, Singleton claimed injuries to herself and her minor children to Gainsco Insurance. SLED also investigated this suspicious claim. The SLED Agent conducted interviews with Singleton. During an interview she confessed that Eric Davis, who was her neighbor, approached her about doing a staged accident. When Singleton agreed, Davis backed up to her vehicle and then quickly accelerated into it, causing the damage. After the accident, he jumped out of the truck and told Singleton to report it as a hit and run. Singleton has since pleaded guilty to Presenting a False Claim for Payment. Davis pleaded guilty to two counts of Making a False Statement or Misrepresentation \$1,000-\$10,000. The Honorable John C. Hayes accepted the pleas and sentenced Davis to 2 years in prison on each charge, both of which were suspended to 2 years of probation.

State v. Leno/Johnson

Mrs. Leno's incidents of insurance fraud took place between February 1, 2014 and February 22, 2016 in Lexington County. Mrs. Leno's then-common law husband, James Thames, had a Disability Insurance Policy with Constitutional Life Insurance, which began paying out \$1,000/month beginning in 1996. Mr. Thames died on January 31, 2014, but Mrs. Leno continued to request payments from the insurance company after her husband's death. During one incident where she requested payment, the Defendant called Constitutional Life Insurance Company and spoke with a customer service representative on August 14, 2015. Mrs. Leno stated her husband was sitting with her at their Lexington County home so he could give the representative permission to talk with her. A male got on the phone and talked with the representative. When asked for a policy number, date of birth, and last four numbers of the deceased's social security number, the male caller provided this information. The person on the phone was co-defendant William Jackson Johnson. Mrs. Leno further submitted false documents to reflect medical treatments for James Thames. As a result of all these actions, Leno collected \$18,000 in benefits which were not due to her. The insurance company finally realized Mr. Thames was deceased and filed a complaint on Mrs. Leno. South Carolina Law Enforcement (SLED) completed a subsequent investigation into the case. During SLED's investigation of Mrs. Leno, it was revealed that the person on the phone call was Mr. Johnson. Leno pleaded guilty to one count of Making a False Statement or Misrepresentation on March 27, 2019. She received eighteen months of time at the State Department of Corrections suspended to five years of probation. A special condition of probation is \$18,000 of restitution. Johnson pleaded guilty

three weeks later to Making a False Statement or Misrepresentation and also received five years of probation and \$9,000 of restitution to repay.

As we look forward to 2020, our Insurance Fraud Division will continue to fight against insurance fraud in our state. In the next year, we hope to build upon 2019's success and raise awareness about the need for increased funding so that we can have even more success combatting South Carolina's insurance fraud problem.



LaRone K. Washington
Assistant Attorney General
Director of Insurance Fraud



SUMMARY

Status of Cases – 2019

Complaints Received from National Insurance Crime Bureau and Constituents

Complaints Received in 2019	3,024
Complaints Declined for Prosecution before SLED Investigation	2,533
Total Complaints Pending Investigation or Prosecution (12/31/2019)	678

Complaints Opened to SLED For Further Investigation Before Prosecution

Complaints opened to SLED in 2019	88
Number of Arrests by SLED in 2019	47
Complaints under investigation by SLED as of 12/31/19	175

Disposition of Attorney General Cases

Cases disposed by Memorandum of Understanding (MOU)	15
Individuals convicted in 2019 (in General Sessions Court)	48
Number of counties in which convictions were obtained	10
Number of convictions in Staged Accident Rings	20
Cases where Restitution was ordered	24
Total Restitution ordered	\$244,254.00

Monies ordered and/or collected pursuant to Civil Dispositions

CIVIL – MOU’s	AMOUNT
Fines Ordered	\$6,750
Fines Collected	\$5,750
TOTAL	\$5,750

Monies Ordered and/or Collected Pursuant to Court Order

COURT ORDERED – RESTITUTION	AMOUNT
Restitution Ordered In Ring Cases	\$58,000.00
Restitution Ordered in Non-Ring Cases	\$186,254.00
TOTAL	\$244,254.00

COURT ORDERED - FINES	AMOUNT
Court Fines Ordered	\$10,315.89
TOTAL	\$10,315.89

TOTAL COURT ORDRED MONIES	AMOUNT
Restitution Ordered	\$244,254.00
Court Fines	\$10,315.89
TOTAL	\$254,569.89



2018-2019 ORGANIZED RINGS IN SOUTH CAROLINA

Sumter Ring #1

- Type of Fraud **Staged Accidents + Forged Medical Bills**
- Number of Defendants **15**
- Ringleader **Gregory Vaughn**
- *Convictions/Pleas **10**

Sumter Ring #2

- Type of Fraud **Staged Accidents + Forged Medical Bills**
- Number of Defendants **35**
- Ringleader **Tyburious Heyward**
- *Convictions/Pleas **24**

Greenville Ring

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

Florence Ring #1

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

Florence Ring #2

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

Lee Ring

- Type of Fraud **Staged Accident**
- Number of Defendants **7**
- Ringleader **Gregory Vaughn**
- Convictions/Pleas **4**

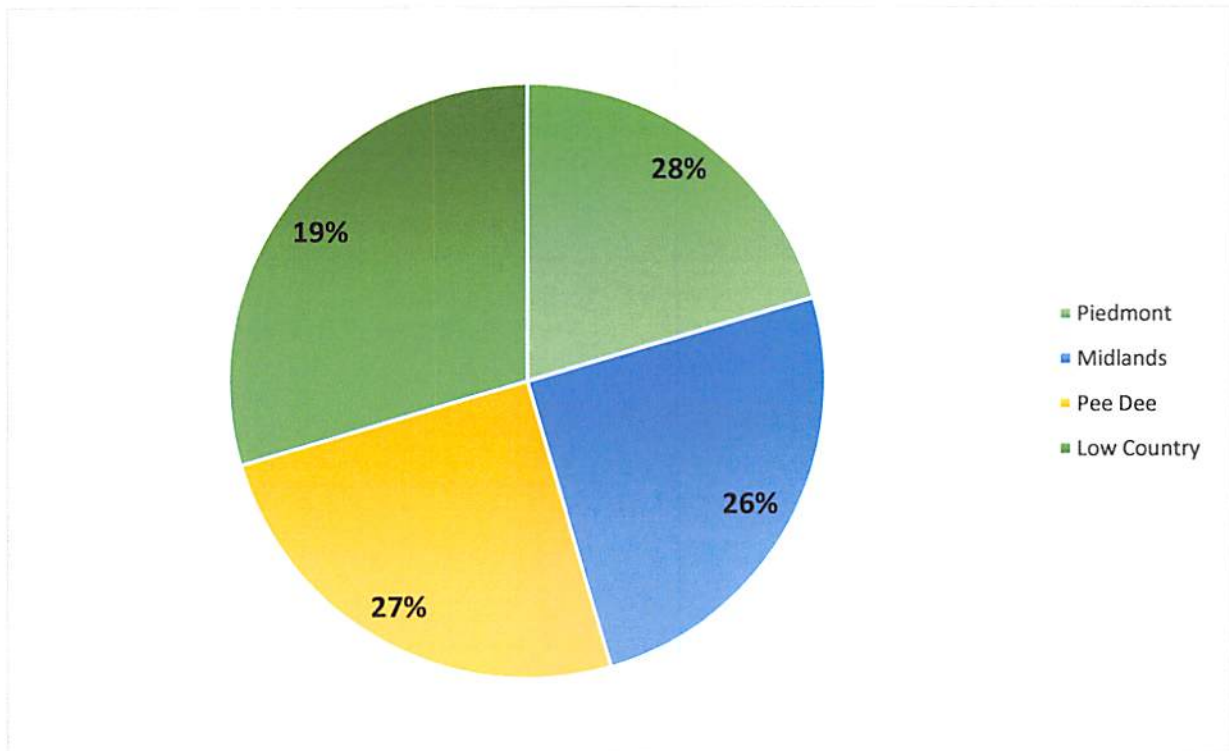
Clarendon Ring

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

***Convictions as of 12/31/2019; some defendant's cases still pending.**

2019 CASES OPENED TO SLED BY REGION

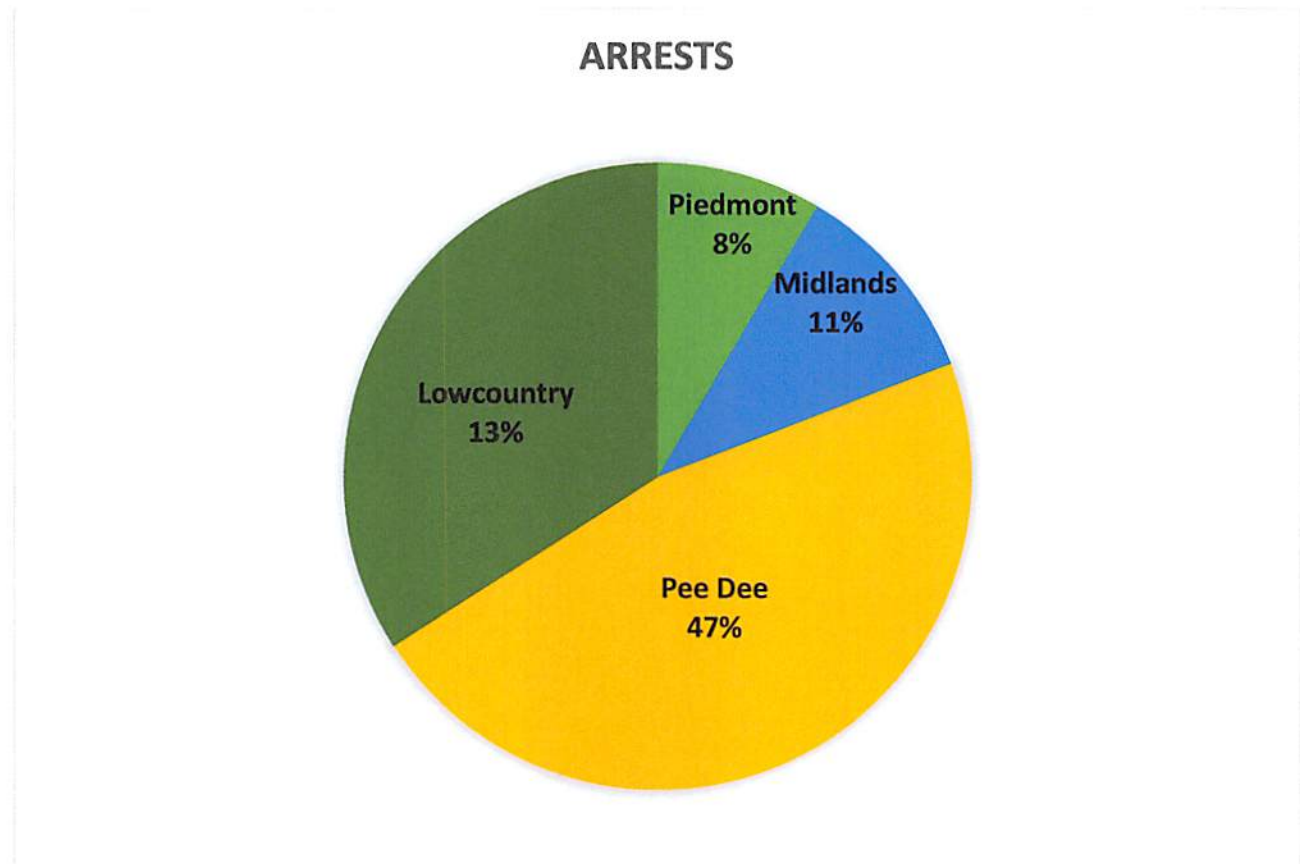
After Assistant Attorneys General decide that a complaint meets the elements of an insurance fraud crime, the office requests SLED to conduct an investigation. During 2019, the Insurance Fraud Division of the Attorney General's office opened 88 cases to SLED. As the chart below indicates, these cases were received from all areas of the state:



REGION	NUMBER OF CASES	PERCENT OF TOTAL
Piedmont	18	28%
Midlands	22	26%
Pee Dee	22	27%
Low Country	26	19%
Total	88	

2019 SLED ARRESTS BY REGION

During 2018, the South Carolina Law Enforcement Division had 46 arrests related to Insurance Fraud. As the chart below indicates, these arrests were made in all four regions of the state:



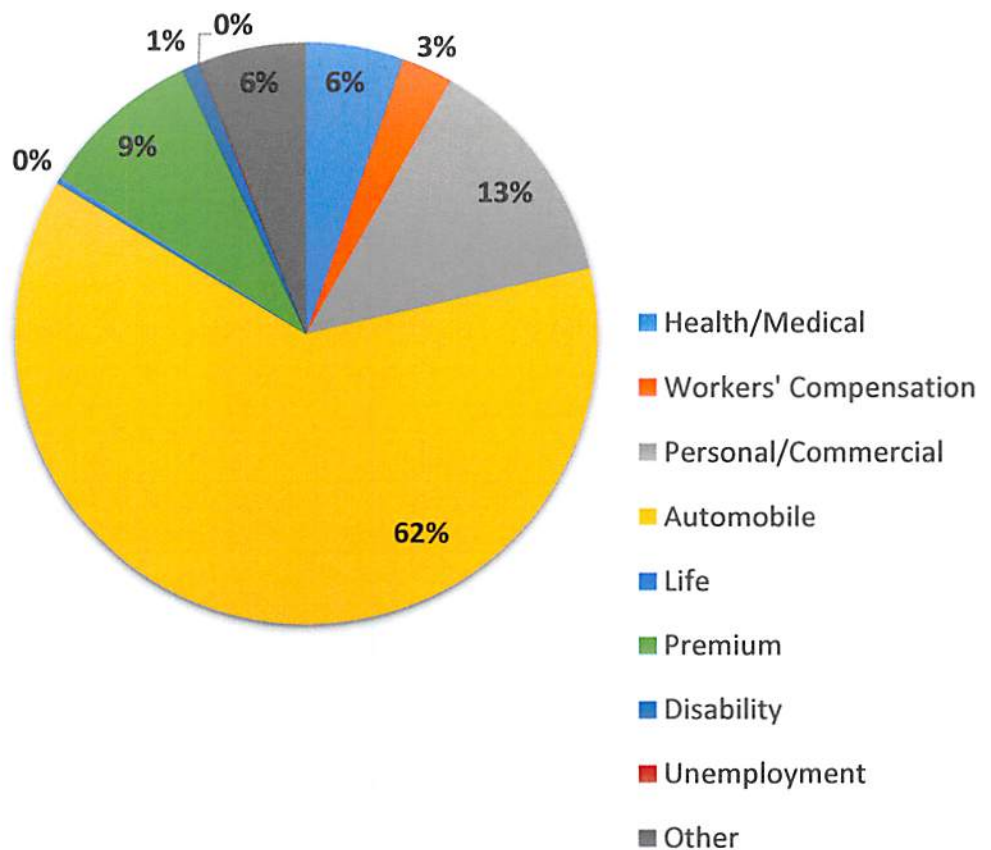
REGION	NUMBER OF ARRESTS	PERCENT OF TOTAL
Piedmont	4	8%
Midlands	5	11%
Pee Dee	22	47%
Low Country	16	13%
Total	47	

2019 COMPLAINTS RECEIVED BY TYPE OF FRAUD

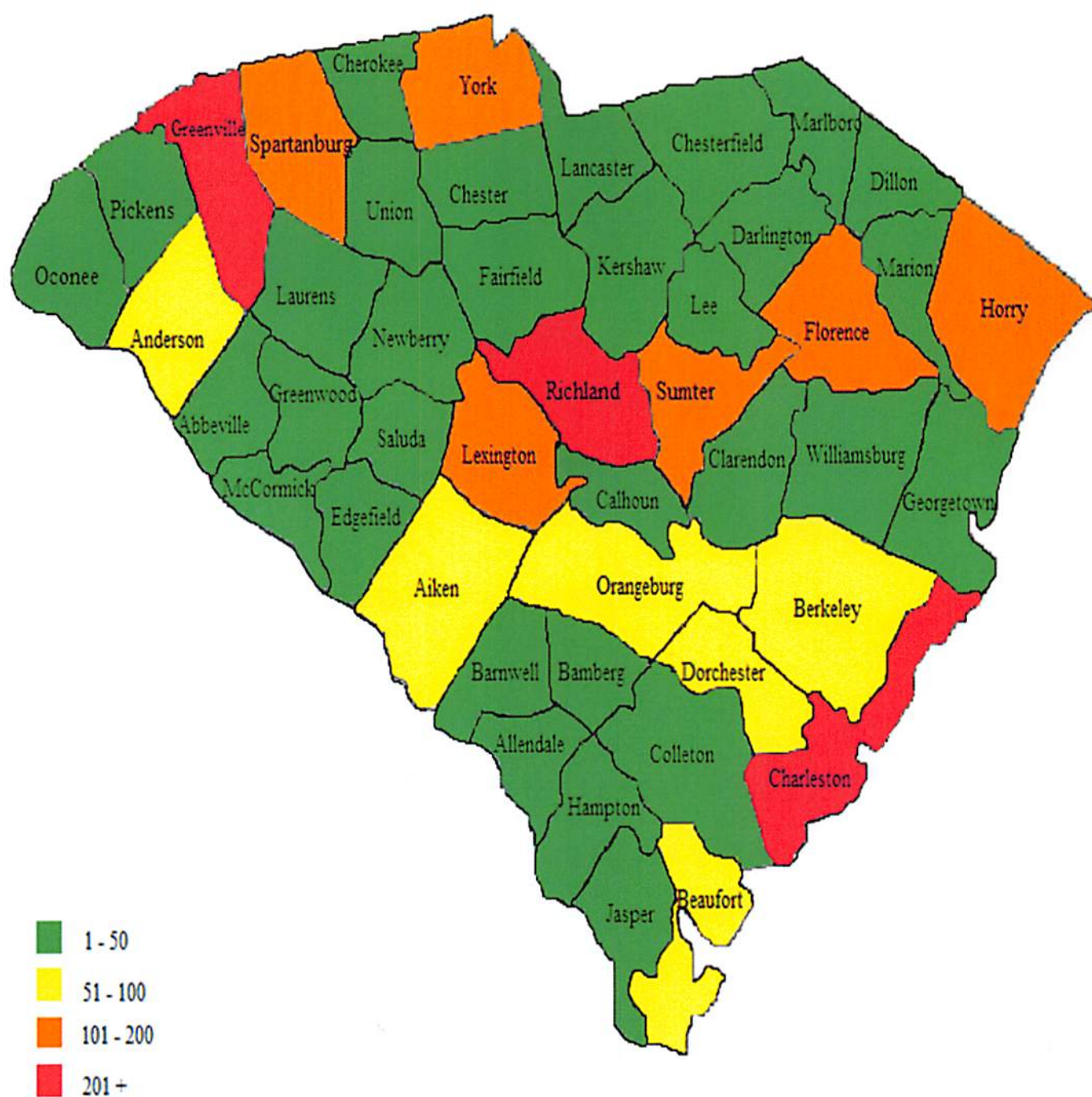
The fraud complaints received during 2019 by the Insurance Fraud Division consisted of the following types of fraud:

Type of Fraud	Number of Complaints	Percentage of Total
Health/Medical	164	6%
Workers' Compensation	86	3%
Personal/Commercial Property	396	13%
Automobile Insurance	1,884	62%
Life Insurance	9	<1%
Premium Fraud	273	9%
Disability Insurance	30	1%
Unemployment	2	<1%
Other	180	6%
TOTAL	3,024	

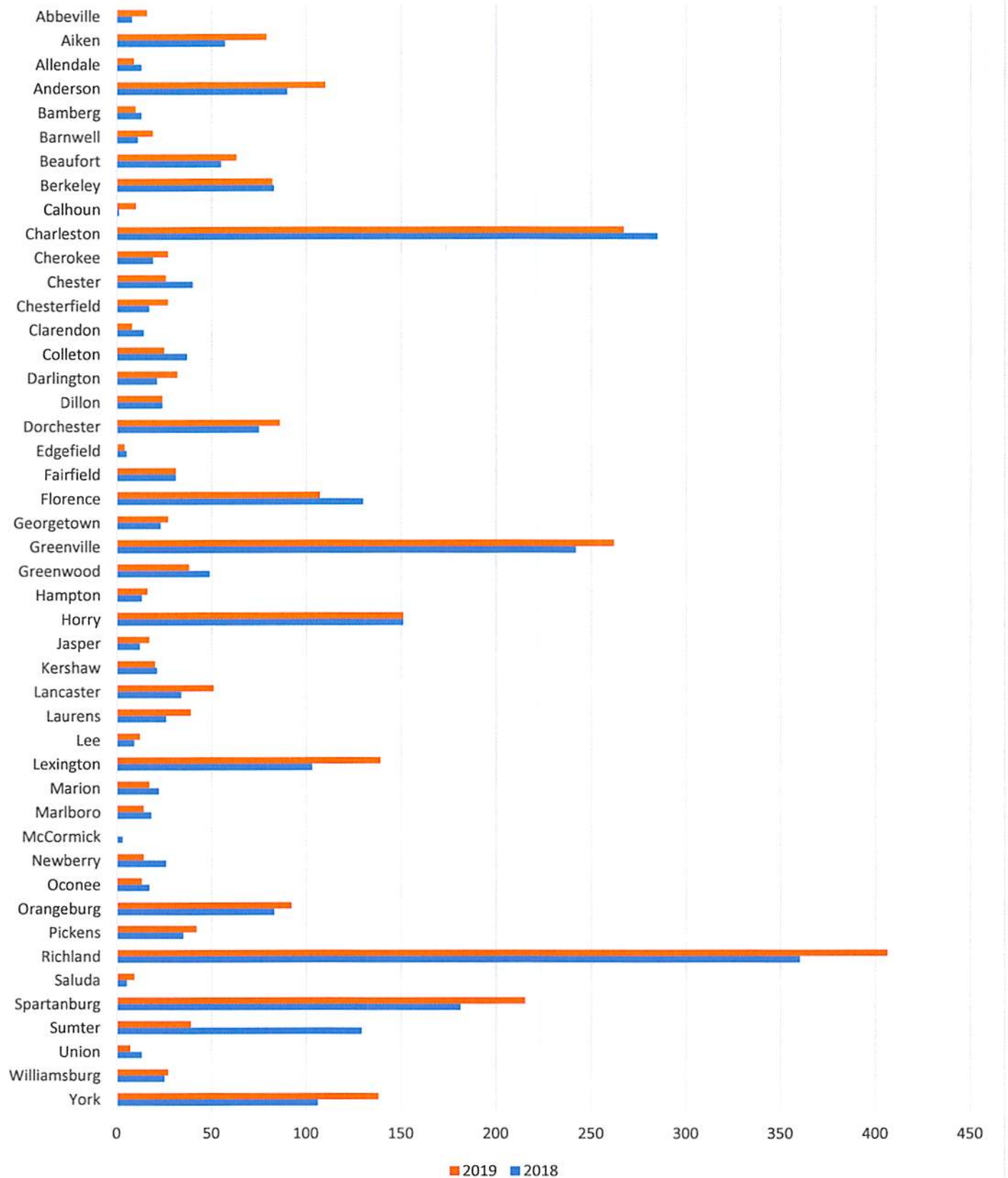
Breakdown of Complaints by Type of Fraud Chart – 2019



2019 COMPLAINTS BY COUNTY MAP



COUNTY COMPARISON BETWEEN 2018 AND 2019



2019 COMPLAINTS BY COUNTY

ABBEVILLE COUNTY

Type of Fraud	Number of Complaints
Health/Medical	3
Worker's Compensation	1
Personal/Commercial	2
Automobile	8
Premium	1
Other	1
TOTAL	16

AIKEN COUNTY

Type of Fraud	Number of Complaints
Health/Medical	5
Worker's Compensation	2
Personal/Commercial	10
Automobile	49
Premium	8
Other	5
TOTAL	79

ALLENDALE COUNTY

Type of Fraud	Number of Complaints
Automobile	7
Premium	1
Other	1
TOTAL	9

ANDERSON COUNTY

Type of Fraud	Number of Complaints
Health/Medical	4
Worker's Compensation	3
Personal/Commercial	14
Automobile	66
Premium	14
Other	9
TOTAL	110

BAMBERG COUNTY

Type of Fraud	Number of Complaints
Worker's Compensation	1
Personal/Commercial	1
Automobile	8
TOTAL	10

BARNWELL COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	2
Automobile	12
Premium	1
Disability	1
Other	3
TOTAL	19

BEAUFORT COUNTY

Type of Fraud	Number of Complaints
Health/Medical	6
Worker's Compensation	6
Personal/Commercial	7
Automobile	35
Premium	6
Disability	1
Other	2
TOTAL	63

BERKELEY COUNTY

Type of Fraud	Number of Complaints
Health/Medical	5
Worker's Compensation	4
Personal/Commercial	13
Automobile	36
Premium	16
Disability	1
Other	7
TOTAL	82

CALHOUN COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	2
Automobile	7
Other	1
TOTAL	10

CHARLESTON COUNTY

Type of Fraud	Number of Complaints
Health/Medical	27
Worker's Compensation	10
Personal/Commercial	34
Automobile	151
Life	1
Premium	28
Unemployment	2
Other	14
TOTAL	267

CHEROKEE COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Personal/Commercial	4
Automobile	20
Other	2
TOTAL	27

CHESTER COUNTY

Type of Fraud	Number of Complaints
Worker's Compensation	1
Personal/Commercial	4
Automobile	19
Premium	1
Other	1
TOTAL	26

CHESTERFIELD COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Worker's Compensation	3
Personal/Commercial	1
Automobile	16
Premium	6
TOTAL	27

CLARENDON COUNTY

Type of Fraud	Number of Complaints
Health/Medical	2
Worker's Compensation	1
Automobile	5
TOTAL	8

COLLETON COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	3
Automobile	13
Premium	8
Other	1
TOTAL	25

DARLINGTON COUNTY

Type of Fraud	Number of Complaints
Worker's Compensation	1
Personal/Commercial	1
Automobile	26
Premium	3
Other	1
TOTAL	32

DILLON COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Personal/Commercial	2
Automobile	18
Premium	1
Other	2
TOTAL	24

DORCHESTER COUNTY

Type of Fraud	Number of Complaints
Health/Medical	2
Worker's Compensation	3
Personal/Commercial	12
Automobile	58
Life	1
Premium	4
Disability	3
Other	3
TOTAL	86

EDGEFIELD COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	1
Automobile	2
Other	1
TOTAL	4

FAIRFIELD COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	1
Automobile	24
Premium	6
TOTAL	31

FLORENCE COUNTY

Type of Fraud	Number of Complaints
Health/Medical	4
Worker's Compensation	1
Personal/Commercial	5
Automobile	80
Life	1
Premium	10
Disability	1
Other	5
TOTAL	107

GEORGETOWN COUNTY

Type of Fraud	Number of Complaints
Health/Medical	5
Automobile	13
Premium	9
TOTAL	27

GREENVILLE COUNTY

Type of Fraud	Number of Complaints
Health/Medical	24
Worker's Compensation	10
Personal/Commercial	28
Automobile	156
Premium	32
Disability	1
Other	11
TOTAL	262

GREENWOOD COUNTY

Type of Fraud	Number of Complaints
Health/Medical	2
Personal/Commercial	7
Automobile	27
Other	2
TOTAL	38

HAMPTON COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Automobile	12
Disability	2
Other	1
TOTAL	16

HORRY COUNTY

Type of Fraud	Number of Complaints
Health/Medical	9
Worker's Compensation	2
Personal/Commercial	27
Automobile	85
Life	1
Premium	15
Disability	1
Other	11
TOTAL	151

JASPER COUNTY

Type of Fraud	Number of Complaints
Health/Medical	2
Personal/Commercial	2
Automobile	10
Premium	3
TOTAL	17

KERSHAW COUNTY

Type of Fraud	Number of Complaints
Health/Medical	4
Worker's Compensation	1
Personal/Commercial	5
Automobile	8
Disability	2
TOTAL	20

LANCASTER COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Worker's Compensation	1
Personal/Commercial	2
Automobile	40
Premium	4
Other	3
TOTAL	51

LAURENS COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Worker's Compensation	2
Personal/Commercial	6
Automobile	24
Disability	4
Other	2
TOTAL	39

LEE COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Automobile	9
Premium	1
Other	1
TOTAL	12

LEXINGTON COUNTY

Type of Fraud	Number of Complaints
Health/Medical	7
Worker's Compensation	3
Personal/Commercial	25
Automobile	87
Life	1
Premium	4
Disability	1
Other	11
TOTAL	139

MARION COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	4
Automobile	11
Premium	1
Other	1
TOTAL	17

MARLBORO COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Worker's Compensation	1
Personal/Commercial	1
Automobile	9
Premium	2
TOTAL	14

MCCORMICK COUNTY

Type of Fraud	Number of Complaints
TOTAL	0

NEWBERRY COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Worker's Compensation	1
Personal/Commercial	2
Automobile	9
Premium	1
TOTAL	14

OCONEE COUNTY

Type of Fraud	Number of Complaints
Worker's Compensation	2
Personal/Commercial	3
Automobile	6
Premium	1
Other	1
TOTAL	13

ORANGEBURG COUNTY

Type of Fraud	Number of Complaints
Health/Medical	3
Worker's Compensation	3
Personal/Commercial	8
Automobile	70
Premium	5
Other	3
TOTAL	92

PICKENS COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Worker's Compensation	3
Personal/Commercial	8
Automobile	21
Premium	7
Other	2
TOTAL	42

RICHLAND COUNTY

Type of Fraud	Number of Complaints
Health/Medical	15
Worker's Compensation	7
Personal/Commercial	67
Automobile	252
Life	2
Premium	34
Disability	2
Other	27
TOTAL	406

SALUDA COUNTY

Type of Fraud	Number of Complaints
Personal/Commercial	3
Automobile	4
Premium	2
TOTAL	9

SPARTANBURG COUNTY

Type of Fraud	Number of Complaints
Health/Medical	4
Worker's Compensation	5
Personal/Commercial	24
Automobile	144
Life	3
Premium	18
Disability	2
Other	15
TOTAL	215

SUMTER COUNTY

Type of Fraud	Number of Complaints
Health/Medical	9
Worker's Compensation	2
Personal/Commercial	10
Automobile	59
Premium	7
Other	6
TOTAL	93

UNION COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Personal/Commercial	1
Automobile	4
Other	1
TOTAL	7

WILLIAMSBURG COUNTY

Type of Fraud	Number of Complaints
Health/Medical	1
Personal/Commercial	7
Automobile	15
Disability	1
Other	3
TOTAL	27

YORK COUNTY

Type of Fraud	Number of Complaints
Health/Medical	6
Worker's Compensation	1
Personal/Commercial	23
Automobile	92
Premium	8
Disability	2
Other	6
TOTAL	138

OUT OF STATE/UNKNOWN

Type of Fraud	Number of Complaints
Health/Medical	4
Worker's Compensation	5
Personal/Commercial	14
Automobile	57
Premium	5
Disability	4
Other	14
TOTAL	103

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

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

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

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

§ 38-55-530. Definitions.

As used in this article:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) secure cash advances by false statements; or

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

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

§ 16-11-110. Arson.

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

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

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

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

(2) aids, counsels, or procures a burning that results in damage to a building or structure other than those specified in subsections (A) and (B), a railway car, a ship, boat, or other watercraft, an

aircraft, an automobile or other motor vehicle, or personal property with intent to destroy or damage by explosion or fire, whether the property of the person or another.

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

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

§ 16-13-10. Forgery.

(A) It is unlawful for a person to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 38-43-245. Fraudulent insurance application.

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

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

(2) assists, abets, solicits, or conspires with another to prepare or make an application for insurance, knowing that the application contains any false or misleading information or omissions concerning any fact or thing material to the underwriting of the insurance for which the applicant is submitted, is guilty of a felony and, upon conviction, must be punished by imprisonment for not more than five years or a fine not to exceed five thousand dollars, or both.

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

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

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

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

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

(1) for any information related to suspected fraudulent insurance acts provided to an insurer; or

(2) for information related to suspected fraudulent insurance acts provided to the National Insurance Crime Bureau or the National Association of Insurance Commissioners.

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



ALAN WILSON
ATTORNEY GENERAL

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

**P.O. Box 11549
Columbia, South Carolina 29211
Telephone: 803-737-6424
Fax 803-734-0084
Hotline: 1-888-95-FRAUD**

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

**Jordan Grubbs
Program Coordinator**

**Melanie Cain
Legal Assistant**