

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

ANNUAL REPORT 2016



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ALAN WILSON
ATTORNEY GENERAL

A MESSAGE FROM THE ATTORNEY GENERAL

I am proud to present the 2016 annual report of the South Carolina Insurance Fraud Division to the General Assembly. My 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 Attorneys General employed by the Department of Employment and Workforce (and authorized by our office) worked diligently in prosecuting these cases. In 2016, these prosecutors secured 29 fraud convictions. Overall, in 2016, Defendants were ordered to pay more than \$88,774.55 in restitution to the victims.

During 2016, my office received 1,915 complaints of insurance fraud, a significant number of referrals that only continues the high trend of insurance fraud in South Carolina. The number of complaints remains disturbingly high, and we must continue to be vigilant in our prosecution of these cases. The cases were divided as follows: Automobile 56% (378), Personal/Commercial Property 24% (165), Workers' Compensation 8% (56), Health/Medical 3% (19), Premium 3% (17), Life Insurance 3% (17), and Disability 22% (22). We continue to work with the Department of Employment and Workforce in responding to the Unemployment Fraud Complaints.

My office continues to bring 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 2016 and am looking forward to moving forward in 2017. For much of 2016, our office has prepared and prosecuted the cases with only two full-time investigators assigned from the State Law Enforcement Division (SLED) to handle the entire state's investigations. However, I am pleased to report that we now have four full-time SLED agents dedicated to insurance fraud investigations heading into 2017. These veteran investigators are forwarding an increasing number of cases to my office for prosecution.

Despite our diligence, insurance fraud continues to grow in South Carolina. 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.

While South Carolina is no longer the lowest-funded insurance fraud bureau in the country thanks to two additional investigators appropriated in last year's budget, it is still the lowest funded unit in the region. In contrast to South Carolina's \$354,000 insurance fraud unit budget and the 4 dedicated investigators, North Carolina has 20 dedicated criminal insurance fraud investigators and a budget of \$2.8 million, Georgia has four investigators and a budget of \$3.6 million and Virginia has 25 investigators and a budget of \$5.3 million.

Like water, fraud and crime travel the path of least resistance. South Carolina can no longer be a place where these criminals are able to thrive. Insurance Fraud drains our system and raises premiums for our citizens. We must work to make sure that South Carolina remains the safest place possible to live, work and raise a family.

Sincerely,



Alan Wilson

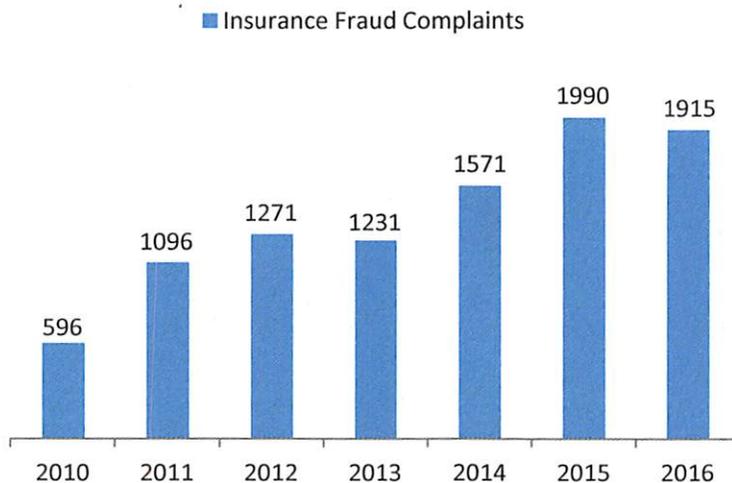


ALAN WILSON
ATTORNEY GENERAL

MESSAGE FROM THE ATTORNEY GENERAL'S INSURANCE FRAUD DIVISION

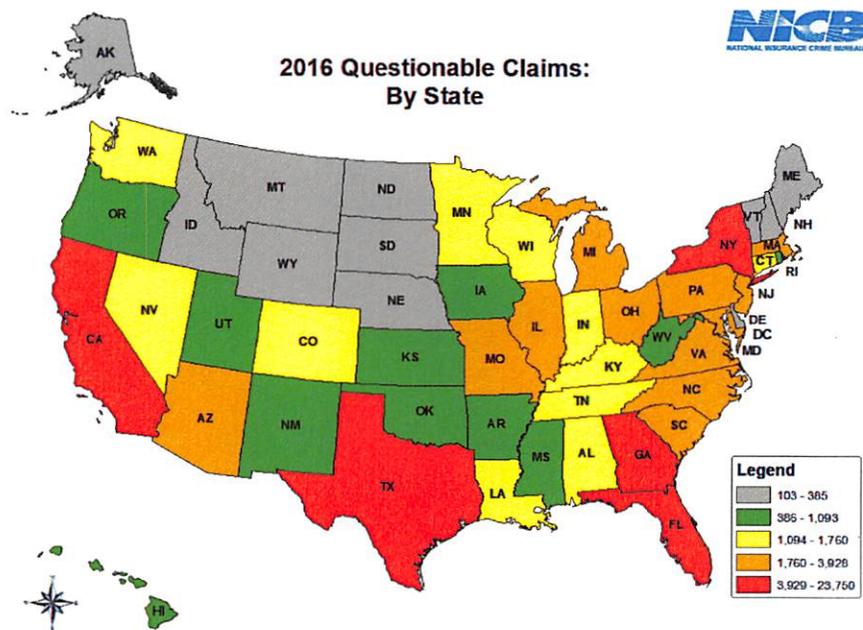
Insurance Fraud continues to be a significant problem in our state that has steadily grown larger and more pervasive year after year. The real victims of this crime are the citizens of our state who pay higher premiums as a result of this criminal activity. The number of complaints received in 2016, at 1,915, continues the recent trend of high level instances of fraud. There is every reason to believe that this upward trend will continue into the foreseeable future. Additionally, when factoring in the 521 complaints referred for information only purposes, it is evident that insurance fraud crimes continue to expand as its perpetrators become more sophisticated in South Carolina. 2016 and 2017 saw more instances of larger and more organized crime rings committing insurance fraud than in any previous years. Since 1995, the reported amount of insurance fraud across the state totals approximately \$130,000,000, and it continues to grow every year. It is imperative to identify that insurance fraud is a growing criminal enterprise, and commit the necessary resources to address this problem to protect the citizens 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). For most of 2016, there were only two SLED investigators dedicated to the investigation of insurance fraud for the entire state. I am encouraged to report that in 2017 there are now four full-time SLED investigators for the state. This increase is welcomed, significant, and we anticipate increased prosecution and convictions as a result. The Insurance Fraud Division receives referrals from the Department of Insurance, the South Carolina Worker's Compensation Commission, the Department of Employment and Workforce, insurance companies, private citizens, law enforcement agencies, as well as attorneys and private law firms throughout the State of South Carolina.

We thank all of the above-referenced agencies, private entities, and concerned citizens for their continued diligence in identifying and combating insurance fraud. Further, we would like to thank the National Insurance Crime Bureau for holding their 2016 Annual Fraud Summit in South Carolina. The Summit brought much needed awareness and attention to this problem from both a national and state perspective. The summit identified and emphasized a number of trends and points of interest for South Carolina. Of note, South Carolina ranks in the Top 10 nationally in the amount of suspected fraud per 100,000 in population. We are 7th in the nation in staged car wrecks. As mentioned previously, South Carolina is also seeing a troubling increase in organized crime rings committing insurance fraud crimes, ranging from staged accidents, arson, and forged medical documentation to obtaining prescription medication for sale on the black market. Of particular concern, despite being in the top 10 nationally for insurance fraud, our state ranks near the bottom nationally in funding to fight this problem.



*Not all Questionable Claims contain sufficient information to be mapped

The Insurance Fraud Division of the Attorney General's Office remains dedicated to combatting insurance fraud despite limited resources. As the newly appointed Director of Insurance Fraud in October of 2016, with a new program assistant who started in April, 2017 we take this opportunity to look ahead with new resolve and new initiatives to expand our outreach and this fight. One such initiative is recurring law enforcement trainings throughout rotating parts of the state to raise awareness of the red flags of insurance fraud and how to best handle these cases when officers come across them.

We thank all of the private citizens, insurance professionals and those in law enforcement who reported cases to us in 2016. 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.

2016 Notable Cases

State v. Kristopher Elders

On January 25, 2016, in Spartanburg County, Kristopher Elders pled guilty to the charge of Presenting a False Claim for Payment and Altering a VIN. He was sentenced to ten years suspended to three years' probation plus restitution. The Defendant claimed that his John Deere tractor, box blade, and trailer were stolen from the side of the road in Rutherford, NC on July 3, 2013. The defendant falsely claimed to police and the insurance company that the trailer developed a flat tire forcing him to leave the trailer and equipment on the side of the road while a new trailer was obtained. State Auto Insurance Company paid him over \$18,000 for the loss. On May 28, 2015, based upon information from an informant, the tractor and blade were found on the Defendant's property along with a different stolen trailer. The case was investigated by Senior Special Agent Joe Jordan with SLED.

State v. Kingsley Goldsmith

On July 21, 2016, in Greenville County, Kingsley Goldsmith pled guilty to two counts of Presenting a False Claim for Payment, and two counts of Forgery. As a condition of his probation, the Defendant was ordered to pay restitution in the amount of \$7,626.31. The Defendant was part of an organized ring of individuals based out of Greenville County who would stage motor vehicle accidents, present claims to the insurance company of fictitious

injuries that resulted, and submit forged medical bills. This case was investigated by SLED Senior Special Agent Joe Jordan.

State v. Donna Winburn

On July 21, 2016, in Greenville County, Donna Winburn pled guilty to the charge of Forgery, amount greater than \$10,000. As a condition of her probation, the Defendant was ordered to pay restitution in the amount of \$10,882.14. The Defendant forged the signatures of physicians who had on prior occasions treated her in order to obtain additional monetary benefits under her insurance that she would not have been otherwise due to receive. This case was investigated by SLED Special Agent George Wilson.

Looking forward to 2017, our Insurance Fraud Division will continue to address insurance fraud in our state.



David A. Fernandez
Assistant Attorney General
Director of Insurance Fraud



SUMMARY
Status of Cases – 2016

MONIES ORDERED AND/OR COLLECTED IN 2016
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 Court Order

CRIMINAL	AMOUNT
Court Ordered Fines	\$750.00*
Restitution Ordered	\$48,160.45
TOTAL	<u>\$48,160.45</u>

Monies Ordered and/or Collected Pursuant to Civil Disposition

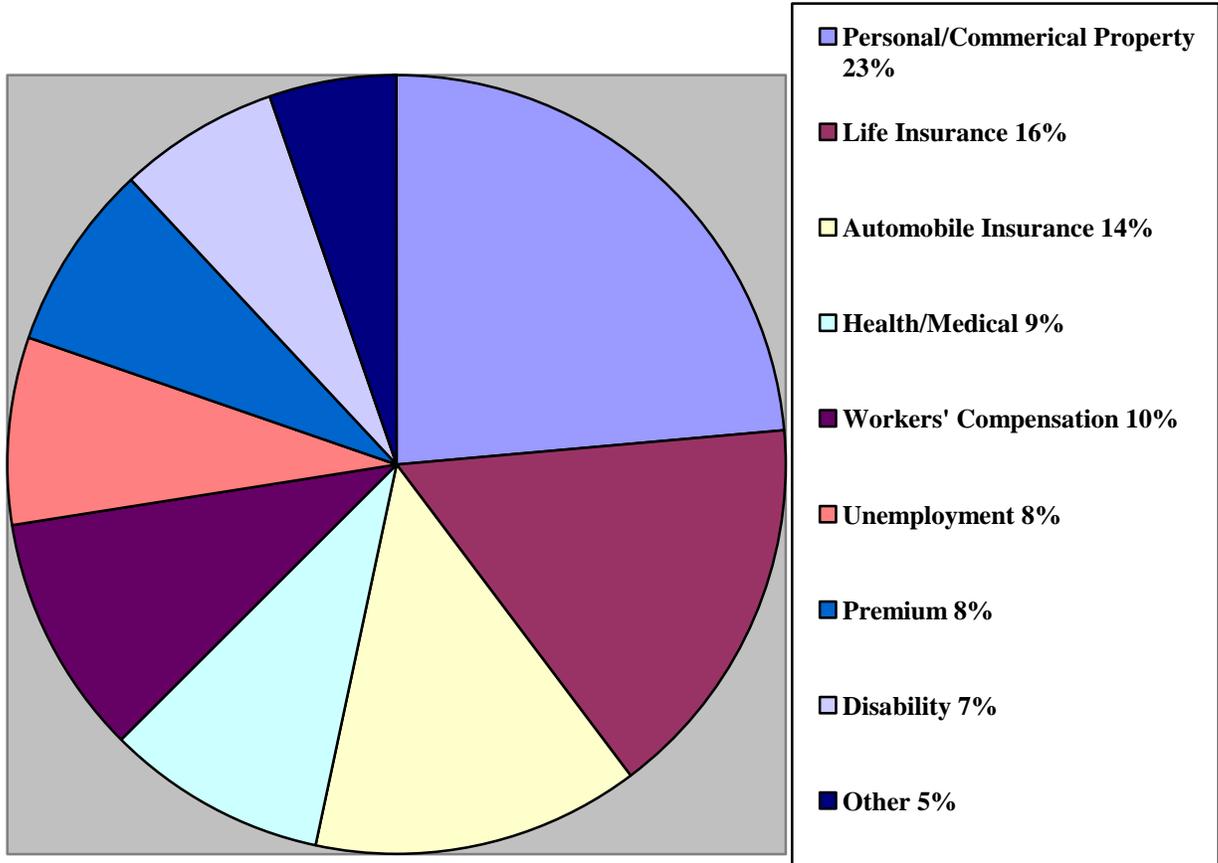
CIVIL	AMOUNT
Fines Ordered	\$17,652.61
Fines Collected	\$17,652.61
Restitution Ordered	\$40,614.10
Restitution Collected	\$40,614.10
TOTAL ORDERED	<u>\$58,266.71</u>
TOTAL COLLECTED	<u>\$58,266.71</u>

Cumulative Statistics of the Insurance Fraud Division 1995-2016

TOTAL COMPLAINTS RECEIVED	19,424
TOTAL FILES OPENED	7,240
CRIMINAL CONVICTIONS	1498
CIVIL REMEDIES	816

* Based on available 2016 data.

CUMULATIVE STATISTICS OF THE INSURANCE FRAUD DIVISION 1995-2016



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

* Based on available 2016 data.

SUMMARY
Status of Cases – 2016

Complaints

▪ Complaints Carried Forward from 2015	79
▪ Complaints Received in 2016	1915
▪ Information Only Referrals in 2016	521
▪ Complaints Referred to other Agencies	24
▪ Complaints Unfounded or Declined	1711
▪ Files Opened 2016	103
▪ Complaints Carried Forward to 2017	16

Open Files

▪ Files Opened in 2016	103
▪ Open Files Disposed of 2016	104
▪ Open Files on December 31, 2016	343
▪ Open Files awaiting investigation as of 12/31/16	60

Disposition

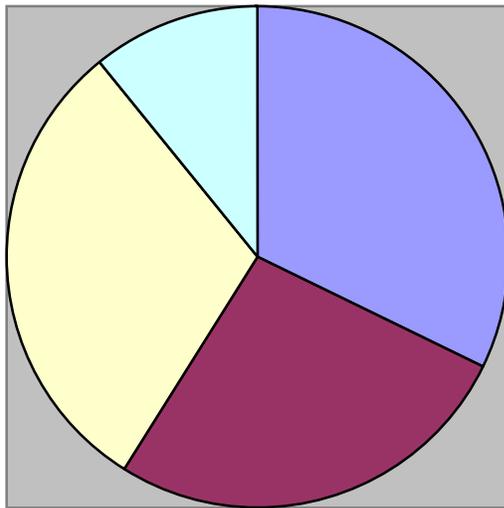
▪ 2016 Convictions	29
▪ 2016 Civil Remedies	22

On the Docket

▪ Indicted Cases as of December 31, 2016	17
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BREAKDOWN OF CASES BY REGION

During 2016, the Insurance Fraud Division of the Attorney General's office opened 103 cases. As the chart below indicates, these cases were received from all areas of the state:



■ Piedmont	33
■ Midlands	27
■ Pee Dee	31
■ Low Country	11

REGION	NUMBER OF CASES	PERCENT OF TOTAL
Piedmont	34	33%
Midlands	27	26%
Pee Dee	31	30%
Low Country	11	11%
TOTAL	103	100%

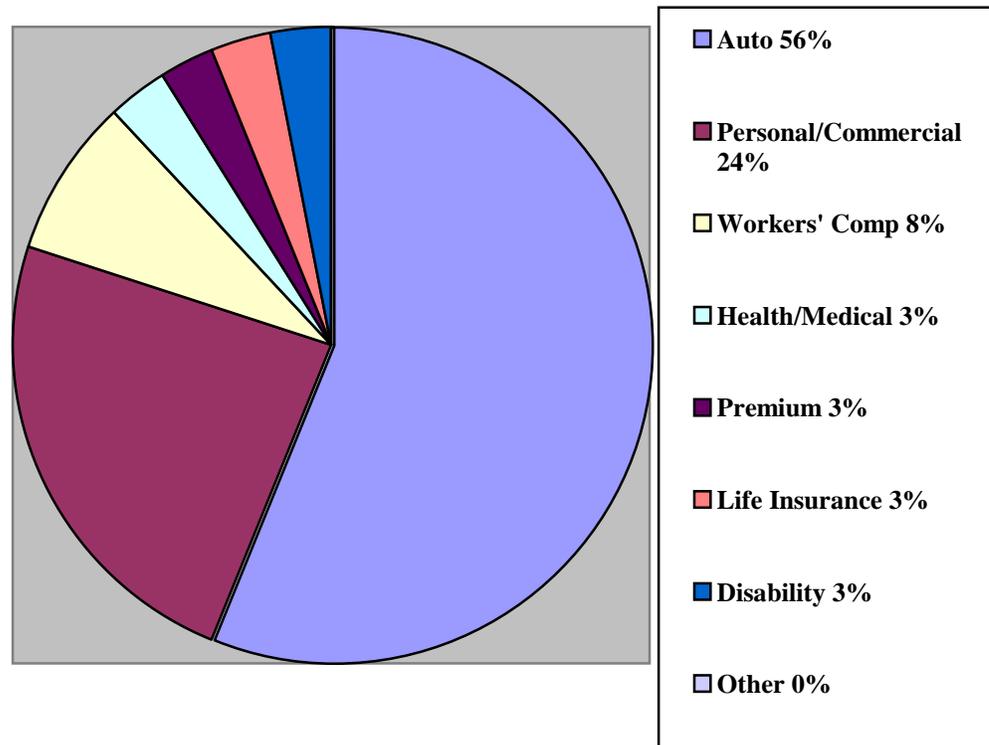
* Based on available 2016 data.

BREAKDOWN OF COMPLAINTS RECEIVED BY TYPE

The fraud complaints received during 2016 by the Insurance Fraud Division consisted of the following types of fraud:

Type of Fraud	Number of Complaints	Percentage of Total	Amount Reported
Automobile	378	56%	\$1,242,546.61
Personal/Commercial Property	165	24%	\$1,576,939.62
Workers' Compensation	56	8%	\$2,791,315.64
Health/Medical	19	3%	\$221,017.23
Premium	17	3%	\$127,346.07
Life Insurance	17	3%	\$306,720.00
Disability	22	3%	\$157,051.16
Other	4	0%	\$0.00
TOTAL	678	100%	\$6,422,936.33

Breakdown of Complaints by Type of Fraud – 2016



* Based on available 2016 data.

BREAKDOWN OF COMPLAINTS BY COUNTY

Note: Tables may show cases reported with no corresponding dollar amounts. In these cases, no dollar amount could be determined at the time the complaint was received, or the claim had been withdrawn or denied.

ABBEVILLE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	2	\$0.00	0
Life Insurance	1	\$0.00	0
TOTAL	3	\$0.00	0

AIKEN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	23	\$10,952.23	1
Disability	1	\$3,583.63	0
Life Insurance	2	\$0.00	0
Personal/Commercial Property	8	\$4,700.00	0
Workers' Comp	2	\$0.00	0
TOTAL	36	\$19,235.86	1

ALLENDALE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	12	\$3,905.98	0
Personal/Commercial Property	3	\$0.00	0
TOTAL	15	\$3,905.98	0

* Based on available 2016 data.

ANDERSON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	32	\$30,418.85	1
Personal/ Commercial Property	5	\$218,963.00	0
TOTAL	37	\$249,381.85	1

BAMBERG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	6	\$0.00	0
Personal/Commercial Property	1	\$0.00	0
TOTAL	7	\$0.00	0

BARNWELL COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	11	\$3,000.00	0
Personal/Commercial Property	1	\$0.00	0
TOTAL	12	\$3,000.00	0

* Based on available 2016 data.

BEAUFORT COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	32	\$29,172.37	0
Personal/Commercial Property	6	\$30,509.60	0
Disability Insurance	1	\$52,722.38	0
Health/ Medical	1	\$0.00	0
Premium Fraud	1	\$0.00	0
Workers' Comp	4	\$31,066.24	0
TOTAL	45	\$143,520.59	0

BERKELEY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	43	\$96,868.58	1
Personal/Commercial Property	3	\$4,000.00	0
Workers' Comp	3	\$81,693.17	0
TOTAL		\$182,561.75	0

CALHOUN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	3	\$0.00	0
Personal/Commercial Property	1	\$5,300.00	0
Workers' Comp	1	\$0.00	0
TOTAL	5	\$5,300.00	0

* Based on available 2016 data.

CHARLESTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	106	\$101,433.54	0
Disability	2	\$40,912.88	0
Health/Medical	2	\$206,234.00	0
Life Insurance	3	\$80,000.00	0
Personal/Commercial Property	14	\$24,500.00	0
Workers' Comp	5	\$0.00	0
Total	132	\$453,080.42	0

CHEROKEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	10	\$24,999.99	0
Personal/Commercial Property	1	\$0.00	0
Workers' Comp	1	\$0.00	0
Total		\$24,999.99	0

CHESTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	27	\$8,114.84	0
Health/Medical	1	\$0.00	0
Life Insurance	2	\$55,000.00	0
Personal/Commercial Property	2	\$7,500.00	0
TOTAL	32	\$70,614.84	0

* Based on available 2016 data.

CHESTERFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	13	\$425.00	0
Personal/Commercial Property	1	\$0.00	0
Workers' Comp	1	\$0.00	0
TOTAL	15	\$425.00	0

CLARENDON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	15	\$0.00	0
Personal/Commercial Property	2	\$7,300.00	0
Premium Fraud	1	\$0.00	0
Total	18	\$7,300.00	0

COLLETON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	11	\$21,815.05	0
Personal/Commercial Property	1	\$0.00	0
Premium Fraud	1	\$0.00	0
Workers' Comp	4	\$0.00	0
TOTAL	17	\$21,815.05	0

DARLINGTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	16	\$1,983.25	0
Health/ Medical	1	\$0.00	0
Personal/Commercial Property	4	\$0.00	0
Premium Fraud	1	\$360.00	0
Total		\$2,343.25	0

* Based on available 2016 data.

DILLON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	37	\$3,826.23	0
Personal/Commercial Property	3	\$4,500.00	0
TOTAL	40	\$8,326.23	0

DORCHESTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	52	\$65,595.96	0
Disability	1	\$34,576.00	0
Personal/Commercial Property	12	\$8,700.00	0
Workers' Comp	1	\$0.00	0
TOTAL	66	\$108,871.96	0

EDGEFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	7	\$19,244.00	0
Life Insurance	1	\$0.00	0
Personal/ Commercial Property	1	\$0.00	0
TOTAL	9	\$19,244.00	0

* Based on available 2016 data.

FAIRFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	22	\$13,292.00	0
Personal/Commercial Property	4	\$10,000.00	0
TOTAL	26	\$23,292.00	0

FLORENCE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	127	\$47,217.86	2
Disability Insurance	2	\$7,976.73	0
Health/Medical	1	\$0.00	0
Personal/Commercial Property	13	\$25,368.69	0
Premium Fraud	1	\$0.00	0
Workers' Comp	2	\$41,453.46	0
TOTAL	146	\$122,016.74	2

GEORGETOWN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	11	\$0.00	0
Disability Insurance	1	\$0.00	0
Life Insurance	1	\$50,000.00	0
Personal/ Commercial Property	1	\$0.00	0
Premium Fraud	1	\$0.00	0
Workers' Comp	2	\$0.00	0
TOTAL	17	\$50,000.00	0

* Based on available 2016 data.

GREENVILLE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	105	\$73,194.86	2
Disability	5	\$0.00	0
Health/Medical	1	\$0.00	0
Personal/Commercial Property	19	\$506,000.00	0
Premium Fraud	1	\$0.00	0
Workers' Comp	5	\$0.00	0
TOTAL	133	\$579,194.86	2

GREENWOOD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	19	\$8,647.99	0
Disability	2	\$0.00	0
Life Insurance	1	\$15,000.00	0
Personal/Commercial Property	2	\$23,000.00	0
TOTAL	24	\$46,647.99	0

HAMPTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	10	\$8,034.18	0
Personal/ Commercial Property	1	\$7,500.00	0
Unemployment Insurance Fraud	1	\$0.00	0
TOTAL	12	\$15,534.18	0

* Based on available 2016 data.

HORRY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	111	\$66,778.32	2
Health/Medical	8	\$13,824.85	0
Life Insurance	1	\$45,000.00	0
Personal/Commercial Property	15	\$103,068.83	1
Premium Fraud	4	\$15,224.61	0
Workers' Comp	11	\$250.00	0
TOTAL	150	\$244,146.61	3

JASPER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	20	\$25,687.42	0
TOTAL	20	\$25,687.42	0

KERSHAW COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	10	\$22,003.99	0
Disability Insurance	1	\$6,422.00	0
Personal/ Commercial Property	1	\$0.00	0
Workers' Comp	1	\$0.00	0
TOTAL	13	\$28,425.99	0

* Based on available 2016 data.

LANCASTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	44	\$27,000.00	0
Disability Insurance	1	\$2,807.54	0
Personal/Commercial Property	6	\$5,331.00	0
Workers' Comp	1	\$0.00	0
TOTAL	52	\$35,138.54	0

LAURENS COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	14	\$24,021.35	0
Health/Medical	1	\$0.00	0
Life Insurance	1	\$1,720.00	0
Personal/Commercial Property	1	\$0.00	0
Workers' Comp	1	\$25,616.12	0
TOTAL	18	\$51,357.47	0

LEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	7	\$0.00	0
Disability Insurance	1	\$8,000.00	0
Personal/Commercial Property	2	\$430,647.00	0
TOTAL	10	\$438,647.00	0

* Based on available 2016 data.

LEXINGTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	56	\$44,245.16	1
Disability Insurance	1	\$0.00	0
Life Insurance	1	\$0.00	0
Other	3	\$0.00	0
Personal/Commercial Property	9	\$605.99	0
Premium Fraud	1	\$28,491.65	0
Workers' Comp	2	\$0.00	0
TOTAL	73	\$73,342.80	0

MARION COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	39	\$126,320.00	0
Personal/Commercial Property	1	\$0.00	0
Workers' Comp	1	\$0.00	0
TOTAL	41	\$126,320.00	0

MARLBORO COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	12	\$0.00	0
Personal/Commercial Property	2	\$0.00	0
TOTAL	14	\$0.00	0

* Based on available 2016 data.

McCORMICK COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	1	\$0.00	0
Personal/Commercial Property	1	\$0.00	0
TOTAL	2	\$0.00	0

NEWBERRY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	9	\$2,919.10	0
Disability Insurance	1	\$0.00	0
Personal/Commercial Property	2	\$0.00	0
Workers' Comp	2	\$0.00	0
TOTAL	14	\$2,919.00	0

OCONEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	5	\$0.00	0
Personal/Commercial Property	1	\$0.00	0
TOTAL	6	\$0.00	0

* Based on available 2016 data.

ORANGEBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	42	\$71,876.19	0
Personal/Commercial Property	5	\$8,895.30	0
Premium Fraud	1	\$0.00	0
Workers' Comp	4	\$2,611,236.65	0
TOTAL	52	\$2,692,008.14	0

PICKENS COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	13	\$3,800.00	0
Disability Insurance	1	\$0.00	0
Personal/Commercial Property	4	\$0.00	0
TOTAL	18	\$3,800.00	0

RICHLAND COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	144	\$168,174.75	0
Health/Medical	1	\$0.00	0
Life Insurance	1	\$0.00	0
Other	1	\$0.00	0
Personal/Commercial Property	52	\$111,139.17	0
Premium Fraud	2	\$83,269.81	0
Workers' Comp	1	\$0.00	0
TOTAL	202	\$362,583.73	0

* Based on available 2016 data.

SALUDA COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	4	\$0.00	0
TOTAL	4	\$0.00	0

SPARTANBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	69	\$53,817.14	0
Disability Insurance	1	\$0.00	0
Life Insurance	1	\$0.00	0
Personal/Commercial Property	9	\$6,411.04	0
Workers' Comp	4	\$0.00	0
TOTAL	84	\$60,228.18	0

SUMTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	64	\$20,843.25	0
Life Insurance	1	\$35,000.00	0
Personal/Commercial Property	4	\$0.00	0
TOTAL	69	\$55,843.25	0

UNION COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	15	\$2,578.31	0
Personal/Commercial Property	1	\$0.00	0
TOTAL	16	\$2,578.31	0

* Based on available 2016 data.

WILLIAMSBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	36	\$1,500.00	0
Personal/Commercial Property	2	\$0.00	0
Workers' Comp	1	\$0.00	0
Total	39	\$1,500.00	0

YORK COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	50	\$1,245.68	2
Disability Insurance	2	\$0.00	0
Life Insurance	1	\$25,000.00	0
Personal/ Commercial Property	11	\$23,000.00	0
Premium Fraud	1	\$0.00	
Unemployment Insurance Fraud	1	\$568.19	0
Workers' Comp	3	\$0.00	0
TOTAL	69	\$49,813.87	2

UNKNOWN/OTHER/OUT OF STATE

Type of Fraud	Number of Complaints	Total Amount Reported	2016 Complaints Pending
Automobile	6	\$7,025.00	0
Health/Medical	2	\$958.38	0
Premium Fraud	1	\$0.00	0
TOTAL	9	\$7,983.38	0

* Based on available 2016 data.

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

§ 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.

§ 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.

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