

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

Daone Satterwhite
1151 Double Chestnut Court
Curtis Bay, Md. 21226

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BEFORE THE STATE OF MARYLAND
INSURANCE ADMINISTRATION

CASE NO. : MIA- 2013-02-024

Fraud Division File No.: R-12-3710A

ORDER

Whereas, this Order (“the Order”) is entered into by the Maryland Insurance Administration (“MIA”) against Daone Satterwhite (referred to as the “Respondent”) pursuant to §§ 2-108, 2-204 and 2-405 of the Insurance Article, Maryland Annotated Code.

As basis for this action, the MIA states that:

I. Facts

1. Insurance fraud is a serious violation which harms consumers in that the losses suffered by insurance companies are passed on to consumers in the form of higher premiums.

2. Title 27, Subtitle 4 of the Insurance Article contains the specifications of what constitute “fraudulent insurance acts” and the penalties therefor. Specifically, §27-403(2) provides that it is a fraudulent insurance act for a person “to present or cause to be presented to an insurer documentation of an oral or written statement made in support of a claim... with knowledge that the documentation or statement contains false or misleading information about a matter material to the claim.” Section 27-408(c) provides that, with respect to violations of said Subtitle, the Commissioner may, *inter alia*, impose an administrative penalty not exceeding \$25,000.00 for each act of insurance fraud and order restitution to an insurer.

3. On February 9, 2012, Respondent Daone Satterwhite (hereinafter "Satterwhite" or "Respondent") was operating a 2003 Infiniti M45, Vehicle Identification Number [REDACTED] B499. The vehicle was insured by State Farm Insurance Company (hereinafter "State Farm"), under policy number [REDACTED]. The policy inception date was October 20, 2011.

4. On February 9, 2012, T.V. was operating a 2011 Land Rover, Vehicle Identification Number ending in 7285. The vehicle was insured by Nationwide Insurance Company (hereinafter "Nationwide"), under policy number [REDACTED]. The policy inception date was January 1, 2012.

5. On February 9, 2012, while operating the 2003 Infiniti Respondent, Satterwhite was involved in a motor vehicle accident at 12 Mountain Road Glen Burnie, Maryland 21060 with T.V., who was operating the 2011 Land Rover.

6. The February 9, 2012 accident was reported to the insurance carriers for each involved driver. Nationwide opened an insurance claim for the accident under number 52 19 E 591239 02092012 01. Regarding the same matter, State Farm opened an insurance claim under number 20 0R33 357.

7. On February 10, 2012, Claim Processor B. V. of State Farm prepared a letter directed to Satterwhite, 1151 Double Chestnut Court, Curtis Bay, Maryland 21226. The letter advised Satterwhite that she could make a claim under the Personal Injury Protection (PIP) coverage of her policy. The policy number referenced was [REDACTED], along with claim number 20 0R33 357.

8. On February 10, 2012, Respondent Satterwhite retained the services of Attorney Christopher Brown of the Law Offices of Brown & Getka, P.A. located at 7420 Baltimore-

Annapolis Boulevard, Glen Burnie, Maryland 21061 (hereinafter "Counsel") for losses suffered as a result of the motor vehicle accident on February 9, 2012.

9. On February 13, 2012, Counsel forwarded letters of representation to both Nationwide and State Farm announcing his representation of Satterwhite in connection with the loss on February 9, 2012.

10. On February 24, 2012, State Farm Claim Processor A.F. prepared a letter to Counsel regarding the accident on February 9, 2012 and "Your Client(s) Daone Danielle Satterwhite." The claim number was cited as 20 OR33 357 and policy number was [REDACTED]. The letter read, "This particular policy provides PIP [Personal Injury Protection] coverage for injuries sustained as a result of this accident up to a single policy limit of \$2,500.00." The letter further explained coverage of medical expenses, lost wages and prescriptions. Additionally, enclosures included a wage and salary verification form and medical authorization to be completed on Respondent's behalf if Respondent wished to make a claim for PIP benefits.

11. On March 1, 2012, a completed lost wage claim form was faxed to Counsel claiming that, as a result of the February 9, 2012, accident, Satterwhite suffered lost wages in the amount of \$1,200.00. The lost wage claim form was signed with the signature stamp of Satterwhite's employer, Doctor [REDACTED].

12. On March 2, 2012, Counsel submitted a letter, with enclosures, on behalf of Satterwhite to Nationwide in reference to claim # 5219 E 591239. Included in the enclosures was the above referenced completed lost wage claim form. Additionally, the letter read as follows: "Lost Wages 64 hours at \$18.75." Total indicated lost wages is noted as "\$1,200.00."

13. On March 2, 2012, Counsel submitted a letter with enclosures, on behalf of his client Satterwhite to State Farm, PIP Unit, in reference to claim # 20 OR33 357. Included in the enclosures was the above referenced lost wage claim form. Additionally, the letter read as

follows: "Lost Wages 64 hours at \$18.75." Total indicated lost wages is noted as "\$1,200.00." The letter requested payment through the Personal Injury Protection benefits portion of the policy.

14. The completed lost wage claim form submitted to both insurance companies stated that the February 9, 2012, accident caused Satterwhite to miss work on February 13, 14, 15, 16, 2012 and February 20, 21, 22, 23, 2012 for a total of eight (8) days or 64 hours of missed work. The lost wage form indicates the per hour salary as \$18.75 for a total loss of \$1,200.00. The employer's stamped signature on the form is that of "Dr. [REDACTED]"

15. In fact, the February 9, 2012, accident did not cause Satterwhite to miss any work at all. Satterwhite's employer paid her for working her usual days and hours during the time for which she claimed lost wages.

16. Satterwhite's State Farm policy contained PIP (Personal Injury Protection) coverage with a limit of up to \$2,500.00 per person, per accident. This coverage pays for medical bills and/or lost wages, resulting from injuries sustained in a motor vehicle accident. Under the terms of the policy, lost wages are reimbursed at a rate of 85 percent.

17. On March 8, 2012, based upon the submission of the lost wage form, State Farm issued payment to Satterwhite in the amount of \$644.00 for her lost wages claim. The payment was made by check and was mailed to the office of Counsel. The check was later endorsed and negotiated by Daone Satterwhite. The reverse of the check is stamped March 16, 2012, Anne Arundel County EFCU for Deposit Only.

18. Unlike State Farm, Nationwide learned of the falsity of Satterwhite's claim for lost wages in time to deny it without payment. Nevertheless, the fraudulent insurance act of submitting a false document in support of a claim is complete upon submission of the false document and is not dependent on payment being made. Thus Satterwhite's submission of the false lost wage form to Nationwide constituted a separate fraudulent insurance act.

19. Doctor [REDACTED] was interviewed by MIA, Fraud Division Assistant Chief Investigator Joseph Smith and provided a statement refuting the legitimacy of the lost wage claim form as completed and submitted by the Respondent. Doctor [REDACTED] reported that he did not authorize issuance of the lost wage form by stamp or signature. Doctor [REDACTED] reported that Satterwhite is his Office Manager and works two days a week at his office located at [REDACTED] Saint Paul Street, Suite 420 Baltimore, Maryland 21202. Doctor [REDACTED] confirmed that Satterwhite had access to his signature stamp. He further advised that Satterwhite did not lose time from work and was paid for work performed during the time in question. Doctor [REDACTED] advised that on April 18, 2013, subsequent to the inquiry made by the MIA, he spoke with Satterwhite about the lost wage form. Doctor [REDACTED] reported that she admitted to him that the lost wage form was not true and that she used his signature stamp without his permission.

20. On May 16, 2013, Doctor [REDACTED] provided the MIA via fax with documentation verifying wages paid to Daone Satterwhite for the time period in question. The fax contained a copy of PNC check number 1952 dated February 27, 2012 from Dr. [REDACTED] Inc. to Ms. D. Satterwhite for \$150.00. On the back of the check, the signature of Daone Satterwhite appears. Additional notations made by Dr. [REDACTED] on the fax cover page are that Daone Satterwhite worked on Thursday, February 16, 2012 for \$150.00, and, "was paid \$300.00 on Feb. 23, 2012 with check #1948. She worked on Monday 2/20/12 and Thursday 2/23/12."

II. Violation(s)

In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that Daone Satterwhite violated Maryland's insurance laws:

21. **Section 27-403(2)**

It is a fraudulent act for a person:

(2) to present or cause to be presented to an insurer documentation or an oral or written statement made in support of a claim...with knowledge that the documentation or statement contains false or misleading information about a matter material to the claim.

22. **Section 27-408(c) (1)**

In addition to any criminal penalties that may be imposed under this section, on a showing by clear and convincing evidence that a violation of this subtitle has occurred, the Commissioner may:

(i) impose an administrative penalty not exceeding \$25,000 for each act of insurance fraud; and

(ii) order restitution to an insurer or self-insured employer of any insurance proceeds paid relating to a fraudulent insurance claim.

(2) In determining the amount of an administrative penalty, the Commissioner shall consider:

(i) the nature, circumstances, extent, gravity, and number of violations;

(ii) the degree of culpability of the violator;

(iii) prior offenses and repeated violations of the violator; and

(iv) any other matter that the Commissioner considers appropriate and relevant.

23. By the conduct described herein, Daone Satterwhite knowingly violated § 27-403(2) on two occasions, in that she submitted a false lost wages claim form to both State Farm and Nationwide. Because the fraudulent insurance act of submitting a false document in support of a claim is complete upon submission of the false document and is not dependent on payment being made, Daone Satterwhite committed an independent violation of the law each time she submitted the false lost wages document.

III. Sanctions

24. By the facts and violations stated above, Daone Satterwhite is subject to, *inter alia*, imposition of an administrative penalty.

25. In view of the deceptive and repetitive nature of Daone Satterwhite's conduct, as well as consideration of all the relevant statutory factors, an administrative sanction of \$2,000.00 is an appropriate penalty in this case.

26. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-12-3710A) and name (Daone Satterwhite). Unpaid penalties will be referred to the Central Collection Unit for collections. Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202.

27. Additionally, Respondent Daone Satterwhite is ordered to reimburse State Farm Insurance Company in the amount of \$644.00.

28. Notification of reimbursement to State Farm Insurance Company shall be made in writing to the Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Such notification shall include a copy of the money order or cancelled check issued to State Farm as proof of reimbursement and identify the case by number (R-12-3710A) and name (Daone Satterwhite).

29. This Order does not preclude any potential or pending action by any other person, entity or government authority, regarding any conduct by the Respondent including the conduct that is the subject of this Order.

WHEREFORE, for the reasons set forth above, and subject to Respondent's right to request a hearing, it is this 22nd day of July, 2013, **ORDERED** that:

(1) Daone Satterwhite pay an administrative penalty of \$2,000.00 within 30 days of the date of this Order; and,

(2) Daone Satterwhite pay restitution to State Farm Insurance Company in the amount of \$644.00 within 30 days of the date of this Order.

THERESE M. GOLDSMITH
Insurance Commissioner

Signature on original

By:

CAROLYN HENNEMAN
Associate Commissioner
Insurance Fraud Division

RIGHT TO REQUEST A HEARING

Pursuant to COMAR 31.01.01.03 and COMAR 31.02.02.03, any person aggrieved by this Order may request a hearing on this Order. This request must be in writing and be received by the Commissioner within thirty (30) days of the date of the letter accompanying this Order.

Pursuant to §2-212 of the Insurance Article, the Order shall be stayed pending a hearing only if a demand for hearing is received by the Commissioner within ten (10) days after the Order is issued.

The request for hearing must be made in writing. This request must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, ATTN: Sharon Kraus, Appeals Clerk. Failure to request a hearing timely or to appear at a scheduled hearing will result in a waiver of your rights to contest this Order and the Order shall be made final on its effective date.