

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

LACRESHA STANTON
1414 Boulder Court
Hanover, Maryland 21076

* BEFORE THE MARYLAND
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* INSURANCE COMMISSIONER
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* CASE NO. : MIA-2017-02-010
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* Fraud Division File No.: R-2016-4241A
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ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Lacresha Stanton (“Respondent”) pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2011 Repl. Vol. & Supp.)(“Insurance Article”).

I. Facts

1. On June 6, 2016, Respondent was operating her 2007 Dodge Charger in Prince George’s County, Maryland when she was struck by the operator of a 2013 Dodge Journey, insured by Nationwide Affinity Insurance Company of America ("Nationwide"), an authorized insurer. The policy was in effect from March 31, 2016 through September 30, 2016.

2. On June 8, 2016, Respondent provided a recorded statement to a Nationwide claims Representative. Respondent reported that she was operating her vehicle and was stopped in traffic when the Nationwide insured struck her from behind. Respondent advised that she was not injured and there was not a lot of damage. Nationwide assigned claim number 223855GD.

3. On June 13, 2016, Respondent notified Nationwide that as a result of the motor vehicle accident with its insured, she missed work at her nursing job on June 7th, 9th, and 10th where she worked 7 a.m. to 7 p.m. and made \$38.50 an hour. Additionally, she was unable to

work on June 8th and 11th at her part time job as a surgical technician, where she worked from 5 a.m. to 4 p.m., and made \$22.75 an hour.

4. On June 15, 2016, Respondent submitted two wage and salary verification forms (“wage forms”) to Nationwide. Both wage forms identified her employer as Universal Hospital Services (“UHS”). One form noted that Respondent was absent from work following the June 6, 2016 accident from June 8, 2016 through June 10, 2016, and was not paid. This form was purportedly signed by the “RN Supervisor/Charge Nurse.” The second form, purportedly signed by the “Area Manager/Operations” reflected Respondent was absent from work following the June 6, 2016 accident from June 7, 2016 through June 10, 2016 and was not paid.

5. On June 15, 2016, a Nationwide claims representative called Respondent’s employer and spoke with the RN Supervisor/Charge Nurse as well as the Area Manager/Operations, whose names appeared on the wage forms. Both reported they had not completed the wage forms.

6. On June 16, 2016, the Nationwide claims representative referred the matter to its Special Investigations Unit (“SIU”) based on information that the wage forms were fraudulent.

7. On June 21, 2016, an SIU investigator spoke with the Director, Human Resources for UHS; she confirmed with the RN Supervisor/Charge Nurse and Area Manager/Operations that they had not signed Respondent’s wage forms, and Respondent’s employment with UHS had been terminated.

8. On June 22, 2016, Nationwide sent Respondent a denial letter as it verified the wage forms were false.

9. Section 27-802(a)(1) of the Maryland Insurance Article states,

“An authorized insurer, its employees, fund producers, insurance producers, ... who in good faith has cause to believe that insurance fraud has been or is being committed shall report the suspected insurance fraud in writing to the Commissioner, the Fraud Division, or the appropriate federal, State or local law enforcement authorities.”

Nationwide, having a good faith belief that Respondent committed insurance fraud, referred the matter to the MIA, Fraud Division.

10. During the course of its investigation, MIA contacted Nationwide and confirmed its handling of Respondent's claim.

11. On September 12, 2016, an MIA investigator interviewed the Director of Human Resources for UHS. She confirmed that the individuals (“RN Supervisor/Charge Nurse and Area Manager/Operations”) identified on the wage forms Respondent submitted to Nationwide had not signed the forms and Respondent had not missed any time from work as a result of the June 6, 2016 accident. Furthermore, Respondent was terminated from UHS on June 20, 2016.

12. On December 19, 2016, an MIA investigator interviewed the individual identified as the area manager on the wage form for Respondent's alleged absence from work on June 7, 2016 through June 10, 2016. He advised that he did not complete or sign the wage form, and Respondent was not under his supervision at the time the form was submitted to Nationwide.

13. On December 22, 2016, an MIA investigator interviewed the individual identified as the RN Supervisor/Charge Nurse on the wage form for Respondent's reported absence from work on June 8, 2016 through June 10, 2016. She advised that she did not complete or sign the wage form.

II. Violation(s)

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

15. § 27-403

It is a fraudulent insurance 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.

16. § 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

* * * * *

(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.

17. By the conduct described herein, Respondent violated § 27-403. 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. Respondent committed a violation of the Insurance Article when she submitted a false document to Nationwide. As such, Respondent is subject to an administrative penalty under the Insurance Article §27-408(c).

III. Sanctions

18. 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. The Commissioner may investigate any complaint that alleges a fraudulent claim has been submitted to an insurer. Insurance Article §§ 2-201(d) (1) and 2-405.

19. Having considered the factors set forth in §27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$3,000.00 is an appropriate penalty.

20. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2016-4241A) and name (Lacresha Stanton). Unpaid penalties will be referred to the Central Collections Unit for collection. 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.


21. 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 the right to request a hearing, it is this 8th day of February 2017, **ORDERED** that:

Lacresha Stanton shall pay an administrative penalty of \$3,000.00 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner
signature on original

BY:

STEVE WRIGHT 
Associate Commissioner
Insurance Fraud Division

RIGHT TO REQUEST A HEARING

Pursuant to §2-210 of the Insurance Article and Code of Maryland Regulations (“COMAR”) 31.02.01.03, an aggrieved person may request a hearing on this Order. This request must be in writing and received by the Commissioner within thirty (30) days of the date of the letter accompanying this Order. However, pursuant to §2-212 of the 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 written request for hearing must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, Attn: Hearings and Appeals Coordinator. The request shall include the following information: (1) the action or non-action of the Commissioner causing the person requesting the hearing to be aggrieved; (2) the facts related to the incident or incidents about which the person requests the Commissioner to act or not act; and (3) the ultimate relief requested. The 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 final on its effective date. Please note that if a hearing is requested on this initial Order, the Commissioner may affirm, modify, or nullify an action taken or impose any penalty or remedy authorized by the Insurance Article against the Respondent in a Final Order after hearing.