

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

SHAIPERA WILSON
707 Audrey Lane, Apt. 302
Oxon Hill, Maryland 20745-2653

BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2017-10-003
Fraud Division File No.: R-2017-1102A

ORDER

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

I. Facts

1. Respondent had renter’s insurance with United Services Automobile Association (“USAA”), an authorized insurer. The policy was in effect from February 7, 2016 to February 7, 2017.
2. On June 18, 2016, Respondent notified USAA that on June 10, 2016, she experienced a power surge in her apartment due to a lightning storm and two laptops, iPhone 6 as well as two iPads were damaged. Respondent submitted photographs of the items to USAA as well a photograph allegedly depicting a damaged computer motherboard along with a diagnostics report. USAA advised Respondent to take the devices to a computer repair facility to determine whether the items could be repaired and to confirm the cause of damage.
3. On June 20, 2016, a USAA representative asked Respondent the name of the company that examined her computers, Respondent replied SROI CPU Fixes (“SROI”). She provided a phone number of 202-844-7291, as well as the name of the SROI customer service

agent. Respondent provided USAA an invoice purportedly from SROI reflecting a \$50.00 diagnostic charge. The invoice reflected that SROI was located at 163 P St., NW, Washington, DC, 22312. Accompanying the invoice was a diagnostic repair estimate for \$1,150.00, handwritten at the top of the estimate was "SROI CPU Fixes" and "202-844-7291."

4. On June 21, 2016, a USAA representative called SROI and spoke with the customer service agent named by Respondent. The SROI agent confirmed the repair cost.

5. On June 22, 2016, relying on the invoice, diagnostic test report, and photograph submitted by Respondent, as well as information provided by the purported SROI customer service agent, USAA issued Respondent a \$2,343.67 payment.

6. On June 28, 2016, Respondent cashed the check from USAA for \$2,343.67 at JPMorgan Chase Bank.

7. USAA later referred Respondent's claim to its Special Investigations Unit ("SIU") for further investigation due to, among other things, inconsistent information submitted by Respondent.

8. On August 29, 2016, a USAA investigator contacted Potomac Electric Power Company ("PEPCO") to verify Respondent's June 10, 2016, power surge. PEPCO advised it had no reports of power outages at Respondent's address on June 10, 2016.

9. On September 19, 2016, at the request of USAA, an investigator with Veracity Research Company Investigations ("VRC") went to 163 P St., NW, Washington, DC 22312, the purported address for SROI. The investigator learned that the address "163" does not exist. Additionally, the VRC investigator called the SROI phone number written on the diagnostic report submitted by Respondent to USAA, 202-844-7291, an automated message stated, "The text now subscriber you are trying to reach is not available..."

10. On October 3, 2016, a USAA investigator took a recorded statement from Respondent who stated she personally took her laptop computers to SROI CPU Fixes. She did not remember the address, but went to the address on the SROI invoice. Respondent insisted she experienced a power surge on June 10, 2016.

11. 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.”

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

12. In the course of its investigation, MIA contacted USAA and confirmed its handling of Respondent’s claim.

13. On July 18, 2017, an MIA fraud investigator went to P Street, NW, Washington, DC 22312, and confirmed “163” does not exist. An online search of the District of Columbia Office of Tax and Revenue and of the Department of Consumer and Regulatory Affairs failed to reveal a business name or address for SROI. The investigator called the number on the invoice Respondent provided to USAA, (202-844-7291) and an automated message stated, “The text now subscriber you are trying to reach is not available...”

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
- (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.

17. By the conduct described herein, Respondent knowingly violated § 27-403.

Because the fraudulent insurance act of submitting a false document or statement in support of a claim is complete upon submission of the false document or statement and is not dependent on payment being made, Respondent committed a violation of the law when she submitted a false document and statement to USAA. 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, the MIA has determined that \$3,000.00 is an appropriate penalty.

20. Additionally, Respondent Shaipera Wilson is ordered to reimburse USAA in the amount of \$2,343.67, which is the amount she fraudulently obtained from USAA when she submitted falsified documents subsequent to a reported loss on June 10, 2016.

21. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number R-17-1102A and name Shaipera Wilson. 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.

22. Notification of reimbursement to USAA 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 USAA as proof of reimbursement and identify the case by number R-2017-1102A and name Shaipera Wilson.

23. 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 4th day of October 2017, **ORDERED** that:


(1) Shaipera Wilson shall pay an administrative penalty of three-thousand dollars (\$3,000.00) within 30 days of the date of this Order; and

(2) Shaipera Wilson shall pay restitution to USAA in the amount of \$2,343.67 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 served. 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.