

**IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION**

v.

**ANTHONY PARKER
1271 Halstead Road
Parkville, Maryland 21234**

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**BEFORE THE MARYLAND
INSURANCE COMMISSIONER**

CASE NO. : MIA-2020-03-014

Fraud Division File No.: R-2019-4621A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Anthony Parker (“Respondent”) pursuant to §§ 2-108, 2-201, 2-204 and 2-405 of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.) (the “Insurance Article”).

I. Facts

1. Respondent was a named insured on an automobile insurance policy with Allstate Indemnity Company (“Allstate”), an authorized insurer, for his 2010 Infinity. The policy was in effect from January 20, 2019 through July 20, 2019.
2. On June 4, 2019, Respondent notified Allstate that the tires and rims were stolen from his insured vehicle, and he needed a rental car.
3. On June 5, 2019, Respondent provided a recorded statement to Allstate, in which he advised that on June 2, 2019, he parked his insured vehicle at a relative’s house in Baltimore City. When he returned to his vehicle, he discovered the tires and rims had been stolen. Allstate referred Respondent’s claim to its Special Investigative Unit (“SIU”) for further investigation, due to Respondent’s claims history.
4. On June 6, 2019, Respondent provided a recorded statement to Allstate, in which he reported that he parked his insured vehicle in Baltimore on Monday, June 3, 2019. He

returned to his vehicle on Tuesday [June 4, 2019], and discovered that the tires and rims had been stolen. Respondent reported that the stolen rims were aftermarket, which he purchased online for approximately \$4,000.00, and that he paid "cash." When asked how he paid in cash for an online purchase, Respondent replied, "I am sorry, credit." Respondent stated that he had the receipt for the aftermarket rims.

5. On June 17, 2019, the Respondent submitted a notarized "Sworn Statement in Proof of Loss" ("proof of loss") to Allstate, in which he reported that his chrome wheels, valued at \$4,200.00 were stolen from his insured vehicle. Respondent signed the proof of loss immediately after the following fraud warning:

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

6. On June 27, 2019, Respondent submitted a receipt to Allstate as proof he owned the wheels stolen from his insured vehicle. The receipt reflected that Respondent purchased tires and wheels from "Car CARiD" on March 15, 2019, for \$4,279.34.

7. On June 27, 2019, an Allstate investigator provided a copy of Respondent's receipt to a CARiD representative who determined the receipt was fraudulent as, among other things, the order number was inconsistent with orders placed in March of 2019. The CARiD representative checked its database for Respondent's name, address, and phone number for March 15, 2019 purchases; however, no records were found.

8. On June 27, 2019, the Allstate investigator confronted Respondent about the authenticity of the CARiD receipt, Respondent replied that he actually purchased the wheels and tires through Craigslist, from someone who reportedly worked at CARiD, contrary to his prior statement that he purchased the tires and rims online.

9. On June 27, 2019, Allstate sent the Respondent a letter denying his claim as its investigation revealed he “made material misrepresentations regarding your loss.”

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

An authorized insurer, its employees, fund producers, or 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.

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

11. During the course of its investigation, the MIA contacted Allstate and confirmed the facts regarding its handling of the Respondent’s claim.

12. On February 25, 2020, an MIA investigator contacted CARiD to validate the authenticity of the receipt Respondent submitted Allstate. A CARiD representative examined the receipt and determined that it was fraudulent as the order number was not consistent with a March, 2019 purchase, the order number reflected on Respondent’s receipt would have been for a 2014 purchase. Additionally, the CARiD representative pointed out several formatting issues which are inconsistent with an actual CARiD receipt. Further, the representative advised that CARiD had no record of Respondent making a March 15, 2019 purchase.

13. On February 24, 2020, a CARiD representative provided the MIA investigator with a copy of an actual CARiD receipt. A comparison reflected several formatting discrepancies between an actual CARiD receipt and the receipt Respondent submitted to Allstate.

14. On March 6, 2020, an MIA investigator conducted a telephonic interview with Respondent who, contrary to statements made to Allstate, that he purchased the tires and rims

online with a credit card, then through Craigslist, Respondent reported that he purchased the tires and rims through Facebook with a "pre-paid Rush Card."

II. Violation(s)

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

16. § 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[.]

17. § 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.

18. By the conduct described herein, Respondent knowingly violated § 27-403. Because the fraudulent insurance act of submitting a false document in support of a claim is complete upon submitting the false document and is not dependent on payment being made, Respondent committed a violation of the Insurance Article when he submitted a false document,

and made statements to Allstate. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

19. 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.

20. Having considered the factors set forth in § 27-408(c)(2), the MIA has determined that \$1,500 is an appropriate penalty.

21. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2019-4621A) and name (Anthony Parker). 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. Unpaid penalties will be referred to the Central Collections Unit for collection.

22. This Order does not preclude any potential or pending action by any other person, entity, or government authority regarding any conduct by 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 26th day of March 2020, **ORDERED** that:

Anthony Parker shall pay an administrative penalty of one thousand five hundred dollars (\$1,500.00) within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

BY:

signature on original

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: Melanie Gross, Executive Assistant to the Deputy Commissioner. 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.