

email address was rali***@****.kutztown.edu. Ali provided an electronic signature on the application, which contained the following fraud warning:

"Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or 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."

2. Based on the information provided by Ali in his application, Farmers issued him a renter's insurance policy. The Farmers policy was in effect from January 23, 2020 to January 23, 2022.

3. On July 31, 2020, Ali submitted a "Homeowner" insurance application to Travelers Insurance Company ("Travelers"), an authorized insurer, for his residence at 309 Amore Lane, Bel Air, Maryland 21015. Within the application, Ali identified himself as Micheal Ali, with a date of birth of **/**/1945. Ali noted on the application that his telephone number was (3**) **7-8041, and his email address was rali***@****.kutztown.edu. Ali provided an electronic signature on the application, which contained the following fraud warning:

"Any person who knowingly (or willfully) * presents a false or fraudulent claim for payment of a loss r benefit or 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. *Applies in MD Only."

4. Based on the information provided by Ali in his application, Travelers issued him a "tenant" insurance policy. The policy was in effect from August 1, 2020 to August 1, 2021.

TRAVELERS CLAIM

5. On May 27, 2021, Ali notified Travelers that on May 26, 2021, the air conditioning system ("AC") for his Apartment was damaged, as a result of high winds.

6. On May 28, 2021, a Travelers representative attempted to contact Ali at (3**) **7-8041. Ali returned the call from phone number (4**) **5-8882. Ali reported that he replaced the AC when he moved in. The Travelers representative emailed Ali, and requested a copy of the [AC]

receipt, as well as contact information for the landlord. The representative advised that Travelers needed to inspect the damaged AC, and that Ali should retain all damaged parts. In response, Ali replied, from rali***@*****.kutztown.edu, "Thank you for your call this morning. I was unable to find the receipt. However, I do have a bank statement from the purchase if that helps... I appreciate your time and effort. Hopefully this can be covered to help unburden the cost." Within the email, Ali named "Jennifer Leigh," *-646-***-4044, as the property manager. An HSBC UK Visa Card bank statement ("HSBC statement"), was attached, for a customer named "Micheal [*sic*] Ali." The HSBC statement reflected that Ali purchased an item from Home Depot on May 10, 2019, for \$6,500.00.

7. On June 10, 2021, in an effort to confirm that Ali purchased the AC, a Travelers representative left a voicemail message for Leigh, at the number provided by Ali. Leigh returned the call, and left the following voicemail message:

"Hi Ms. Snyder, this is, uh, Jennifer Leigh. I was calling regarding, um, Mr. Raphael Ali, and an air conditioner. Um, I just wanted to confirm that he did indeed install his own air conditioner in 2019 and he was not reimbursed by our facility. Uh, if you have any other questions, you can give me a call...646-***-4044. Have a good rest of the day. Bye Bye."

8. On June 15, 2021, Ali reported to Travelers that he replaced the AC. Travelers advised Ali that as a condition of the policy, Travelers is permitted to inspect the damaged property. Ali replied that he would attempt to obtain the diagnostic report from the technician who inspected the AC.

9. On June 16, 2021, Ali sent an email to Travelers, from rali***@*****.kutztown.edu. Attached to the email was a copy of a work order for the replacement of an AC unit, prepared by a contractor, hereinafter "ASV." The work order identified the customer as "Michael (conventional spelling) Ali" with a telephone number of (3**) **7-8041, and an email address of rali***@*****.kutztown.edu. The work order specified, "Replace current unit (System burnt due

to electrical malfunction from high wind)," "NEWCARRIER INFINITY - 3 TON 19. (RECOMMENDED) and, "Total Investment \$8,691.00..."

10. On June 16, 2021, Farmers notified Travelers that Ali made a claim with it, also related to a damaged AC. Ali's claim to Farmers was for the same date of loss and the same loss location as reflected in the Travelers claim. The Farmers representative stated that Ali reported that he had no other insurance to cover the AC. The Farmers representative advised that he was referring Ali's claim to Farmers' Special Investigations Unit ("SIU") for further investigation.

11. On June 17, 2021, in an effort to validate Ali's claim, a Travelers representative independently obtained a phone number for the property management office for Ali's apartment complex. The Travelers representative called the number and spoke to "John," who reported that Raphael Ali resided there. John reported that he did not know Jennifer Leigh, and the apartment complex never employed her. John state he was "pretty sure" that Ali did not install an AC, as "maintenance does that." Consequently, Travelers referred Ali's claim to its SIU for further investigation.

12. On June 18, 2021, a Travelers investigator visited Ali's apartment complex and spoke to the property manager, "Steve," who reported that maintenance personnel inspected Ali's AC, following an inquiry from Travelers. Steve advised that the AC units are owned and maintained by the apartment complex, not the tenants. The investigator inspected and photographed the AC, and noted, "no new condenser observed."

13. On June 18, 2021, a Travelers investigator called Ali and requested to meet him at his Apartment for an inspection of the AC. Ali stated that he was a U.S. Army officer and refused to be interviewed without the consent of the Army. The investigator advised Ali that it was not necessary, as the claim was related to personal property; however, Ali refused to meet.

14. On June 21, 2021, Ali emailed Travelers from rali***@*****.kutztown.edu, and requested to withdraw his claim. Ali stated:

“I’d like you to please withdraw my claim without prejudice. I have been unable to get some of the documents you want and I had my car broken into last night. Therefore, would [sic] rather not have too many claims on my account.... V/R, M Ali”

Ali's email contained, as an attachment, a photograph of a car with a broken window.

15. On June 21, 2021, a Travelers investigator went to 7805 Five Oaks Court, Glen Burnie, Maryland, a possible address for Leigh. A woman answered the door and confirmed that Leigh resided there, but was not home at that time.

16. On June 21, 2021, in an effort to authenticate the ASV work order Ali submitted to Travelers on June 16, 2021, a Travelers investigator spoke to an ASV representative who reported that one of its technicians went to Ali’s Apartment on May 27, 2021. The customer's name was "Raphael," not Micheal. The technician prepared an estimate ["work order"] to replace the AC, but the work was never done. The representative stated that the work order did not diagnose the problem with the AC, only a replacement cost.

17. On June 22, 2021, a Travelers investigator contacted Farmers and learned that on June 21, 2021, Ali withdrew his Farmers claim.

FARMERS CLAIM

18. On June 6, 2021, Ali notified Farmers that on May 26, 2021, his Apartment’s AC was damaged as a result of heavy rain and high winds.

19. On June 7, 2021, Ali reported to Farmers that his power went out during the May 26, 2021 storm and the AC stopped working. He reported that "someone" inspected the AC, and found the compressor was damaged. Ali reported that in 2019, he purchased the AC for \$5,000.00, plus installation. He described the unit as a 3-ton split system. Ali did not have the contact information

for the person who installed the AC. Ali reported that since he is in the military, the apartment complex does not have its own AC unit, but is set up to have one installed, which he can take with him when he leaves. Ali advised that he only had a renter's insurance policy with Farmers for his Apartment.

20. On June 8, 2021, Ali sent an email to Farmers, from rali***@*****.kutztown.edu. Attached to the email were photographs of a large outside AC unit adjacent to two smaller AC units. Ali wrote, "You'll see mine is quite different from the others. I went to the Army Airforce [sic] Exchange where I got my system and who was responsible for installing the system for me..."

21. On June 16, 2021, a Farmers representative contacted Travelers to discuss the claims made by Ali. The Farmers representative noted that each claim was made for a damaged AC unit at the Apartment. The email address and phone number for both claims and policies was the same: rali***@*****.kutztown.edu, and (3**) **7-8041.

22. On June 17, 2021, Ali reported to Farmers that following the storm damage, the Air Force Exchange inspected the damaged AC, and installed a new one. A Farmers representative asked Ali about his Travelers policy. Ali stated that he did not have insurance with anyone else, and that "Micheal" was a relative who lives with him. Ali refused to allow the Farmers representative speak with "Micheal." Ali denied speaking to another insurance company, and explained that he and Micheal each filed claims to determine which insurer would pay more, and planned to withdraw the lower paying claim.

23. On June 21, 2021, Ali sent the following email to Farmers from rali***@*****.kutztown.edu, withdrawing his claim:

"I'd like you to please withdraw my claim without prejudice. I have been unable to get some of the documents you want and I had my car broken into last night. Therefore, would [sic] rather not have too many claims on my account. Thank You.
V/R Ali"

24. 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.

25. Travelers and Farmers, having a good faith belief that Respondents committed insurance fraud, referred the matters to the MIA, Fraud Division.

II. THE ADMINISTRATION'S INVESTIGATION

26. On November 2, 2021, an MIA investigator spoke to a Kutztown University representative, in Kutztown, Pennsylvania, in an effort to authenticate Ali's rali***@*****.kutztown.edu email address. The representative advised that the email address was assigned to Raphael Ali in 2009, when he was a student at the University.

27. Upon examination of the evidence, an MIA investigator noted that during the June 17, 2021 conversation Ali had with Farmers, Ali stated, he was using Micheal Ali's email, contrary to Kutztown University's statement that the email address was assigned to Raphael Ali in 2009.

28. In Ali's renter's insurance application with Travelers, he identified himself as "Micheal," and documented his phone number as (3**) **7-8041.

29. The Administration issued a subpoena to TextMe for subscriber information and a call history for that phone number. In response, TextMe provided the call history, which identified numerous calls made between Ali and Travelers during the claims process. Subscriber identification information is not required to obtain the TextMe software application, and therefore was unavailable.

30. An MIA investigator searched the Insurance Services Office (“ISO”) database for claims referencing phone number (3**) **7-8041. The search identified 7 claims since August, 2020. The claimant in those claims was identified as Raphael Ali at 309 Amore Lane, Bel Air, Maryland.

31. The Administration issued a subpoena to AT&T for subscriber information and call history for (4**) **5-8882, the phone number Ali used to call Travelers on May 28, 2021. In response, AT&T reported that the subscriber was Raphael Ali whose address was 309 Amore Lane, Apt. A, Bel Air, Maryland. The call history identified numerous calls between Ali and Leigh, as well as with Farmers and Travelers. This is significant, inasmuch as Ali identified himself as “Micheal” in his Travelers insurance application, as well as his claim with Travelers.

32. In an effort to authenticate the ASV work order Ali submitted to Travelers on June 16, 2021, an MIA investigator interviewed an ASV representative who confirmed its employee, Jim, went to Ali's apartment on May 27, 2021, and created a work order. The representative compared the work order Ali submitted to Travelers, with the actual work order prepared by Jim, and concluded that the work order Ali submitted to Travelers was a forgery. The ASV representative concluded that someone used the actual work order to create a fake one. She noted the following discrepancies:

- The customer name was changed from “Raphael Adejo” to “Michael Ali;”
- The customer email was changed from raspo2002****@yahoo.com to rali***@*****kutztown.edu;
- The customer phone number was changed from (4**) **5-8882 to (3**) **8-8041.
- The type of product and its value had been changed.

The ASV representative provided the MIA investigator with a copy of the legitimate work order and the following irregularities were noted:

- The work order Ali submitted to Travelers depicted a cost, \$8,691.00. The actual work order cited the cost as \$4,361.00;
- The font type and size were different on the work order Ali submitted to Travelers, particularly the name, email address and phone number;

- The email and phone number [for Micheal Ali] were the same used by Farmers to communicate with Raphael Ali.
- The customer name on the legitimate work order was Raphael Adejo, not Michael Ali. Adejo is Raphael's middle name;
- The actual work order did not state, "Replace current unit (System burnt due to electrical malfunction from high wind)," nor did it say "NEW CARRIER INFINITY - 3 TON 19. (RECOMMENDED)"

33. An MIA investigator interviewed Jim, the ASV employee who visited Ali's apartment on May 27, 2021. Jim stated that the person he met identified himself as "Raphael Adejo." He and the customer only discussed a "mini split" system, not the exterior AC system. Jim was presented with a photograph of Ali, but was unable to identify Ali as the person he met.

34. On November 9, 2021, an MIA investigator interviewed Steve, the property manager for Ali's apartment complex. Steve reported that Jennifer Leigh has never been an employee at the apartment complex, and tenants are not allowed to install their own AC units. The AC units are provided and maintained by the apartment complex.

35. An MIA investigator interviewed "Tim," the maintenance supervisor for the apartment complex. Tim reported that he inspected Ali's Apartment's AC system in late May or early June 2021, following Travelers' inquiry. Tim found the AC unit to be functioning properly. Tim was provided with photographs that Ali submitted to Farmers on June 8, 2021, ostensibly to show that he installed a new AC. Tim reported that the larger AC unit adjacent to two smaller units in the photographs was not the AC for Ali's Apartment, but rather for the building's common areas. Tim conducted an additional inspection of the interior and exterior AC equipment of Ali's Apartment in late November 2021, and confirmed that the AC equipment was the original equipment installed at the Apartment when it was constructed [2016]. This was in conflict with Ali's reports to both Travelers and Farmers, to which Ali said he purchased and installed his own AC unit in 2019, and replaced it in 2021.

36. The MIA issued a subpoena to Verizon for subscriber information for telephone number 646 ***-4044, which Ali provided to Travelers as the number for Leigh, the alleged property manager for his apartment complex. In response, Verizon reported the subscriber was Jennifer Leigh, 7805 Five Oaks Court, Glen Burnie, Maryland. According to the Maryland Department of Assessment and Taxation, Leigh is the named owner of 7805 Five Oaks Court.

37. An MIA investigator examined the aforementioned cell phone call histories for Leigh and Ali as they relate to Ali's Travelers claim. The investigator noted that there were over 200 calls and/or text messages between 4**-**5-8882 (Ali) and 646-***-4044 (Leigh) between May 26, and June 22, 2021. In particular, Leigh's (646-***-4044) Verizon Wireless call history confirmed a call from her number to Travelers on June 10, 2021, consistent with the date and time of the voicemail left for Travelers wherein Leigh introduced herself as the property manager, and stated, "he [Ali] did indeed install his own air conditioner in 2019."

38. On November 16, 2021, an MIA investigator called *-646-***-4044. A woman answered, and identified herself as Jennifer Leigh. She denied knowledge of Micheal or an insurance claim; she admitted to knowing Raphael Ali.

39. On November 23, 2021, an MIA investigator examined Ali's application for his renter's insurance policy with Travelers. The application listed the insureds as Micheal and Elizabeth Ali of 309 Amore Lane, Bel Air, Maryland. The application indicated Micheal Ali was born in 1945. Raphael Ali was born in 1984.

40. An MIA investigator obtained a copy of the lease agreement Ali signed for his Apartment, which stated that no one other than "Raphael Ali," born in 1984, will occupy the premises. "Micheal Ali" is not named within the lease documents.

41. An MIA investigator examined the email sent by Micheal Ali from rali***@*****.kutztown.edu to Travelers on June 21, 2021, in which he requested to withdraw his claim. Ali stated, "...I had **MY** car broken into last night...**M Ali**" [*Emphasis Added*]. The email contained, as an attachment, a photograph of a brown BMW, which was also submitted to Farmers by Rafael, from Ali's rali***@*****.kutztown.edu email address. The MIA confirmed that Raphael Ali is the registered owner of the BMW.

42. An MIA investigator noted that, both emails to Travelers and Famers on June 21, 2021, in which Ali requested to withdraw his claims, were identical, with the exception of the email signature, wherein the email to Travelers stated "V/R M Ali," and the email to Farmers stated "V/R Ali." The letter "M," apparently for Micheal was missing from the email to Farmers.

43. On December 7, 2021, the MIA issued a subpoena to HSBC UK Bank to verify the HSBC statement Ali submitted to Travelers on May 28, 2021, as proof he purchased an AC unit. In response, an HBSC financial crimes investigator reported that there are anomalies that suggest it is a fraudulent document and not in line with a genuine HBSC statement. In pertinent part, the alignment of the address is incorrect and there is no HSBC customer by the name "Micheal Ali" in its records.

44. Based on his Travelers policy application, Ali's name was Micheal Ali with a birthdate of **/**/1945. He told Travelers SIU that he was presently an officer in the U.S. Army. An MIA investigator interviewed a special agent of the U.S. Army Criminal Investigation Division ("CID"), who reported that there was no record of "Micheal Ali" with that birth date, and that Raphael Ali was a 1st Lieutenant in the U.S. Army, but was discharged on May 16, 2021.

45. By examining all aspects of the Farmers and Travelers claims, as well as the additional claims under investigation by the MIA, an MIA investigator concluded that Micheal was a pseudonym, used by Ali when he obtained the Travelers policy.

III. VIOLATIONS

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

§ 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[.]

§ 27-406

It is a fraudulent insurance act for a person:

(1) knowingly or willfully to make a false or fraudulent statement or representation in or with reference to an application for insurance

§ 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;

* * *

(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.

47. By the conduct described herein, Ali knowingly violated § 27-403 and § 27-406. Because the fraudulent insurance act of submitting false documents or making false statements in support of a claim is complete upon submitting the false documents and making the false statements, and is not dependent on payment being made, Ali committed a violation of the Insurance Article when he:

- Falsely claimed to both Travelers and Farmers that his AC was damaged and he replaced it;
- Submitted a false ASV work order to Travelers;
- Submitted an insurance application to Travelers using a false identity;
- Falsely identified Leigh as his property manager;

Ali made additional false statements related to the identity of Michael and his position as a military officer. Ali told a Travelers investigator, that because he was in the military, he could only be interviewed with the express consent of the Army, and that Travelers must meet with the Army legal team. But, at that time, Ali was not in the Army, as he was discharged on May 16, 2021. As such, Ali is subject to an administrative penalty under § 27-408(c).

48. By the conduct described herein, Leigh knowingly violated § 27-403 when she made false statements to Travelers in support of Ali's claim, by falsely identifying herself as the property manager and falsely stating that Ali replaced the AC.

IV. SANCTIONS

49. 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. See §§ 2-201(d)(1) and 2-405.

50. Having considered the factors set forth in § 27-408(c)(2), the MIA imposes an administrative penalty in the amount of \$4,000.00 against Respondent Raphael Adejo Ali and an administrative penalty of \$1,500.00 against Respondent Jennifer Dorothy Leigh.

51. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2021-4699A) and Respondents' names (Raphael Adejo Ali) or (Jennifer Dorothy Leigh). 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.

52. This Order does not preclude any potential or pending action by any other person, entity, or government authority regarding any conduct by Respondents, 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 10th day of March 2022, **ORDERED** that:

(1) Raphael Adejo Ali shall pay an administrative penalty of four thousand dollars (\$4,000.00) within 30 days of the date of this Order.

(2) Jennifer Dorothy Leigh shall pay an administrative penalty of one thousand five hundred (\$1,500.00) within 30 days of the date of this Order.

KATHLEEN A. BIRrane
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.