



ALAN WILSON  
ATTORNEY GENERAL

## **A MESSAGE FROM THE ATTORNEY GENERAL**

I am proud to present the 2015 annual report of the South Carolina Insurance Fraud Division to the General Assembly. My office continues to fight insurance fraud by prosecuting these cases in court and raising awareness of the problem in communities across our state.

The prosecutors in the Insurance Fraud Division and the Special Assistant Attorneys General employed by the Department of Employment and workforce (and authorized by our office worked diligently in prosecuting these cases. In 2015, these prosecutors secured 40 fraud convictions. Defendants were ordered to pay more than \$798,000 in restitution to the victims.

During 2015, my office received 1,990 complaints of insurance fraud, an increase of more than 26% since 2014. The number of complaints is at an all-time high, and we must continue to be vigilant in our prosecution of these cases. The cases were divided as follows: Automobile 79% (1569), Personal/Commercial Property 12% (246), Workers' Compensation 5% (97), Health/Medical 1% (21), Premium 1% (21), Life Insurance 1% (20), and Disability 1% (14). We continue to work with the Department of Employment and Workforce in responding to the Unemployment Fraud Complaints representing more than 12% of the convictions in South Carolina this year.

My office continues to bring the perpetrators of insurance fraud to justice. We strive to assist the victims of fraud by requesting our courts order restitution to be paid to them. I am proud of our accomplishments in 2015 and am looking forward to moving forward in 2016. Our office has prepared and prosecuted the cases with only three investigators assigned from SLED to handle the entire state's investigations.

Despite our efforts, insurance fraud continues to grow in South Carolina. Our state currently ranks 7<sup>th</sup> in the nation for staged car wrecks. This is a dangerous problem that puts innocent drivers at risk. Emergency crews respond to these staged crime scenes which wastes taxpayer dollars. Even worse, these criminals will often pack vehicles with other passengers, especially children, in order to maximize their claim value.

In South Carolina, insurers pay more than \$223 million into the state's general fund through taxes and assessments paid to the Department of Insurance. Insurance companies are one of the top contributors to the state's general fund. While South Carolina is no longer the lowest-funded insurance

fraud bureau in the country thanks to two additional investigators appropriated in last year's budget, it is still the lowest funded unit in the region. By contrast to South Carolina's \$354,000 insurance fraud unit budget and the 4 dedicated investigators, our neighbors dedicate significantly more resources to combating the scourge of insurance fraud. North Carolina has 20 dedicated criminal insurance fraud investigators and a budget of \$2.8 million. Georgia has four investigators and a budget of \$3.6 million. Virginia has 25 investigators and a budget of \$5.3 million.

We desperately need more resources dedicated to fighting insurance fraud. House Bill 4339 aims to do just that. It provides State Grand Jury jurisdiction for crimes involving two or more persons and \$50,000 or more in fraud. It also includes driver's license suspension upon conviction. The bill also includes forfeiture of tools and equipment used in the commission of insurance fraud upon conviction.

Like water, fraud and crime travel the path of least resistance. South Carolina can no longer be a place where these criminals are able to thrive. Insurance Fraud drains our system and raises premiums for our citizens. This year we are asking the General Assembly to send a clear message that insurance fraud is not tolerated in South Carolina by passing H. 4339 to address this growing epidemic in our state. We must work to make sure that South Carolina remains the safest place possible to live, work and raise a family.

Sincerely,



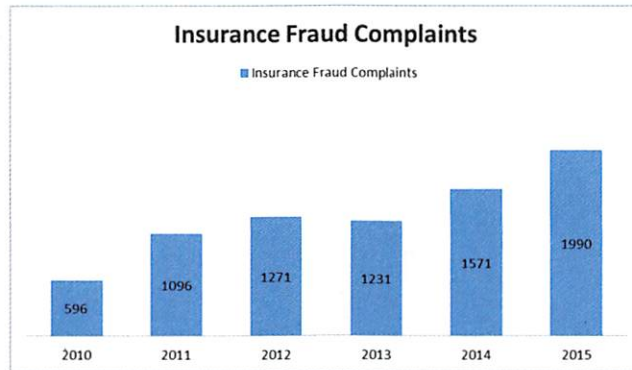
Alan Wilson



ALAN WILSON  
ATTORNEY GENERAL

## MESSAGE FROM THE ATTORNEY GENERAL'S INSURANCE FRAUD DIVISION

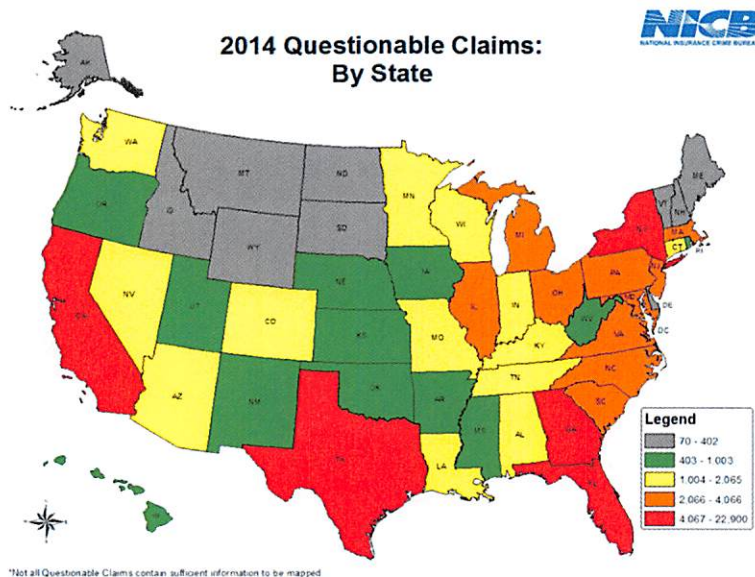
Insurance Fraud is a problem in our state that continues to grow bigger every year. The real victims of this crime are the citizens of our state who pay higher premiums as a result of this criminal activity. The number of complaints received in 2016 is at an all-time high at 1990, an increase of over 26% from the previous year. Adding in the 530 complaints sent in for information only, it becomes obvious that insurance fraud is growing rapidly in South Carolina. We must dedicate resources to address this problem and to protect the citizens and economy of our state.



The Insurance Fraud Division was established with legislation passed on July 1, 1994. The Omnibus Insurance Fraud and Reporting Immunity Act mandated the prosecution of insurance fraud cases by our division with investigations conducted by the South Carolina Law Enforcement Division (SLED). There are currently three SLED investigators dedicated to the investigation of insurance fraud for the entire state. The Insurance Fraud Division receives referrals from the Department of Insurance, the South Carolina Worker's Compensation Commission, the Department of Employment and Workforce, insurance companies, private citizens, law enforcement agencies, as well as attorneys and private law firms throughout the State of South Carolina.

We would like to thank the National Insurance Crime Bureau for choosing South Carolina for their annual Fraud Summit. The Summit was held February 2, 2016 in Greenville, SC and brought some much needed attention to this problem in our state. One hundred and fifty people attended the summit

representing the insurance industry, federal, state, and local law enforcement, regulators, and the state legislature. This summit highlighted many important points. South Carolina ranks in the Top 10 nationally in the amount of suspected fraud per 100,000 in population. We are seventh in the nation in staged car wrecks. We are also seeing an increase in organized crime rings committing insurance fraud crimes, often as a financial means to obtain prescription drugs. Additionally, despite being in the top 10 nationally for insurance fraud, our state ranks last nationally in funding to fight this problem.



Despite limited resources, our division remains dedicated to addressing this problem. We look forward to 2016 with new initiatives to continue this fight. One such initiative is our first ever law enforcement training to be held on March 23, 2016 in Columbia, South Carolina. The purpose of this training is to raise awareness in law enforcement officers of the red flags of insurance fraud, and how to best handle these cases when officers come across them. Additionally, we are excited to push ahead with House Bill 4339, giving our office some important tools to assist us with these cases, such as: State Grand Jury jurisdiction for complex cases, driver’s license suspension, and forfeiture of vehicles, tools, and equipment used in the commission of insurance fraud.

We thank all of the private citizens, insurance professionals and those in law enforcement who reported cases to us in 2015. We also thank those in the insurance industry who investigate these cases because their participation and cooperation makes our fight against insurance fraud possible.

We would also like to thank the South Carolina Insurance Fraud Investigators (SC-IFI), the South Carolina chapter of the International Association of Special Investigation Units (IASIU), the National Insurance Crime Bureau (NICB), the Coalition Against Insurance Fraud, and the South Carolina Insurance News Service for working with our office, and for their help in raising awareness of the problem of fraud.

## **2015 Notable Cases**

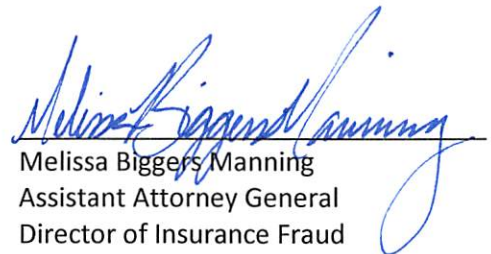
**State v. Judson Stanley** - On July 16, 2015, Judson Stanley was found guilty of Presenting a False Claim for Insurance Payment over \$10,000. A Horry County jury found the defendant guilty following a jury trial that began on Monday July 13. Judge Culbertson sentenced the defendant to the maximum sentence under the statute: 10 years incarceration. The defendant had two previous convictions for Presenting a False Claim for Insurance Payment and was on probation at the time of the trial. The judge revoked the defendant's probation on the previous charges and also sentenced him to 5 years on his probation violation to run concurrent to the sentence. In May 2014, the defendant, Judson Stanley conspired with a co-defendant to commit insurance fraud. Mr. Stanley stripped parts off of the co-defendant's 2007 Cadillac Escalade. The co-defendant then parked the vehicle at an abandoned restaurant parking lot, and called a tow truck company reporting transmission problems. The tow company discovered the vehicle stripped, and the co-defendant made a police report claiming vandalism and filed an insurance claim with Allstate Insurance Company for the damage. The vehicle was then towed to a repair shop where Mr. Stanley attempted to have the same stripped parts reinstalled on the vehicle as if they were newly acquired parts. The case was investigated by senior special agent William Howsare with SLED.

**State v. Timothy Mize** – On December 11, 2015 Timothy Mize, of Oconee County, pled guilty to three counts of Presenting a False Claim for Insurance Payment, less than \$2,000. Under a plea agreement, the defendant was sentenced to 30 days on each count to be served consecutively. Mr. Mize had a very well documented injury to his left eye resulting from a bar fight on December 31, 1987. This injury resulted in immediate and permanent blindness in his left eye. The defendant filed claims with three different insurance companies attempting to get paid by alleging that his eye injury was a new injury that was covered by their policies. In the first insurance claim, Mr. Mize claimed that his left eye was injured in a farming accident when he slipped and fell from a tractor in 2011. This was a \$50,000 claim that was denied by the insurance company. In the second claim, Mr. Mize claimed that his left eye was injured in a farming accident occurring on 2/28/2011. This was a \$250,000 claim that was denied by the insurance company. The third claim involved Mr. Mize claiming that his eye was injured on a Delta airline flight when luggage fell from the overhead bin, striking him in the eye. He also claimed that days after the luggage incident, his eye was injured again when he struck it on the door of a taxi cab in the Philippines. This was a \$500,000 claim that was also denied by the insurance company. The case was investigated by senior special agent Joe Jordan with SLED.

**State v. Purvin Patel** – On February 10, 2015, in Spartanburg County, Purvin Patel pled guilty to Presenting a False Claim for Payment, over \$10,000. The defendant was sentenced to 10 years incarceration suspended to 18 months of probation. The defendant was the owner of several convenience stores in Spartanburg County. On 1/13/14 an attempted burglary occurred at one of the defendant's stores. There was no entry and nothing was taken. The Sheriff's office completed a report stating the same. The defendant then submitted an altered police report to Farmer's Insurance Company along with a forged contractor's estimate of repair, claiming over \$25,000 in damages and missing items. The case was investigated by senior special agent Joe Jordan with SLED.

**State v. Kristopher Elders** – On January 25, 2016, in Spartanburg County Kristopher Elders pled guilty to Presenting a False Claim for Payment and Altering a VIN. He was sentenced to ten years suspended to three years' probation plus restitution. The defendant claimed that his John Deere tractor, box blade, and trailer were stolen from the side of the road in Rutherford, NC on July 3, 2013. The defendant falsely claimed to police and the insurance company that the trailer developed a flat tire forcing him to leave the trailer and equipment on the side of the road while a new trailer was obtained. State Auto Insurance Company paid him over \$18,000 for the loss. On May 28, 2015, based upon information from an informant, the tractor and blade were found on the Defendant's property along with a different stolen trailer. The case was investigated by senior special agent Joe Jordan with SLED.

Looking forward to 2016, our Insurance Fraud Division will continue to address insurance fraud in our state. Additional funding as well as House Bill 4339 would have a great impact on our ability to successfully combat this growing problem.



Melissa Biggers Manning  
Assistant Attorney General  
Director of Insurance Fraud

**CUMULATIVE STATISTICS OF THE  
INSURANCE FRAUD DIVISION  
1995 - 2015**

TOTAL COMPLAINTS RECEIVED	17,518
TOTAL FILES OPENED	6,897
CRIMINAL CONVICTIONS	1486
CIVIL REMEDIES	794

<b>Type of Fraud</b>	<b>Amount Reported</b>
Personal/Commercial Property	\$28,943,392.47
Life Insurance	\$20,876,589.98
Automobile Insurance	\$16,408,312.85
Health/Medical	\$11,716,858.39
Workers' Compensation	\$10,775,639.28
Unemployment	\$10,154,104.46
Premium	\$9,910,520.18
Disability	\$8,573,993.66
Other	\$6,832,893.94
<b>TOTAL</b>	<b>\$226,003,962.73</b>

<b>Types of Monies Collected</b>	<b>Amount Ordered</b>
Criminal Restitution	\$6,959,827.05
Civil Penalties	\$1,660,819.21
Civil Restitution	\$1,304,693.28
Criminal Fines	\$390,061.43
<b>TOTAL</b>	<b>\$13,670,974.89</b>

**SUMMARY**  
*Status of Cases – 2015*

**MONIES ORDERED AND/OR COLLECTED IN 2015**  
*Criminal Penalties, Civil Penalties, Fines and Restitution*

The following tables indicate the amounts of fines, penalties, restitution and attorneys' fees that have been ordered paid by the Courts or by a Memorandum of Understanding.

**Monies Ordered and/or Collected Pursuant to Court Order**

<b>CRIMINAL</b>	<b>AMOUNT</b>
Court Ordered Fines	\$8,107.70
Restitution Ordered	\$798,205.38
<b>TOTAL</b>	<b><u>\$806,313.08</u></b>

**Monies Ordered and/or Collected Pursuant to Civil Disposition**

<b>CIVIL</b>	<b>AMOUNT</b>
Fines Ordered	\$7,400.00
Fines Collected	\$7,400.00
Restitution Ordered	\$22,288.21
Restitution Collected	\$22,288.21
<b>TOTAL ORDERED</b>	<b><u>\$29,688.21</u></b>
<b>TOTAL COLLECTED</b>	<b><u>\$29,688.21</u></b>



**SUMMARY**  
***Status of Cases – 2015***

**Complaints**

Complaints Carried Forward from 2014	50
Complaints Received in 2015	1990
Information Only Referrals in 2015	459
Complaints Referred to other Agencies	40
Complaints Unfounded or Declined	1733
Files Opened 2015	162
Complaints Carried Forward to 2016	79

**Open Files**

Files Opened in 2015	162
Open Files Disposed of 2015	69
Open Files on December 31, 2015	327
Open Files awaiting investigation as of 12/31/14	101

**Disposition**

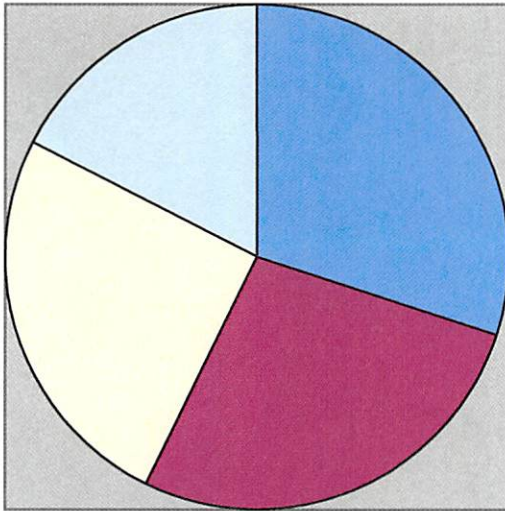
2015 Convictions	40
2015 Civil Remedies	12

**On the Docket**

Indicted Cases as of December 31, 2015	94
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## BREAKDOWN OF CASES BY REGION

During 2015, the Insurance Fraud Division of the Attorney General's office opened 162 cases. As the chart below indicates, these cases were received from all areas of the state:



■ Piedmont	31
■ Midlands	30
■ Pee Dee	21
■ Low Country	18

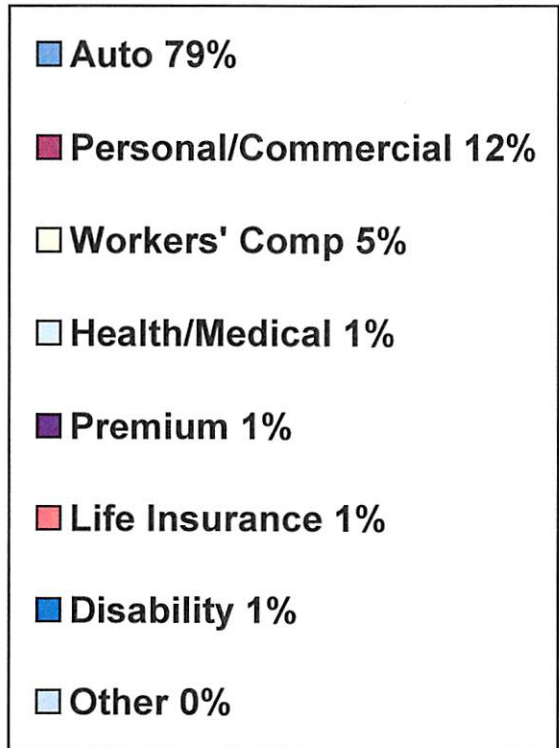
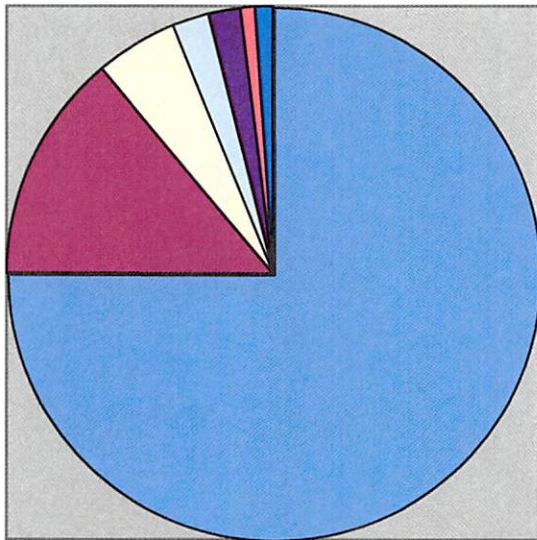
REGION	NUMBER OF CASES	PERCENT OF TOTAL
Piedmont	50	31%
Midlands	49	30%
Pee Dee	34	21%
Low Country	29	18%
<b>TOTAL</b>	<b>162</b>	<b>100%</b>

## BREAKDOWN OF COMPLAINTS RECEIVED BY TYPE

The fraud complaints received during 2015 by the Insurance Fraud Division consisted of the following types of fraud:

Type of Fraud	Number of Complaints	Percentage of Total	Amount Reported
Automobile	1569	79%	\$1,045,862.53
Personal/Commercial Property	246	12%	\$1,479,013.44
Workers' Compensation	97	5%	\$814,922.22
Health/Medical	21	1%	\$37,950.67
Premium	21	1%	\$197,794.30
Life Insurance	20	1%	\$818,772.26
Disability	14	1%	\$900,880.60
Other	2	0%	0
<b>TOTAL</b>	<b>1990</b>	<b>100%</b>	<b>\$5,295,196.02</b>

**Breakdown of Complaints by Type of Fraud – 2015**



## BREAKDOWN OF COMPLAINTS BY COUNTY

*Note: Tables may show cases reported with no corresponding dollar amounts. In these cases, no dollar amount could be determined at the time the complaint was received, or the claim had been withdrawn or denied.*

### ABBEVILLE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	2	0	0
Personal/Commercial Property	2	\$150,000.00	1
Workers' Comp	3	0	<b>0</b>
<b>TOTAL</b>	<b>7</b>	<b>\$150,000.00</b>	<b>1</b>

### AIKEN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	40	\$11,935.66	1
Disability	1	0	0
Life Insurance	1	0	0
Personal/Commercial Property	5	\$13,900.00	0
Premium Fraud	1	0	0
Workers' Comp	1	0	0
<b>TOTAL</b>	<b>49</b>	<b>\$25,835.66</b>	<b>1</b>

## ALLENDALE COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	7	0	0
Personal/Commercial Property	3	0	0
<b>TOTAL</b>	<b>10</b>	<b>0</b>	<b>0</b>

## ANDERSON COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	31	\$25,726.94	2
Disability	1	0	0
Life Insurance	2	\$250,000.00	0
Personal/Commercial Property	7	\$155,800.00	0
Premium Fraud	1	0	0
Workers' Comp	4	\$15,000.00	0
<b>TOTAL</b>	<b>46</b>	<b>\$446,526.94</b>	<b>2</b>

## BAMBERG COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	6	\$7,064.00	0
Personal/Commercial Property	3	\$10,000.00	0
<b>TOTAL</b>	<b>9</b>	<b>\$17,064.00</b>	<b>0</b>

## BARNWELL COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	6	\$1,240.46	0
Personal/Commercial Property	1	\$10,000.00	0
<b>TOTAL</b>	<b>7</b>	<b>\$11,240.46</b>	<b>0</b>

## BEAUFORT COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	24	\$14,396.45	0
Personal/Commercial Property	3	0	0
Workers' Comp	4	\$58,430.05	0
<b>TOTAL</b>	<b>31</b>	<b>\$72,826.50</b>	<b>0</b>

## BERKELEY COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	43	\$2,349.34	1
Personal/Commercial Property	6	\$4,124.00	0
Premium Fraud	1	\$140,000.00	0
Workers' Comp	4	\$76,000.00	1
<b>TOTAL</b>	<b>54</b>	<b>\$222,473.34</b>	<b>2</b>

## CALHOUN COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	1	0	0
Personal/Commercial Property	1	0	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>0</b>

## CHARLESTON COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	118	\$95,752.26	2
Disability	3	\$7,072.00	0
Health/Medical	2	0	0
Life Insurance	1	\$30,000.00	0
Personal/Commercial Property	11	\$125,093.92	1
Premium Fraud	5	\$35,733.05	0
Workers' Comp	11	\$29,067.45	2
<b>Total</b>	<b>151</b>	<b>\$322,718.68</b>	<b>5</b>

## CHEROKEE COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	13	\$7,258.00	0
Personal/Commercial Property	2	0	0
Workers' Comp	4	\$731.44	0
<b>Total</b>	<b>19</b>	<b>\$7,989.44</b>	<b>0</b>

## CHESTER COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	18	\$33,597.10	1
Disability	1	\$2,720.22	0
Health/Medical	1	0	0
Personal/Commercial Property	2	\$450.00	0
<b>TOTAL</b>	<b>22</b>	<b>\$36,767.32</b>	<b>1</b>

## CHESTERFIELD COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	7	\$3,808.34	0
Personal/Commercial Property	1	0	0
<b>TOTAL</b>	<b>8</b>	<b>\$3,808.34</b>	<b>0</b>

## CLARENDON COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	16	0	0
Personal/Commercial Property	1	\$3,660.00	1
<b>Total</b>	<b>17</b>	<b>\$3,660.00</b>	<b>1</b>



## COLLETON COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	18	\$4,521.07	0
Personal/Commercial Property	2	\$9,600.00	0
Workers' Comp	1	\$805.00	0
<b>TOTAL</b>	<b>21</b>	<b>\$14,926.07</b>	<b>0</b>

## DARLINGTON COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	23	\$22,252.37	0
Life Insurance	1	\$25,000.00	0
Personal/Commercial Property	2	0	0
Premium Fraud	1	\$5,238.00	0
Workers' Comp	2	0	0
<b>Total</b>	<b>29</b>	<b>\$52,490.37</b>	<b>0</b>

## DILLON COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	30	\$6,000.00	0
Personal/Commercial Property	1	0	0
Workers' Comp	1	0	0
<b>TOTAL</b>	<b>32</b>	<b>\$6,000.00</b>	<b>0</b>

## DORCHESTER COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	41	\$12,065.64	0
Health/Medical	1	0	0
Life Insurance	1	0	0
Personal/Commercial Property	8	\$12,474.00	0
Workers' Comp	2	0	0
<b>TOTAL</b>	<b>53</b>	<b>\$24,539.64</b>	<b>0</b>

## EDGEFIELD COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	5	0	0
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>

## FAIRFIELD COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	30	\$3,604.62	1
Personal/Commercial Property	4	\$6,000.00	0
Premium Fraud	1	0	0
Workers' Comp	1	0	0
<b>TOTAL</b>	<b>36</b>	<b>\$9,604.62</b>	<b>1</b>

## FLORENCE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	150	\$198,899.72	7
Health/Medical	1	0	0
Life Insurance	1	0	0
Personal/Commercial Property	10	\$11,120.21	1
Premium Fraud	1	0	0
Workers' Comp	3	0	0
<b>TOTAL</b>	<b>166</b>	<b>\$210,019.93</b>	<b>8</b>

## GEORGETOWN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	25	0	0
Health/Medical	2	0	0
Personal/Commmercial Property	3	\$9,000.00	0
<b>TOTAL</b>	<b>30</b>	<b>\$9,000.00</b>	<b>0</b>

## GREENVILLE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	94	\$71,977.51	3
Disability	1	\$777.80	0
Health/Medical	3	\$1,923.70	0
Life Insurance	2	\$34,957.36	0
Personal/Commercial Property	26	\$53,848.57	0
Premium Fraud	3	0	0
Workers' Comp	5	0	0
<b>TOTAL</b>	<b>134</b>	<b>\$163,484.94</b>	<b>3</b>

## GREENWOOD COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	20	\$1,151.60	0
Disability	1	\$4,244.00	1
Personal/Commercial Property	4	0	0
Workers' Comp	4	\$2,500.00	1
<b>TOTAL</b>	<b>29</b>	<b>\$7,895.60</b>	<b>2</b>

## HAMPTON COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	16	\$2,992.20	0
Disability	1	\$430.00	0
<b>TOTAL</b>	<b>17</b>	<b>\$3,422.20</b>	<b>0</b>

## HORRY COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	101	\$33,000.27	4
Health/Medical	4	\$1,026.97	0
Life Insurance	2	\$130,264.90	0
Personal/Commercial Property	17	\$44,624.47	2
Premium Fraud	2	\$3,364.00	0
Workers' Comp	7	\$80,989.24	1
<b>TOTAL</b>	<b>133</b>	<b>\$293,269.85</b>	<b>7</b>

## JASPER COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	18	\$2,369.05	0
Workers' Comp	1	\$528,736.00	0
<b>TOTAL</b>	<b>19</b>	<b>\$531,105.05</b>	<b>0</b>

## KERSHAW COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	16	\$6,256.38	0
Personal/Commercial Property	2	\$40,000.00	1
Workers' Comp	1	0	1
<b>TOTAL</b>	<b>19</b>	<b>\$46,256.38</b>	<b>2</b>

## LANCASTER COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	31	\$23,883.18	1
Personal/Commercial Property	2	\$1,377.00	0
<b>TOTAL</b>	<b>33</b>	<b>\$25,260.18</b>	<b>1</b>

## LAURENS COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	11	\$8,945.11	0
Disability	1	\$3,738.87	0
Personal/Commercial Property	3	\$28,000.00	0
<b>TOTAL</b>	<b>15</b>	<b>\$40,683.98</b>	<b>0</b>

## LEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	10	\$1,577.82	0
Disability	1	0	0
<b>TOTAL</b>	<b>11</b>	<b>\$1,577.82</b>	<b>0</b>

## LEXINGTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	67	\$68,712.78	4
Disability	2	\$881,897.71	0
Health/Medical	2	\$35,000.00	0
Personal/Commercial Property	21	\$51,643.88	2
Premium Fraud	1	0	0
Workers' Comp	9	\$3,459.72	0
<b>TOTAL</b>	<b>102</b>	<b>\$1,040,714.09</b>	<b>6</b>

## MARION COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	29	\$4,600.00	0
Personal/Commercial Property	3	\$6,000.00	0
Workers' Comp	1	0	0
<b>TOTAL</b>	<b>33</b>	<b>\$10,600.00</b>	<b>0</b>

## MARLBORO COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	9	\$3,569.04	1
Premium Fraud	1	\$2,950.67	1
<b>TOTAL</b>	<b>10</b>	<b>\$6,519.71</b>	<b>2</b>

## McCORMICK COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	3	\$11,500.00	0
<b>TOTAL</b>	<b>3</b>	<b>\$11,500.00</b>	<b>0</b>

## NEWBERRY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	10	\$6,118.00	0
Personal/Commercial Property	2	0	0
<b>TOTAL</b>	<b>12</b>	<b>\$6,118.00</b>	<b>0</b>

## OCONEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	7	\$3,665.11	0
Personal/Commercial Property	2	0	0
<b>TOTAL</b>	<b>9</b>	<b>\$3,665.11</b>	<b>0</b>

## ORANGEBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	32	\$18,045.99	0
Life Insurance	3	\$74,000.00	0
Personal/Commercial Property	6	\$79,117.97	0
Workers' Comp	2	0	0
<b>TOTAL</b>	<b>43</b>	<b>\$171,163.96</b>	<b>0</b>



## PICKENS COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	13	\$3,417.00	0
Other	1	0	0
Personal/Commercial Property	3	0	0
Workers' Comp	4	\$7,979.05	0
<b>TOTAL</b>	<b>21</b>	<b>\$11,396.05</b>	<b>0</b>

## RICHLAND COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	192	\$185,509.55	4
Disability	1	0	0
Health/Medical	3	0	0
Life Insurance	2	\$115,000.00	0
Other	1	0	0
Personal/Commercial Property	40	\$164,083.02	2
Premium Fraud	3	\$10,508.58	0
Workers' Comp	9	\$3,724.27	1
<b>TOTAL</b>	<b>251</b>	<b>\$478,825.42</b>	<b>7</b>

## SALUDA COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	4	0	0
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>

## SPARTANBURG COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	52	\$50,132.45	2
Personal/Commercial Property	9	\$34,682.87	0
Workers' Comp	3	0	0
<b>TOTAL</b>	<b>64</b>	<b>\$84,815.32</b>	<b>2</b>

## SUMTER COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	81	\$76,182.23	4
Life Insurance	1	\$4,000.00	0
Personal/Commercial Property	7	\$89,492.00	0
Workers' Comp	2	0	0
<b>TOTAL</b>	<b>91</b>	<b>\$169,674.23</b>	<b>4</b>

## UNION COUNTY

<b>Type of Fraud</b>	<b>Number of Complaints</b>	<b>Total Amount Reported</b>	<b>2015 Complaints Pending</b>
Automobile	8	0	0
Personal/Commercial Property	2	0	0
<b>TOTAL</b>	<b>10</b>	<b>0</b>	<b>0</b>

## WILLIAMSBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	28	\$3,913.26	1
Personal/Commercial Property	5	0	0
Workers' Comp	1	\$7,500.00	0
<b>Total</b>	<b>34</b>	<b>\$11,413.26</b>	<b>1</b>

## YORK COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	50	\$7,872.03	3
Health/Medical	1	0	0
Life Insurance	1	\$16,500.00	0
Personal/Commercial Property	14	\$364,921.53	0
Workers' Comp	4	0	0
<b>TOTAL</b>	<b>70</b>	<b>\$389,293.56</b>	<b>0</b>

## UNKNOWN/OTHER/OUT OF STATE

Type of Fraud	Number of Complaints	Total Amount Reported	2015 Complaints Pending
Automobile	13	0	0
Life Insurance	2	\$139,050.00	0
Premium Fraud	1	0	0
Workers' Comp	3	0	1
<b>TOTAL</b>	<b>19</b>	<b>\$139,050.00</b>	<b>1</b>

**SELECTED STATUTES FROM THE SOUTH CAROLINA CODE OF LAWS  
PERTAINING TO THE INVESTIGATION AND PROSECUTION OF INSURANCE  
FRAUD and GLASS COUPONING**

**§ 38-55-530. Definitions.**

As used in this article:

(A) "Authorized agency" means any duly constituted criminal investigative department or agency of the United States or of this State; the Department of Insurance; the Department of Revenue; the Department of Public Safety; the Workers' Compensation Commission; the State Accident Fund; the Second Injury Fund; the Employment Security Commission; the Department of Consumer Affairs; the Human Affairs Commission; the Department of Health and Environmental Control; the Department of Social Services; the Department of Health and Human Services; the Department of Labor, Licensing and Regulation; all other state boards, commissions, and agencies; the Office of the Attorney General of South Carolina; or the prosecuting attorney of any judicial circuit, county, municipality, or political subdivision of this State or of the United States, and their respective employees or personnel acting in their official capacity.

(B) "Insurer" shall have the meaning set forth in Section 38-1-20(25) and includes any authorized insurer, self-insurer, reinsurer, broker, producer, or any agent thereof.

(C) "Person" means any natural person, company, corporation, unincorporated association, partnership, professional corporation, or other legal entity and includes any applicant, policyholder, claimant, medical providers, vocational rehabilitation provider, attorney, agent, insurer, fund, or advisory organization.

(D) "False statement and misrepresentation" means a statement or representation made by a person that is false, material, made with the person's knowledge of the falsity of the statement, and made with the intent of obtaining or causing another to obtain or attempting to obtain or causing another to obtain an undeserved economic advantage or benefit or made with the intent to deny or cause another to deny any benefit or payment in connection with an insurance transaction and such shall constitute fraud.

**§ 38-55-540. Criminal penalties for making false statement or misrepresentation, or assisting, abetting, soliciting or conspiring to do so; restitution to victims.**

(A) A person who knowingly makes a false statement or misrepresentation, and any other person knowingly, with an intent to injure, defraud, or deceive, or who assists, abets, solicits, or conspires with a person to make a false statement or misrepresentation, is guilty of a:

- (1) misdemeanor, for a first offense violation, if the amount of the economic advantage or benefit received is less than one thousand dollars. Upon conviction, the person must be fined not less than one hundred nor more than five hundred dollars or imprisoned not more than thirty days;
- (2) misdemeanor, for a first offense violation, if the amount of the economic advantage or benefit received is one thousand dollars or more but less than ten thousand dollars. Upon conviction, the person must be fined not less than two thousand nor more than ten thousand dollars or imprisoned not more than three years, or both;
- (3) felony, for a first offense violation, if the amount of the economic advantage or benefit received is ten thousand dollars or more but less than fifty thousand dollars. Upon conviction, the person must be fined not less than ten thousand nor more than fifty thousand dollars or imprisoned not more than five years, or both;
- (4) felony, for a first offense violation, if the amount of the economic advantage or benefit received is fifty thousand dollars or more. Upon conviction, the person must be fined not less than twenty thousand nor more than one hundred thousand dollars or imprisoned not more than ten years, or both;
- (5) felony, for a second or subsequent violation, regardless of the amount of the economic advantage or benefit received. Upon conviction, the person must be fined not less than twenty thousand nor more than one hundred thousand dollars or imprisoned not more than ten years, or both.

(B) In addition to the criminal penalties set forth in subsection (A), a person convicted pursuant to the provisions of this section must be ordered by the court to make full restitution to a victim for any economic advantage or benefit which has been obtained by the person as a result of that violation, and to pay the difference between any taxes owed and any taxes the person paid, if applicable."

### **SECTION 38-55-170. Presenting false claims for payment.**

A person who knowingly causes to be presented a false claim for payment to an insurer transacting business in this State, to a health maintenance organization transacting business in this State, or to any person, including the State of South Carolina, providing benefits for health care in this State, whether these benefits are administered directly or through a third person, or who knowingly assists, solicits, or conspires with another to present a false claim for payment as described above, is guilty of a:

- (1) felony if the amount of the claim is ten thousand dollars or more. Upon conviction, the person must be imprisoned not more than ten years or fined not more than five thousand dollars, or both;
- (2) felony if the amount of the claim is more than two thousand dollars but less than ten thousand dollars. Upon conviction, the person must be fined in the discretion of the court or imprisoned not more than five years, or both;

(3) misdemeanor triable in magistrates court or municipal court, notwithstanding the provisions of Sections 22-3-540, 22-3-545, 22-3-550, and 14-25-65, if the amount of the claim is two thousand dollars or less. Upon conviction, the person must be fined not more than one thousand dollars, or imprisoned not more than thirty days, or both.

### **§ 38-55-550. Civil penalties for violations of article; costs; payment; use of revenues; Attorney General to assist Insurance Fraud Division; consent agreements.**

(A) In addition to any criminal liability, any person who is found by a court of competent jurisdiction to have violated any provision of this article, including Section 38-55-170, is subject to a civil penalty for each violation as follows:

- (1) for a first offense, a fine not to exceed five thousand dollars;
- (2) for a second offense, a fine of not less than five thousand dollars but not to exceed ten thousand dollars;
- (3) for a third and subsequent offense, a fine of not less than ten thousand dollars but not to exceed fifteen thousand dollars.

(B) The civil penalty must be paid to the director of the Insurance Fraud Division to be used in accordance with subsection (D) of this section. The court may also award court costs and reasonable attorneys' fees to the director. When requested by the director, the Attorney General may assign one or more deputies attorneys general to assist the bureau in any civil court proceedings against the person.

(C) Nothing in subsections (A) and (B) shall be construed to prohibit the director of the Insurance Fraud Division and the person alleged to be guilty of a violation of this article from entering into a written agreement in which the person does not admit or deny the charges but consents to payment of the civil penalty. A consent agreement may not be used in a subsequent civil or criminal proceeding relating to any violation of this article.

(D) All revenues from the civil penalties imposed pursuant to this section must be used to provide funds for the costs of enforcing and administering the provisions of this article.

### **§ 39-5-170. Vehicle glass repair business; unlawful practices.**

It is an unfair trade practice and unlawful for a person who is acting on behalf of or engaged in a vehicle glass repair business to offer or make a payment or transfer money or other consideration to:

(1) a third person for the third person's referral of an insurance claimant to the vehicle glass repair business for the repair or replacement of vehicle safety glass;

(2) an insurance claimant in connection with the repair or replacement of vehicle safety glass; or

(3) waive, rebate, give, or pay all or part of an insurance claimant's casualty or property insurance deductible as consideration for selecting the vehicle glass repair business.

### **§ 38-55-173. Unlawful vehicle glass repair business practices; penalties.**

(A) A person who is acting on behalf of or engaged in a vehicle glass repair business is guilty of a misdemeanor if the person offers or makes a payment or transfer of money or other consideration to:

(1) a third person for the third person's referral of an insurance claimant to the vehicle glass repair business for the repair or replacement of vehicle safety glass;

(2) an insurance claimant in connection with the repair or replacement of vehicle safety glass; or

(3) waive, rebate, give, or pay all or part of an insurance claimant's casualty or property insurance deductible as consideration for selecting the vehicle glass repair business.

(B) If the amount of the payment or transfer of subsection (A) has a value of:

(1) one thousand dollars or more, the person, upon conviction, must be fined in the discretion of the court or imprisoned for not more than three years, or both, per violation; or

(2) less than one thousand dollars, the person, upon conviction, must be fined not more than five hundred dollars or imprisoned for not more than thirty days, or both, per violation.

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