

**THE REPORT OF THE  
STATE OF SOUTH CAROLINA  
OFFICE OF THE ATTORNEY GENERAL  
HENRY McMASTER**

**INSURANCE FRAUD DIVISION**

**2005 ANNUAL REPORT**



**January 2006**

## **MESSAGE FROM THE ATTORNEY GENERAL**

I am proud to present to the General Assembly the 2005 Annual Report of the South Carolina Insurance Fraud Division. My office has been a leader in the fight against insurance fraud for 12 years.

Our success in 2005 was due in large part to the \$400,000 in dedicated funds provided to us by the General Assembly beginning with the fiscal budget year starting in July of 2005. With those funds, I was able to expand the division from one prosecutor and one legal assistant to a department of 5 prosecutors and 3 legal assistants. I would like to thank Senator Thomas for this funding. I would also like to thank the SLED agents and insurance fraud investigators who are essential to our fight against this type of fraud.

In 2005, we secured 102 criminal convictions. This represents a 42% increase from our total in 2004 (59). In addition to the convictions, we saw a large increase in the amount of restitution ordered by the courts in our cases. For 2005, we were able to secure \$191,416.00 in restitution ordered by the courts. This represents a 57% increase in the amount of restitution ordered over 2004 (\$82,726.99).

During 2005, there was a slight reduction in the number of insurance fraud complaints filed with my office. We received 569 complaints of insurance fraud in 2005, which is down from the 595 complaints that we received in 2004. The types of fraud complaints break down as follows: Automobile – 36% (206), Worker's Compensation – 17% (94), Health/Medical - 12% (71), Personal/Commercial Property - 11% (61), Other - 9% (50), Disability - 8% (44), Life - 4% (23), Premium – 3% (20). In 2005 my office received 569 complaints and 301 complaints were formally opened by the Office of the Attorney General and referred to SLED for investigation.

We were able to make great strides in the fight against insurance fraud during the last six months of 2005 with our increased staff. I look forward to continuing the fight against insurance fraud in 2006 and want the people of South Carolina to know that I am dedicated to reducing the number of incidents of insurance fraud in our state. This report may be accessed on the web at <http://www.scattorneygeneral.com>.

Henry McMaster

## **MESSAGE FROM THE DIRECTOR OF INSURANCE FRAUD**

On July 1, 1994, the Governor enacted into law the Omnibus Insurance Fraud and Reporting Immunity Act establishing the Insurance Fraud Division of the Office of the Attorney General and mandating the prosecution of insurance fraud by this new division with the South Carolina Law Enforcement Division (SLED) conducting the investigations. The intention of the legislation was to aggressively confront the problem of insurance fraud in South Carolina. The Insurance Fraud Division receives referrals from the Department of Insurance, the South Carolina Worker's Compensation Commission, insurance companies, private citizens, law enforcement agencies, as well as attorneys and private law firms throughout the state of South Carolina.

For a number of years the Insurance Fraud Division has been hampered by budgetary constraints. Last year the General Assembly appropriated \$400,000.00 in dedicated funds to be used by our office solely for the purpose of fighting insurance fraud. The money became available in July of 2005 and by the end of August of 2005, our office expanded from one prosecutor and one legal assistant to five prosecutors and three legal assistants.

We have already begun to see the effects of the additional funding. When you compare the last six months of 2004 to the last six months of 2005, we have made significant strides. For that six-month period of time, our office indicted 71 cases. That represents a 65% increase over number of cases from that time period in 2004. In addition, we secured 68 criminal convictions during those six months, compared to 41 during the same time period in 2004. Since our convictions increased, so did the amount of restitution that the courts ordered. From July 1, 2005 to December 31, 2005, the courts

ordered \$123,338.89 in restitution compared to \$42,311.49 from the same time period the preceding year.

Our work is still a direct result of the outstanding efforts of those in law enforcement and the private insurance industry that send us the majority of our cases. I am appreciative of their efforts and would like to specifically thank the efforts of the South Carolina Insurance Fraud Investigators (SCI-FI) and the National Insurance Crime Bureau (NICB).

Again, I am particularly appreciative of the support and leadership of Attorney General Henry McMaster. Also, I would like to thank Lt. Lansing P. Logan of SLED and his staff for their efforts in investigating these cases. Without their hard work and expertise the Insurance Fraud Division would not be in a position to experience its many successes.

Thank you to everyone who helped us in the past year and we look forward to achieving greater successes in 2006.

Respectfully Submitted,

Jennifer D. Evans  
Chief, State Grand Jury/Prosecution  
Director of Insurance Fraud Division

**CUMULATIVE STATISTICS OF THE  
INSURANCE FRAUD DIVISION  
1995 - 2005**

TOTAL COMPLAINTS RECEIVED	6,671
TOTAL FILES OPENED	4,580
CRIMINAL CONVICTIONS	786
CIVIL REMEDIES	431

<b>Type of Fraud</b>	<b>Amount Reported</b>
Personal/Commercial Property	\$12,816,765.96
Life Insurance	\$10,153,002.64
Automobile Insurance	\$10,121,991.87
Premium Fraud	\$6,768,312.43
Workers' Compensation	\$6,008,639.24
Disability Insurance	\$5,655,042.88
Health/Medical	\$5,541,513.07
Other	\$3,736,298.13
<b>TOTAL</b>	<b><u>\$60,831,566.22</u></b>

<b>Types of Monies Collected</b>	<b>Amount Collected</b>
Criminal Restitution	\$2,378,756.73
Civil Penalties	\$1,074,117.24
Civil Restitution	\$906,838.92
Criminal Fines	\$283,399.95
<b>Total</b>	<b><u>\$4,643,112.84</u></b>

**SUMMARY**  
*Status of Cases – 2005*

**Complaints**

Complaints Carried Forward from 2004	56
Complaints Received in 2005	569
Complaints Referred to other Agencies	90
Complaints Unfounded or Declined	242
Files Opened 2005	301
Complaints Carried Forward to 2006	68

**Open Files**

Open Files Carried Forward from 2004	703
Files Opened in 2005	301
Open Files Disposed of 2005	300
Open Files on December 31, 2005	704
Open Files under SLED Investigation as of 12/31/05	700

**Disposition**

2005 Convictions	102
2005 Civil Remedies	39

**On the Docket**

Indicted Cases as of December 31, 2005	168
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## MONIES ORDERED AND/OR COLLECTED IN 2005

*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

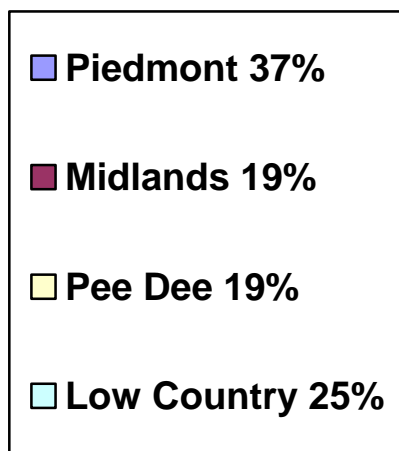
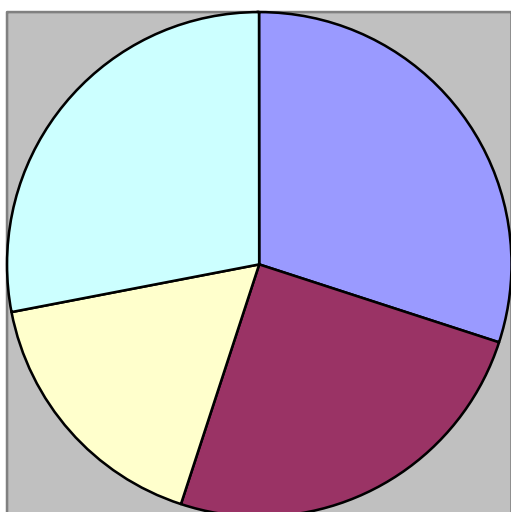
<b>CRIMINAL</b>	<b>AMOUNT</b>
Court Ordered Fines	\$3,550.00
Fines Collected on Orders From Previous Years	\$879.72
Restitution Ordered	\$191,416.10
Restitution Collected on Orders From Previous Years	0
<b>TOTAL</b>	<b><u>\$195,845.82</u></b>

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

<b>CIVIL</b>	<b>AMOUNT</b>
Fines Ordered	\$25,450.00
Fines Collected	\$25,450.00
Attorney Fees Collected	0
Restitution Ordered	\$33,187.60
Restitution Collected	\$33,187.60
<b>TOTAL ORDERED</b>	<b><u>\$58,637.60</u></b>
<b>TOTAL COLLECTED</b>	<b><u>\$58,637.60</u></b>

## BREAKDOWN OF CASES BY REGION

During 2005, the Insurance Fraud Division of the Attorney General's office opened 290 cases. As the chart below indicates, these cases were received from all areas of the state:



REGION	NUMBER OF CASES	PERCENT OF TOTAL
Low Country	72	25%
Piedmont	108	37%
Midlands	55	19%
Pee Dee	55	19%
<b>TOTALS</b>	<b>290</b>	<b>100%</b>

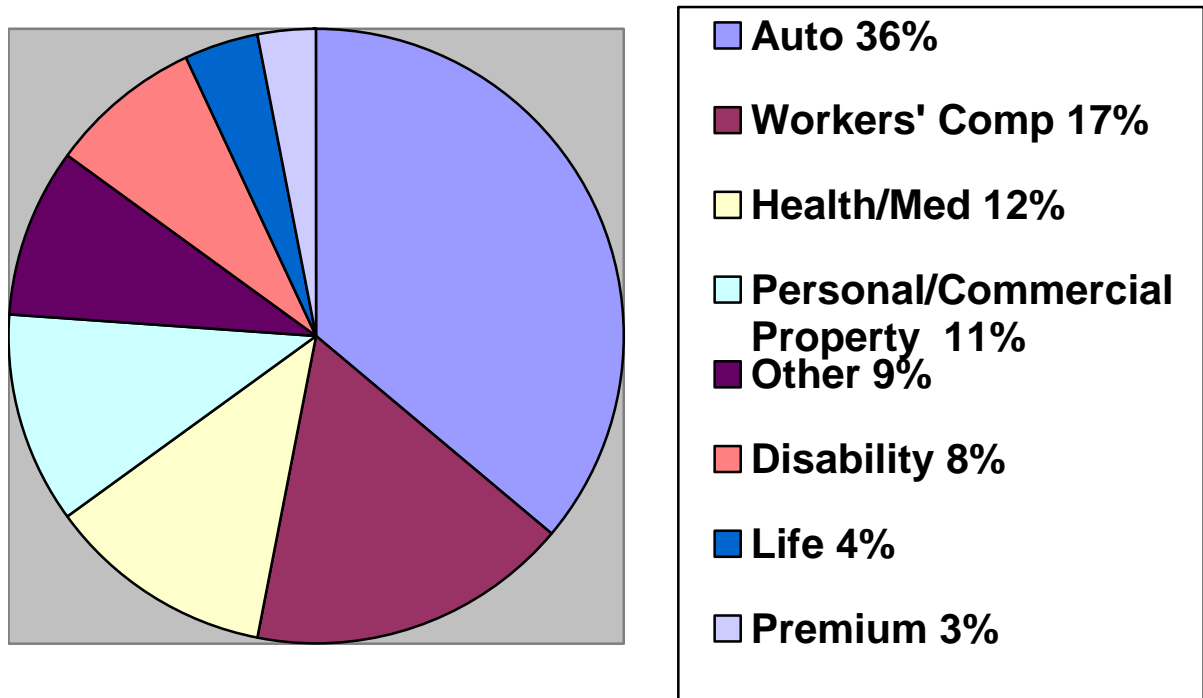


## BREAKDOWN OF COMPLAINTS RECEIVED BY TYPE

The fraud complaints received during 2005 by the Insurance Fraud Division consisted of the following types of fraud:

Type of Fraud	Number of Complaints	Percentage of Total	Amount Reported
Automobile	206	36%	\$663,241.71
Workers' Comp.	94	17%	\$1,101,159.96
Health/Medical	71	12%	\$530,034.05
Personal/Commercial Property	61	11%	\$785,588.11
Other	50	9%	\$1,284,800.33
Disability	44	8%	\$324,983.92
Life Insurance	23	4%	\$450,641.89
Premium Fraud	20	3%	\$202,854.22
<b>TOTAL</b>	<b>569</b>	<b>100%</b>	<b><u>\$5,343,304.19</u></b>

Breakdown of Complaints by Type of Fraud – 2005



## 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	2005 Complaints Pending
Disability	1	\$240.00	0
<b>TOTAL</b>	<b>1</b>	<b>\$240.00</b>	<b>0</b>

### AIKEN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	1	0	0
Personal/Commerical Property	3	\$141,500.00	0
Automobile	3	0	1
Premium Fraud	1	0	0
Other	0	0	0
<b>TOTAL</b>	<b>8</b>	<b>\$141,500.00</b>	<b>1</b>

### ALLENDALE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Automobile	2	0	1
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>1</b>

## ANDERSON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	2	\$6,347.00	0
Workers' Comp.	3	0	0
Persona/Commercial Property	3	\$297,618.09	0
Automobile	4	\$12,855.50	2
Life Insurance	1	0	0
Other	7	\$94,000.00	0
<b>TOTAL</b>	<b>20</b>	<b>\$410,820.59</b>	<b>2</b>

## BAMBERG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	1	\$620.40	0
Personal/Commercial Property	1	0	0
Automobile	2	\$12,845.00	2
<b>TOTAL</b>	<b>4</b>	<b>\$13,465.40</b>	<b>2</b>

## BARNWELL COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	1	0	0
Automobile	1	0	1
Premium Fraud	1	\$14,432.32	0
<b>TOTAL</b>	<b>3</b>	<b>\$14,432.32</b>	<b>1</b>

## BEAUFORT COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	2	\$5,343.00	0
Workers' Comp.	4	\$355,962.97	0
Automobile	7	\$4,500.00	2
Life Insurance	2	\$106,105.18	0
Premium Fraud	1	\$11,876.00	0
Disability	1	0	0
<b>TOTAL</b>	<b>17</b>	<b>\$483,787.15</b>	<b>2</b>

## BERKELEY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	2	\$495.00	0
Workers' Comp.	2	0	1
Personal/Commerical Property	3	0	2
Automobile	8	\$9,781.69	1
Life Insurance	1	\$10,000.00	1
Disability	3	\$9,796.41	0
Other	1	\$11,850.00	0
<b>TOTAL</b>	<b>20</b>	<b>\$41,923.10</b>	<b>5</b>

## CALHOUN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Automobile	2	\$6,000.00	0
Other	1	0	0
<b>TOTAL</b>	<b>3</b>	<b>\$6,000.00</b>	<b>0</b>

## CHARLESTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	3	\$999.84	0
Workers' Comp.	5	0	0
Personal/Commercial Property	5	\$54,876.48	0
Automobile	10	\$44,533.00	1
Life Insurance	2	\$50,000.00	0
Premium Fraud	2	0	0
Disability	6	\$138,137.07	0
Other	9	\$8,882.64	0
<b>TOTAL</b>	<b>42</b>	<b>\$297,429.03</b>	<b>1</b>

## CHEROKEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	1	0	0
Workers' Comp	5	\$7,740.00	1
Automobile	2	\$18,574.95	0
Premium Fraud	1	\$212.00	0
Disability	1	\$217.50	0
<b>TOTAL</b>	<b>10</b>	<b>\$26,744.45</b>	<b>1</b>

## CHESTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	3	0	0
Personal/Commercial Property	1	0	0
Automobile	1	0	0
Disability	1	\$773.50	0
Other	1	0	0
<b>TOTAL</b>	<b>7</b>	<b>\$773.50</b>	<b>0</b>

## CHESTERFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	1	0	0
Workers' Comp	1	0	0
Automobile	4	\$32,025.00	0
Disability	1	0	0
<b>TOTAL</b>	<b>7</b>	<b>\$32,025.00</b>	<b>0</b>

## CLARENDON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	1	0	0
Automobile	2	0	1
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>1</b>

## COLLETON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	1	0	0
Workers' Comp	1	0	0
Personal/Commercial Property	1	0	0
Automobile	2	\$18,300.00	0
<b>TOTAL</b>	<b>5</b>	<b>\$18,300.00</b>	<b>0</b>

## DARLINGTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Personal/Commercial Property	1	0	0
Automobile	3	\$19,500.00	0
<b>TOTAL</b>	<b>4</b>	<b>\$19,500.00</b>	<b>0</b>

## DILLON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	1	\$240.00	0
Personal/Commercial Property	2	\$120,000.00	0
Automobile	4	\$4,186.34	0
Life Insurance	1	0	0
<b>TOTAL</b>	<b>8</b>	<b>\$124,426.34</b>	<b>0</b>

## DORCHESTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	4	\$437.50	1
Workers' Comp.	7	\$74,081.29	0
Personal/Commercial Property	5	0	2
Automobile	11	\$25,421.78	3
Disability	1	0	1
Other	2	0	1
<b>TOTAL</b>	<b>30</b>	<b>\$99,940.57</b>	<b>8</b>

## EDGEFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

## FAIRFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Automobile	3	0	1
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>1</b>

## FLORENCE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	3	\$3,960.00	1
Workers' Comp.	3	0	0
Personal/Commercial Property	1	0	0
Automobile	8	\$82,830.61	0
Life Insurance	2	\$150,000.00	0
Premium Fraud	2	\$3,909.18	1
Disability	1	\$370.00	0
Other	2	0	1
<b>TOTAL</b>	<b>22</b>	<b>\$241,069.79</b>	<b>3</b>



## GEORGETOWN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	1	\$300.00	0
Personal/Commercial Property	1	0	0
Automobile	4	\$20,321.23	0
Other	1	0	0
<b>TOTAL</b>	<b>7</b>	<b>\$20,621.23</b>	<b>0</b>

## GREENVILLE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	7	\$87,459.20	0
Workers' Comp.	7	0	0
Personal/Commercial Property	4	0	1
Automobile	13	\$18,165.61	1
Life Insurance	1	0	0
Premium Fraud	5	\$25,908.00	0
Disability	3	\$3,047.72	0
Other	4	\$31,054.00	0
<b>TOTAL</b>	<b>44</b>	<b>\$165,634.53</b>	<b>2</b>

## GREENWOOD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	1	0	0
Personal/Commercial Property	1	0	0
Automobile	6	\$25,472.17	1
Other	1	\$36,800.00	0
<b>TOTAL</b>	<b>9</b>	<b>\$62,272.17</b>	<b>1</b>

## HAMPTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Workers' Comp	1	0	0
Automobile	2	\$28,425.26	0
Life Insurance	1	\$500.00	0
Disability	1	0	0
<b>TOTAL</b>	<b>5</b>	<b>\$28,925.26</b>	<b>0</b>

## HORRY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	6	\$387,368.86	1
Workers' Comp.	11	0	0
Personal/Commercial Property	4	\$72,305.00	2
Automobile	9	\$49,178.64	1
Life Insurance	1	\$10,000.00	0
Premium Fraud	2	\$102,703.96	0
Disability	4	\$18,867.42	2
Other	6	\$53,000.00	1
<b>TOTAL</b>	<b>43</b>	<b>\$693,423.88</b>	<b>7</b>

## JASPER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Automobile	2	0	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>0</b>

## KERSHAW COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	2	\$20,630.00	0
Personal/Commercial Property	1	0	1
Automobile	1	\$2,440.07	0
Disability	2	\$27,571.67	0
<b>TOTAL</b>	<b>6</b>	<b>\$50,641.74</b>	<b>1</b>

## LANCASTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	1	0	0
Workers' Comp	2	0	0
Automobile	2	\$2,500.00	0
<b>TOTAL</b>	<b>5</b>	<b>\$2,500.00</b>	<b>0</b>

## LAURENS COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Workers' Comp	2	\$26,500.00	0
Automobile	3	\$5,399.20	1
Other	2	\$13,100.00	0
<b>TOTAL</b>	<b>7</b>	<b>\$44,999.20</b>	<b>1</b>

## LEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Personal/Commercial Property	1	\$20,000.00	0
Automobile	2	\$500.00	0
<b>TOTAL</b>	<b>3</b>	<b>\$20,500.00</b>	<b>0</b>

## LEXINGTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	4	\$11,463.25	0
Workers' Comp.	9	\$915.00	3
Personal/Commercial Property	3	0	2
Automobile	5	\$5,413.75	2
Life Insurance	2	0	0
Other	2	\$63,814.00	0
<b>TOTAL</b>	<b>25</b>	<b>\$81,606.00</b>	<b>7</b>

## MARION COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Workers' Comp	1	\$141,719.32	0
Automobile	2	\$1,237.22	0
<b>TOTAL</b>	<b>3</b>	<b>\$142,956.54</b>	<b>0</b>

## MARLBORO COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Workers' Comp	1	0	1
Automobile	2	\$38,300.00	0
Life Insurance	1	0	0
Other	1	\$15,000.00	0
<b>TOTAL</b>	<b>5</b>	<b>\$53,300.00</b>	<b>1</b>

## MCCORMICK COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Automobile	1	\$3,000.00	0
<b>TOTAL</b>	<b>1</b>	<b>\$3,000.00</b>	<b>0</b>

## NEWBERRY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Workers' Comp	1	0	0
Automobile	1	0	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>0</b>

## OCONEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	1	0	0
Workers' Comp	3	\$84,475.09	1
Automobile	2	\$3,923.95	0
Life Insurance	1	\$3,000.00	0
Disability	1	\$309.17	0
<b>TOTAL</b>	<b>8</b>	<b>\$91,708.21</b>	<b>1</b>

## ORANGEBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	1	0	0
Workers' Comp.	3	0	0
Personal/Commercial Property	3	0	0
Automobile	5	\$2,210.00	2
Disability	1	0	0
Other	1	\$3,979.86	0
<b>TOTAL</b>	<b>14</b>	<b>\$6,189.86</b>	<b>2</b>

## PICKENS COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	2	0	0
Workers' Comp.	4	\$11,220.67	0
Personal/Commercial Property	2	\$15,000.00	1
Automobile	6	\$8,200.00	2
Life Insurance	1	\$82,000.00	0
Disability	1	\$38,494.00	0
<b>TOTAL</b>	<b>16</b>	<b>\$154,914.67</b>	<b>3</b>

## RICHLAND COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	5	\$3,370.00	0
Worker's Comp.	4	\$12,678.00	2
Personal/Commercial Property	5	\$12,446.56	1
Automobile	20	\$78,339.67	6
Life Insurance	4	\$10,000.00	0
Premium Fraud	1	0	0
Disability	4	\$16,916.30	1
Other	6	\$953,319.83	1
<b>TOTAL</b>	<b>49</b>	<b>\$1,087,070.36</b>	<b>11</b>

## SALUDA COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Automobile	2	\$3,315.00	0
Premium Fraud	1	0	0
<b>TOTAL</b>	<b>3</b>	<b>\$3,315.00</b>	<b>0</b>

## SPARTANBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	6	\$200.00	0
Workers' Comp.	7	\$385,867.62	0
Personal/Commercial Property	3	\$9,400.00	1
Automobile	9	\$44,968.00	2
Premium Fraud	1	0	0
Disability	7	\$25,604.86	0
Other	3	0	0
<b>TOTAL</b>	<b>36</b>	<b>\$466,040.48</b>	<b>3</b>

## SUMTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	3	\$200.00	0
Workers' Comp.	2	0	0
Personal/Commercial Property	2	\$1,747.98	0
Automobile	6	\$5,440.00	2
Premium Fraud	1	\$43,812.76	0
Other	1	0	0
<b>TOTAL</b>	<b>15</b>	<b>\$51,200.74</b>	<b>2</b>

## UNION COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	1	\$600.00	0
Automobile	4	0	0
<b>TOTAL</b>	<b>5</b>	<b>\$600.00</b>	<b>0</b>

## WILLIAMSBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Personal/Commercial Property	2	\$40,694.00	0
Automobile	3	0	0
Life Insurance	1	\$1,036.71	0
Disability	1	\$160.00	0
<b>TOTAL</b>	<b>7</b>	<b>\$41,890.71</b>	<b>0</b>



## YORK COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Health/Medical	3	0	0
Workers' Comp.	1	0	0
Personal/Commercial Property	3	0	0
Automobile	10	\$25,138.07	1
Life Insurance	1	\$28,000.00	0
Disability	2	\$352.83	0
<b>TOTAL</b>	<b>20</b>	<b>\$53,490.90</b>	<b>1</b>

## OTHER

Type of Fraud	Number of Complaints	Total Amount Reported	2005 Complaints Pending
Workers' Comp.	4	0	0
Automobile	5	0	1
Disability	1	\$44,125.47	0
<b>TOTAL</b>	<b>10</b>	<b>\$44,125.47</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.**

Any person or insurer who makes a false statement or misrepresentation, and any other person knowingly, with an intent to injure, defraud, or deceive, who assists, abets, solicits, or conspires with such person or insurer 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 benefit received is less than one thousand dollars. Upon conviction, the person must be punished by a fine not to exceed five hundred dollars or by imprisonment not to exceed thirty days;

(2) misdemeanor, for a first offense violation, if the amount of the economic advantage benefit received is one thousand dollars or more. Upon conviction, the person must be punished by a fine not to exceed fifty thousand dollars or by imprisonment for a term not to exceed three years, or by both such fine and imprisonment;

(3) felony, for a second or subsequent violation, regardless of the amount of the economic advantage benefit received. Upon conviction, the person must be punished by a fine not to exceed fifty thousand dollars or by imprisonment for a term not to exceed ten years, or by both such fine and imprisonment.

Any person or insurer convicted under this section must be ordered to make full restitution to the victim or victims for any economic advantage or benefit which has been obtained by the person or insurer as a result of that violation.

**§ 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 five 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 one thousand dollars but less than five 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 magistrate's court if the amount of the claim is one thousand dollars or less. Upon conviction, the person must be fined or imprisoned not more than is permitted by law without presentment or indictment by the grand jury.

**§ 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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