

THE REPORT OF THE

STATE OF SOUTH CAROLINA OFFICE OF THE ATTORNEY GENERAL

ALAN WILSON

INSURANCE FRAUD DIVISION

2013 ANNUAL REPORT



May 2014



A MESSAGE FROM THE ATTORNEY GENERAL

I am proud to present the 2013 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 attorneys in the Insurance Fraud Division and the attorneys named as Special Assistants through the Department of Employment and Workforce worked diligently in prosecuting these cases. In 2013 these prosecutors secured 37 fraud convictions. Defendants were ordered to pay more than \$700,000 in restitution to the victims, emphasizing our office's dedication to protecting victims of insurance fraud through criminal prosecution and civil settlements.

During 2013, my office received 1,231 complaints regarding insurance fraud. The number of complaints remains 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 74% (907), Personal/Commercial Property 17% (215), Workers' Compensation 4% (53), Health/Medical 1% (16), Life Insurance 1% (14), and Premium Fraud 1% (9). We continue to work with the Department of Employment and Workforce in responding to the Unemployment Fraud complaints representing more than 25% (10) 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 be paid to them. I am proud of our accomplishments in 2013 and am looking forward to moving forward in 2014. Our office is prepared to prosecute the cases and continues to rely on many resources to prepare the cases for court with only two investigators assigned from SLED to handle the entire state's investigations. Insurance Fraud continues to drain our system and raise premiums for our citizens. We must send the message that it is not tolerated in South Carolina.

Sincerely,

Alan Wilson

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MESSAGE FROM THE ATTORNEY GENERAL'S INSURANCE FRAUD DIVISION

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 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.

As the numbers reflect, insurance fraud continues to rise in the State of South Carolina. The complaints remained high this year at more than 1,000, with insurance companies sending in over 380 additional referrals for information only, indicating there is a possibility of fraud in even more cases. We thank all of the private citizens, insurance professionals and those in law enforcement who reported cases to us in 2013. The referrals received by this office help us begin the process of finding those who commit fraud and prosecuting these cases.

We thank those in the insurance industry who investigate these cases because their participation and cooperation makes our fight against insurance fraud possible. We specifically thank the members of the South Carolina Insurance Fraud Investigators (SCI-FI) and the National Insurance Crime Bureau (NICB) for their efforts. This year especially, with only two assigned State Law Enforcement Investigators, we relied heavily on their work to move forward on our cases.

We would also like to thank SCI-FI and NICB for their help in raising awareness of the problem of insurance fraud. In the area of raising awareness, we owe great thanks to the South Carolina Insurance News Service for the great work they do in making the public aware of insurance fraud.

2013 HIGHLIGHTS

State v. Claudette Hulsey

Convicted of Insurance Fraud, Arson and Filing a False Police Report of a Felony

In Hartsville, SC Hulsey set her children's boutique on fire claiming that she was the victim of a violent robbery and arson. Hulsey filed for insurance proceeds for the fire and for items never located in the debris after the fire. Hulsey was sentenced to 18 months in prison followed by probation.

State v. Betty McCraven

Convicted of Presenting False Claims for Payment, Criminal Conspiracy, Arson, and Burning Personal Property to Defraud an Insurer

In 2009, in Darlington County, McCraven obtained policies using a stolen credit card on a home she did not own or live in and then conspired with Calvin Jackson to burn it down and recover the insurance proceeds. The policies were worth \$100,000, but the scheme was discovered prior to McCraven receiving the money. Betty McCraven pled guilty and was sentenced to five years incarceration on each charge, to run concurrent. This is McCraven's second conviction for arson and insurance fraud.

State v. Kevin Brailey, Alonzo Freeman, Garratt Freeman

Convicted of Filing False Claims for Insurance

In Darlington County, Brailey and his two co-defendants each claimed to have all 4 limbs amputated to Aflac Insurance. Investigation revealed that all their limbs were intact. Brailey pled in September, 2012 and received 18 months incarceration followed by probation and restitution of over \$60,000. Alonzo Freeman and Garrett Freeman pled guilty in May 2013. Garrett received probation, and Alonzo died in a car accident before his sentencing.

Attorney General Alan Wilson will continue the fight against insurance fraud as he fights to increase funding for prosecution efforts and increase public awareness. We look forward to continuing the fight against insurance fraud in 2014.



Heather S. Weiss
Assistant Deputy Attorney General
Director of Insurance Fraud

CUMULATIVE STATISTICS OF THE INSURANCE FRAUD DIVISION 1995 - 2013

TOTAL COMPLAINTS RECEIVED	13,950
TOTAL FILES OPENED	6,670
CRIMINAL CONVICTIONS	1,394
CIVIL REMEDIES	770

Type of Fraud	Amount Reported
Personal/Commercial Property	\$26,318,675.63
Life Insurance	\$19,851,317.72
Automobile Insurance	\$14,511,651.98
Health/Medical	\$11,655,683.33
Premium	\$9,565,298.09
Workers' Compensation	\$9,554,567.02
Disability	\$7,340,218.18
Other	\$6,832,893.94
Unemployment	\$3,281,372.39
TOTAL	\$108,911,678.28

Types of Monies Collected	Amount Ordered
Criminal Restitution	\$5,946,221.31
Civil Penalties	\$1,617,133.21
Civil Restitution	\$1,202,902.07
Criminal Fines	\$380,003.73
Total	\$9,146,260.32

SUMMARY
Status of Cases – 2013

MONIES ORDERED AND/OR COLLECTED IN 2013
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

CRIMINAL	AMOUNT
Court Ordered Fines	\$1,400.00
Restitution Ordered	\$710,909.87
TOTAL	<u>\$712,309.87</u>

Monies Ordered and/or Collected Pursuant to Civil Disposition

CIVIL	AMOUNT
Fines Ordered	\$32,790.00
Fines Collected	\$32,790.00
Restitution Ordered	\$1,387.00
Restitution Collected	\$1,387.00
TOTAL ORDERED	<u>\$34,177.00</u>
TOTAL COLLECTED	<u>\$34,177.00</u>

SUMMARY
Status of Cases – 2013

Complaints

Complaints Carried Forward from 2012	91
Complaints Received in 2013	1231
Information Only Referrals in 2013	381
Complaints Referred to other Agencies	17
Complaints Unfounded or Declined	1092
Files Opened 2013	62
Complaints Carried Forward to 2014	83

Open Files

Files Opened in 2013	62
Open Files Disposed of 2013	162
Open Files on December 31, 2013	163
Open Files awaiting investigation as of 12/31/12	87

Disposition

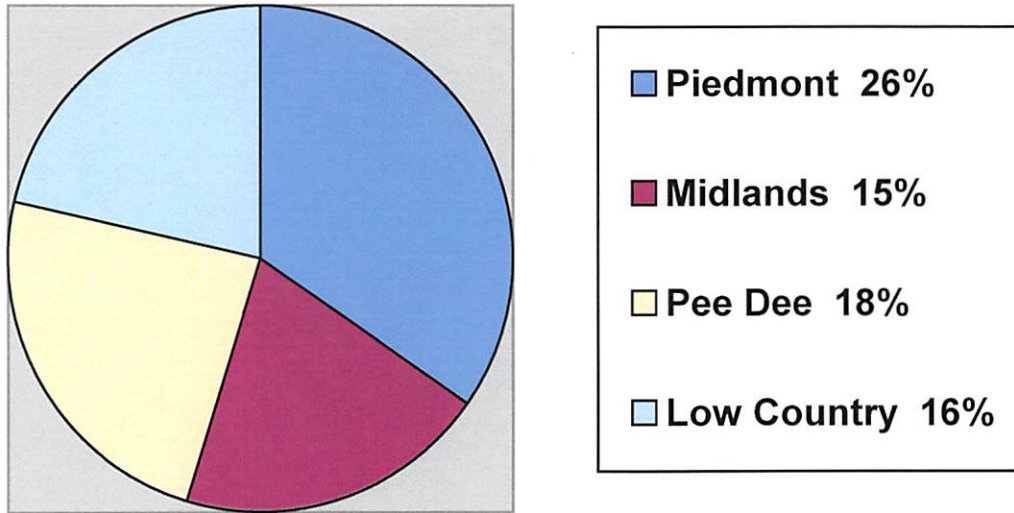
2013 Convictions	37
2013 Civil Remedies	6

On the Docket

Indicted Cases as of December 31, 2013	48
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BREAKDOWN OF CASES BY REGION

During 2013, the Insurance Fraud Division of the Attorney General's office opened 62 cases. As the chart below indicates, these cases were received from all areas of the state:



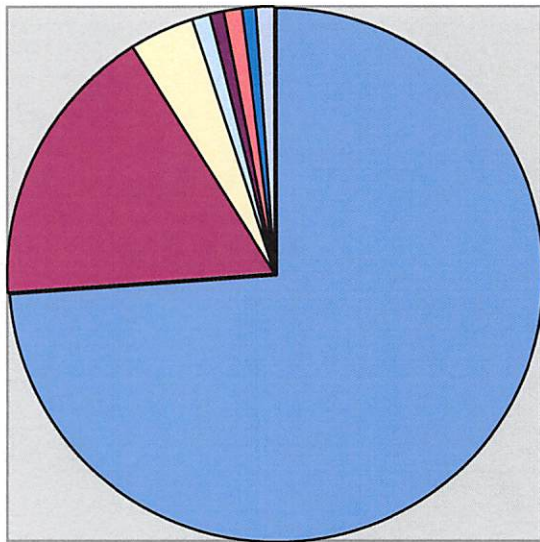
REGION	NUMBER OF CASES	PERCENT OF TOTAL
Piedmont	26	42%
Midlands	15	24%
Pee Dee	11	18%
Low Country	10	16%
TOTAL	62	100%

BREAKDOWN OF COMPLAINTS RECEIVED BY TYPE

The fraud complaints received during 2013 by the Insurance Fraud Division consisted of the following types of fraud:

Type of Fraud	Number of Complaints	Percentage of Total	Amount Reported
Automobile	907	74%	\$594,415.45
Personal/Commercial Property	215	17%	\$3,589,016.61
Workers' Compensation	53	4%	\$122,976.19
Health/Medical	16	1%	\$1,556,245.82
Life Insurance	14	1%	\$1,292,500.00
Premium	9	1%	\$153,400.00
Other	4	1%	\$72,700.00
TOTAL	1231	100%	\$7,489,257.38

Breakdown of Complaints by Type of Fraud – 2013



- Auto 74%
- Personal/Commercial 17%
- Workers' Comp 4%
- Health/Medical 1%
- Life Insurance 1%
- Disability 1%
- Premium 1%
- Other 1%

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	2013 Complaints Pending
Automobile	2	\$5,380.50	0
TOTAL	2	\$5,380.50	0

AIKEN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	18	\$2,819.82	1
Disability	1	\$5,306.64	1
Personal/Commercial Property	6	\$212,000.00	0
Premium Fraud	1	0	0
Workers' Comp	2	\$1,025.55	0
TOTAL	28	\$221,152.01	2

ALLENDALE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	5	0	0
TOTAL	5	0	0

ANDERSON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	25	\$12,914.00	2
Disability	1	\$1,056.58	0
Personal/Commercial Property	13	\$230,222.71	0
Workers' Comp	2	0	0
TOTAL	41	\$244,193.29	2

BAMBERG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	11	0	0
Personal/Commercial Property	2	0	0
Workers' Comp	1	0	0
TOTAL	14	0	0

BARNWELL COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	11	0	0
Personal/Commercial Property	2	\$20,000.00	0
TOTAL	13	\$20,000.00	0

BEAUFORT COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	20	\$3,140.33	2
Personal/Commercial Property	4	\$3,835.99	0
Workers' Comp	1	0	0
TOTAL	25	\$6,976.32	2

BERKELEY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	22	\$33,764.42	1
Personal/Commercial Property	1	0	0
Premium Fraud	1	0	0
Workers' Comp	2	0	0
TOTAL	26	\$33,764.42	1

CALHOUN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	3	\$1,563.74	0
TOTAL	3	\$1,563.74	0

CHARLESTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	52	\$5,973.00	0
Disability	1	\$3,333.30	0
Health/Medical	2	\$1,304,840.00	0
Personal/Commercial Property	15	\$498,299.34	1
Premium Fraud	1	0	0
Workers' Comp	6	0	1
Total	77	\$1,812,445.64	2

CHEROKEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	12	\$9,000.00	0
TOTAL	12	\$9,000.00	0

CHESTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	9	\$4,000.00	0
Disability	1	0	0
Health/Medical	1	\$62,930.00	0
Other	2	\$72,000.00	0
Personal/Commercial Property	2	0	0
TOTAL	15	\$139,630.00	0

CHESTERFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	9	\$17,155.75	0
Workers' Comp	2	\$32,448.93	0
TOTAL	11	\$49,604.68	0

CLARENDON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	5	0	1
Health/Medical	1	0	0
Personal/Commercial Property	2	0	0
TOTAL	8	0	1

COLLETON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	19	\$10,000.00	1
Personal/Commercial Property	2	0	0
Workers' Comp	3	\$58,946.00	0
TOTAL	24	\$68,946.00	1

DARLINGTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	9	\$39,640.80	0
Personal/Commercial Property	4	\$106,585.00	0
Workers' Comp	1	0	0
Total	14	\$146,225.80	0

DILLON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	10	\$2,901.87	0
Personal/Commercial Property	1	0	0
TOTAL	11	\$2,901.87	0

DORCHESTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	33	\$11,350.00	1
Disability	2	\$34,221.00	0
Personal/Commercial Property	4	\$30,000.00	0
Workers' Comp	3	0	0
TOTAL	42	\$75,571.00	1

EDGEFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	1	0	0
TOTAL	1	0	0

FAIRFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	28	\$2,064.69	2
Health/Medical	1	0	0
Workers' Comp	1	0	0
TOTAL	30	\$2,064.69	2

FLORENCE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	38	\$31,145.08	1
Personal/Commercial Property	8	\$8,500.00	0
Premium Fraud	1	0	0
TOTAL	47	\$39,645.08	1

GEORGETOWN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	10	\$39,729.81	1
TOTAL	10	\$39,729.81	1

GREENVILLE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	60	\$59,176.69	6
Disability	3	\$17,672.68	0
Health/Medical	2	\$7,000.00	1
Life Insurance	1	0	0
Other	2	0	1
Personal/Commercial Property	17	\$10,441.31	2
Workers' Comp	1	0	0
TOTAL	86	\$94,290.68	10

GREENWOOD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	25	\$10,714.19	0
Disability	1	0	0
Life Insurance	1	0	0
Personal/Commercial Property	8	\$1,800.00	0
TOTAL	35	\$62,514.19	0

HAMPTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	8	0	0
Personal/Commercial Property	3	\$1,512.50	0
Workers' Comp	1	0	0
TOTAL	12	\$1,512.50	0

HORRY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	47	\$4,436.06	6
Health/Medical	4	\$80,404.82	2
Life Insurance	3	\$25,000.00	0
Personal/Commercial Property	9	\$127,796.15	1
Workers' Comp	4	0	0
TOTAL	67	\$237,637.03	9

JASPER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	10	\$150.81	1
Personal/Commercial Property	5	\$14,500.00	0
TOTAL	15	\$14,650.81	1

KERSHAW COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	3	0	0
Personal/Commercial Property	1	0	0
TOTAL	4	0	0

LANCASTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	15	0	0
Personal/Commercial Property	1	\$3,000.00	0
TOTAL	16	\$3,000.00	0

LAURENS COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	14	\$8,486.32	0
TOTAL	14	\$8,486.32	0

LEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	7	0	0
Personal/Commercial Property	7	\$96,500.00	0
TOTAL	14	\$96,500.00	0

LEXINGTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	35	\$35,365.41	2
Life Insurance	1	\$1,000,000.00	1
Personal/Commercial Property	7	\$67,780.52	1
Premium Fraud	1	0	0
Workers' Comp	5	\$166.00	1
TOTAL	49	\$1,103,311.93	5

MARION COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	18	\$16,780.92	1
Personal/Commercial Property	6	\$2,096.00	2
Premium	2	\$150,000.00	0
TOTAL	26	\$168,876.92	3

MARLBORO COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	6	\$1,000.00	0
Personal/Commercial Property	1	0	0
TOTAL	7	\$1,000.00	0

McCORMICK COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	3	\$9,500.00	1
TOTAL	3	\$9,500.00	1

NEWBERRY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	8	\$16,034.60	2
Life Insurance	1	\$50,000.00	0
TOTAL	9	\$66,034.60	2

OCONEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	2	0	0
Personal/Commercial Property	1	\$50,000.00	0
TOTAL	3	\$50,000.00	0

ORANGEBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	24	\$6,190.00	1
Health/Medical	1	0	0
Personal/Commercial Property	3	\$495,756.00	0
TOTAL	28	\$501,946.00	1

PICKENS COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	7	\$11,416.96	1
Personal/Commercial Property	3	0	0
Workers' Comp	5	0	0
TOTAL	15	\$11,416.96	1

RICHLAND COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	107	\$82,585.42	2
Disability	2	\$46,171.11	0
Health/Medical	2	\$101,071.00	0
Life Insurance	3	\$92,500.00	0
Personal/Commercial Property	38	\$1,481,694.47	2
Premium Fraud	1	0	0
Workers' Comp	6	\$30,389.71	0
TOTAL	159	\$1,834,411.71	4

SALUDA COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	4	\$16,000.00	0
Personal/Commercial Property	1	0	0
TOTAL	5	\$16,000.00	0

SPARTANBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	47	\$18,845.31	2
Health/Medical	1	0	1
Life Insurance	1	\$50,000.00	0
Personal/Commercial Property	15	\$108,204.93	1
Premium Fraud	1	\$3,400.00	1
Workers' Comp	1	0	0
TOTAL	66	\$180,450.24	5

SUMTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	36	\$14,890.00	11
Health/Medical	1	0	0
Personal/Commercial Property	8	\$7,995.69	1
TOTAL	45	\$22,885.69	12

UNION COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	8	\$8,725.00	0
Personal/Commercial Property	1	0	0
Workers' Comp	1	0	0
TOTAL	10	\$8,725.00	0

WILLIAMSBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	15	\$8,586.16	0
Personal/Commercial Property	2	\$5,800.00	0
TOTAL	17	\$14,386.16	0

YORK COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	36	\$30,602.33	2
Life Insurance	3	\$10,000.00	0
Personal/Commercial Property	10	0	0
Workers' Comp	4	0	0
TOTAL	53	\$40,844.33	2

UNKNOWN/OTHER/OUT OF STATE

Type of Fraud	Number of Complaints	Total Amount Reported	2013 Complaints Pending
Automobile	10	\$2,385.46	0
Personal/Commercial Property	1	0	0
Workers' Comp	1	0	0
TOTAL	12	\$2,385.46	0

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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