

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

DEJAUN MOORE
9597 Thistle Ridge Lane
Vienna, Virginia 22182

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BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2019-04-024

Fraud Division File No.: R-2018-4320A

ORDER

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

I. Facts

1. Respondent had commercial property insurance with Sentinel Insurance Company, Limited, a subsidiary of the Hartford Financial Services Group, (“the Hartford”), an authorized insurer, for his business, The Pot Media, LLC, located at 5709 Huntland Road, Temple Hills, Maryland 20748, a radio station operated out of his parent’s garage, converted to a studio. The policy was in effect from June 1, 2017 to June 1, 2018.
2. On May 11, 2018, Respondent notified the Hartford that on May 10, 2018, someone broke into the studio, stole equipment and damaged property.
3. On May 14, 2018, Respondent reported to the Hartford that the entry door to the studio was damaged and that, among other things, a wall mounted television was taken.
4. On May 22, 2018, as evidence he owned the television, Respondent submitted to the Hartford an Amazon “order confirmation,” for the purchase of an LG television for \$39,997.00, model 98UB9810, order number ending in 5246630. The order confirmation reflected that the television was

being shipped to Respondent's home address. Respondent also submitted a list of items taken in the burglary, which included, among other things an LG television, model 98UB9810

5. On May 22, 2018, in an effort to authenticate Respondent's Amazon purchase of the LG television, a Hartford representative contacted Amazon. An Amazon representative advised that Respondent's television order was placed, but later canceled. The television was never shipped. Consequently, Respondent's claim was referred to the Hartford's Special Investigations Unit ("SIU") for further investigation.

6. On June 11, 2018, a Hartford investigator took a recorded statement from Respondent who stated that among other things, a 98 inch LG television was stolen.

7. On July 18, 2018, a Hartford investigator took a recorded statement from Respondent who advised the LG television was taken off the wall during the burglary. Further, the television was delivered to his home address and he transported it to the studio. Respondent denied canceling the order.

8. On July 18, 2018, a Hartford investigator contacted Amazon who confirmed that Respondent placed order number ending in 5246630 and canceled the order before it was shipped.

9. On August 10, 2018, Respondent submitted a notarized proof of loss sworn statement in which he wrote,

"Someone broke into the studio and took the equipment that belongs to Pot Media. They took the TV off the wall..."

Respondent signed the proof of loss, which contained the following statements:

"I certify that the foregoing statement, including the attached Schedule of Loss, is correct and no material fact is withheld of which the company should be advised. I understand that any willful misrepresentation or willful concealment of any material fact will invalidate this claim."

And

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

10. On September 11, 2018, the Hartford asked Respondent to submit to an examination under oath (“EUO”). Respondent failed to submit to the EUO. Consequently, the Hartford denied Respondent’s claim on October 19, 2018.

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

An authorized insurer, its employees, fund producers, or insurance producers, ... who in good faith has cause to believe that insurance fraud has been or is being committed shall report the suspected insurance fraud in writing to the Commissioner, the Fraud Division, or the appropriate federal, State, or local law enforcement authorities.

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

12. During its investigation, the MIA contacted the Hartford and confirmed the facts regarding its handling of the Respondent’s claim.

13. On February 7, 2019, the MIA served a subpoena on Amazon for records pertaining to Respondent’s purchase history. In response, Amazon provided documents confirming that Respondent ordered a television, model LG 98UB9810, costing \$39,997.00. The order number ended in 5246630. Respondent canceled the order, he was not charged for the television and it was never shipped.

II. Violation(s)

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

15. § 27-403

It is a fraudulent insurance act for a person:

(2) to present or cause to be presented to an insurer documentation or an oral or written statement made in support of a claim...with knowledge that the documentation or statement contains false or misleading information about a matter material to the claim[.]

16. § 27-408(c)

(1) In addition to any criminal penalties that may be imposed under this section, on a showing by clear and convincing evidence that a violation of this subtitle has occurred, the Commissioner may:

(i) impose an administrative penalty not exceeding \$25,000 for each act of insurance fraud; and

* * *

(2) In determining the amount of an administrative penalty, the Commissioner shall consider:

- (i) the nature, circumstances, extent, gravity, and number of violations;
- (ii) the degree of culpability of the violator;
- (iii) prior offenses and repeated violations of the violator; and
- (iv) any other matter that the Commissioner considers appropriate and relevant.

17. By the conduct described herein, Respondent knowingly violated § 27-403. The fraudulent insurance act of making a false statement in support of a claim is complete upon making the false statement and is not dependent on payment being made. Respondent committed a violation of the Insurance Article when he made a false statement to the Hartford. As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

18. Insurance fraud is a serious violation, which harms consumers in that the losses suffered by insurance companies are passed on to consumers in the form of higher premiums. The Commissioner may investigate any complaint that alleges a fraudulent claim has been submitted to an insurer. Insurance Article §§ 2-201(d) (1) and 2-405.

19. Having considered the factors set forth in § 27-408(c)(2), the MIA has determined that \$3,000.00 is an appropriate penalty.

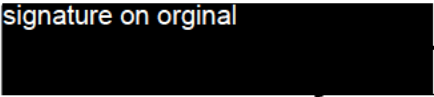

20. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2018-4320A) and name (DeJaun Moore). Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.

21. This Order does not preclude any potential or pending action by any other person, entity, or government authority regarding any conduct by Respondent, including the conduct that is the subject of this Order.

WHEREFORE, for the reasons set forth above, and subject to the right to request a hearing, it is this 25th day of April 2019, **ORDERED** that:

DeJaun Moore shall pay an administrative penalty of three thousand dollars (\$3,000.00) within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

BY:  signature on original
STEVE WRIGHT 
Associate Commissioner
Insurance Fraud Division

RIGHT TO REQUEST A HEARING

Pursuant to § 2-210 of the Insurance Article and Code of Maryland Regulations (“COMAR”) 31.02.01.03, an aggrieved person may request a hearing on this Order. This request must be in writing and received by the Commissioner within thirty (30) days of the date of the letter accompanying this Order. However, pursuant to § 2-212 of the Article, the Order shall be stayed pending a hearing only if a demand for hearing is received by the Commissioner within ten (10) days after the Order is served. The written request for hearing must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, Attn: Melanie Gross, Executive Assistant to the Deputy Commissioner. The request shall include the following information: (1) the action or non-action of the Commissioner causing the person requesting the hearing to be aggrieved; (2) the facts related to the incident or incidents about which the person requests the Commissioner to act or not act; and (3) the ultimate relief requested. The failure to request a hearing timely or to appear at a scheduled hearing will result in a waiver of your rights to contest this Order and the Order shall be final on its effective date. Please note that if a hearing is requested on this initial Order, the Commissioner may affirm, modify, or nullify an action taken or impose any penalty or remedy authorized by the Insurance Article against the Respondent in a Final Order after hearing.