

IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION

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BEFORE THE MARYLAND  
INSURANCE COMMISSIONER

v.

PAUL FRANCIS GLOWACK  
724 Corby Road  
Essex, Maryland 21221

CASE NO.: MIA-2021-09-11

Fraud Division File No.: R-2021-3321A

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**CONSENT ORDER**

This Consent Order (“Order”) is issued by the Maryland Insurance Administration (the “Administration”) with the consent of Paul Francis Glowack (“Respondent”), pursuant to §§ 2-108, 2-204, and 2-405 of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.) (“the Insurance Article”).

**I. Background**

1. On September 21, 2021, the Administration issued an Order (“Initial Order”) against Respondent.
2. On October 20, 2021, Respondent timely requested a hearing, which has not been scheduled.
3. The parties agree to this Consent Order to avoid further litigation on the Order and to fully and finally resolve the issues stated herein.

**II. Relevant Material Facts**

4. Respondent was employed by DHL Express, Inc. (“DHL”) from September 19, 2016 to February 8, 2021. DHL had Workers’ Compensation Insurance for its employees, underwritten by New Hampshire Insurance Company (“NHIC”), an authorized insurer. The policy was administered by Sedgwick Claims Management Services, Inc. (“Sedgwick”), a third party administrator (“TPA”). The policy was in effect from May 1, 2019 to May 1, 2020, and provided

Total Temporary Disability ("TTD") benefits<sup>1</sup> to employees for lost wages for work-related injuries.

5. On March 2, 2020, Respondent notified a DHL supervisor that he slipped and fell and injured himself in the course of his employment as a delivery driver. On March 6, 2020, DHL reported the incident to Sedgwick, which opened a claim.

6. On April 1, 2020, Respondent retained a Maryland attorney, to represent his interests in the worker's compensation claim.

7. On April 8, 2020, Respondent's attorney submitted a "Corrected Claim" with the Commission, wherein additional information related to Respondent's injury was documented.

8. Between March 3, 2020 and January 15, 2021, Respondent was paid \$49,217.14, in TTD benefits at a rate of \$1,080.00 a week based on his average weekly wage of \$1,935.21. Respondent was scheduled to attend four weeks of a work hardening physical therapy ("PT")<sup>2</sup>. His last three sessions were scheduled for January 19, 21, and 22, 2021.

9. On January 15, 2021, Sedgwick received a complaint that Respondent, while receiving workers' compensation benefits, was engaging in physical activities that were contrary

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<sup>1</sup> MD Code, Labor and Employment, § 9-621 states: (a)(1) Except as provided in paragraph (2) of this subsection, if a covered employee is temporarily totally disabled due to an accidental personal injury or an occupational disease, the employer or its insurer shall pay the covered employee compensation that equals two-thirds of the average weekly wage of the covered employee, but:

(i) does not exceed the average weekly wage of the State; and  
(ii) is not less than \$50.

(2) If the average weekly wage of the covered employee is less than \$50 at the time of the accidental personal injury or the last injurious exposure to the hazards of the occupational disease, the employer or its insurer shall pay the covered employee compensation that equals the average weekly wage of the covered employee.

**Duration of payment**

(b) The employer or its insurer shall pay the compensation for the period that the covered employee is temporarily totally disabled.

<sup>2</sup> Work hardening or work condition is often the last form of treatment an injured worker will receive before being released from medical care. It usually takes place after any form of surgery, physical therapy, or injection therapy and may be the medical providers last attempt to increase overall functionality.

to Respondent's alleged disability, such as bowling, doing side work, and building a deck on his home, etc. Consequently, Sedgwick referred Respondent's claim to its Special Investigation Unit ("SIU") for further investigation. To document Respondent's activities Sedgwick hired a company to conduct surveillance of Respondent.

10. On January 21, 2021, a surveillance investigator video recorded Respondent lifting and carrying large pieces of furniture from a house and loading the furniture onto a trailer. At one point, Respondent jumps off the trailer and jogs toward the house. A surveillance investigator noted that Respondent had no difficulty with the observed activities.

11. On January 22, 2021, Sedgwick filed an Insurer's Termination of TTD Benefits form with the Worker's Compensation Commission ("WCC" or "Commission") notifying Respondent that his TTD benefits were cancelled. TTD was terminated because Respondent missed his last three PT appointments, scheduled for January 19, 21, and 22, 2021.

12. The termination notice stated:

... if you are in disagreement or are dissatisfied, you have the right to request a hearing before the Workers' Compensation Commission. Please include a copy of this form with your request for a hearing on the MD WCC "Issues" form (H24R) selecting the appropriate Temporary Total Disability issue...

13. Respondent's attorney filed issues requesting an evidentiary hearing before the WCC to contest Sedgwick's decision to cancel Respondent's benefits.

14. On February 5, 2021, a WCC hearing was held. During the hearing, Respondent's attorney stated that Respondent was seeking additional TTD from January 16, 2020 to February 3, 2021 and payment of medical expenses. Respondent testified that he missed work hardening PT because he was bed ridden that entire week. Respondent stated that he was prevented from doing any activity that week, and was still having trouble lifting things.

15. Following Respondent's testimony, the surveillance investigator who made observations of Respondent on January 21, 2021, testified that the activities in the video accurately depicted her observations. The video was played during the hearing, and Respondent confirmed that he was the man depicted in the video.

16. Sedgwick's attorney requested that the Commission refer the Respondent's workers' compensation claim to the Insurance Fraud and Producer Enforcement Division of the MIA because Respondent attempted to obtain benefits that he was not entitled to.

17. On February 24, 2021, the Commission issued an Order, which denied Respondent's request for additional TTD benefits from January 16, 2021 to February 3, 2021. The Order further concluded there was fraud and granted Sedgwick's request to refer the claim to the Fraud Division pursuant to § 9-310.2 of the Labor and Employment Article, which states:

(a) In any administrative action before the Commission, if it is established by a preponderance of the evidence that a person knowingly affected or knowingly attempted to affect the payment of compensation, fees, or expenses under this title by means of a fraudulent representation, the Commission shall refer the case on the person to the Insurance Fraud Division in the Maryland Insurance Administration.

18. During the course of its investigation, the MIA investigator contacted Sedgwick and confirmed the facts regarding its handling of Respondent's claim.

19. An MIA investigator examined available evidence, including transcripts from the February 3, 2021 WCC hearing and video surveillance captured on January 21, 2021. Respondent testified that he was bedridden during the scheduled PT sessions; he was unable to perform any activity. The surveillance video depicted Respondent carrying several large pieces of furniture out of a house and loading a pickup truck and trailer. Respondent climbed in and out of the truck several times. Approximately 2 ½ hours later, the video depicted Respondent unloading the same items at a storage facility. Respondent did not appear to have difficulty with any of the activities.

The activities depicted in the video were contrary to Respondent's testimony that he was incapacitated during the January 19, 21, and 22, 2021, PT sessions.

20. On July 9, 2021, an MIA investigator interviewed the investigator who surveilled and video recorded Respondent on January 21, 2021. The investigator acknowledged making the video recording and said it accurately depicts Respondent's activities that she observed.

### III. Conclusions of Law

21. The Administration finds that Respondent violated § 27-403(2) of the Insurance Article by his conduct specifically:

Respondent committed a violation of the Insurance Article when he made a false statement while testifying at a Workers' Compensation Commissioner hearing to affect payment related to a workers' compensation claim.

#### Order

WHEREFORE, for the reasons set forth above, it is this 16<sup>th</sup> day of January, 2022, **ORDERED** by the Commissioner and consented to by Respondent, that:

- A. For the violations stated herein, the Administration hereby imposes an administrative penalty on Respondent in the amount of \$1,500.00. The administrative penalty shall be paid as follows:
- i. \$300.00 paid by Respondent to the Administration along with the submission of the executed Consent Order;
  - ii. \$300.00 due by January 3, 2022;
  - iii. \$300.00 due by February 1, 2022;
  - iv. \$300.00 due by March 1, 2022; and
  - v. \$300.00 due by April 1, 2022.
- B. Failure to pay as outlined in paragraph A constitutes a default and Notice of Default is hereby waived by Respondent. Failure to make a monthly installment payment will result in the entire balance becoming immediately due and payable and the matter will be referred to the Central Collections Unit of the Department of Budget and Management for collection.

- C. The executed Consent Order and initial payment shall be sent to the attention of: Maryland Insurance Fraud & Enforcement Division, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202 and shall identify the case by number (MIA-2021-09-011) and name (Paul Francis Glowack).
- D. The parties acknowledge and agree that this Order resolves factual allegations in the Initial Order and this Consent Order with respect to the Respondent. Accordingly, execution of this Order concludes the investigation of Respondent Francis Paul Glowack with respect to the allegations and findings made in the Initial Order and this Consent Order.
- E. This Consent Order will supersede the Initial Order issued on September 21, 2021.
- F. The parties acknowledge that this Order contains the entire agreement between the parties relating to the administrative actions addressed herein and that this Order resolves all matters relating to the assertions and agreements contained herein. All time frames set forth in this Order may be amended or modified only by subsequent written agreement of the parties.
- G. Respondent has had the opportunity to have this Order reviewed by legal counsel of their choosing and it is aware of the benefits gained and obligations incurred by the execution of this Order. Respondent waives any and all rights to any hearing or judicial review of this Order to which it would otherwise be entitled under the Insurance Article with respect to any of the determinations made or actions ordered by this Order.
- H. For the purposes of the Administration and for any subsequent administrative or civil proceedings concerning Respondent, whether related or unrelated to the foregoing paragraph, and with regard to requests for information about the Respondent made under the Maryland Public Information Act, or properly made by governmental agencies, this Order will be kept and maintained in the regular course of business by the Administration. For the purposes of the business of the Administration the records and publications of the Administration will reflect this Order.
- I. Nothing herein shall be deemed a waiver of the Commissioner's right to proceed in an administrative action or civil action to enforce the terms of this Order. Failure to fully comply with the terms of this Order may subject Respondent to further legal and/or administrative action.
- J. This Order shall go into effect upon signing by the Commissioner or her designee, and is a Final Order of the Commissioner under § 2-204 of the Insurance Article.

KATHLEEN A. BIRRANE  
INSURANCE COMMISSIONER

By: signature on original  
STEVE WRIGHT  
Associate Commissioner  
Insurance Fraud and  
Producer Enforcement Division

RESPONDENT PAUL FRANCIS GLOWACK

RESPONDENT hereby CONSENTS to the representations made in, and to the terms of, this Consent Order.

Name: Paul Glowack

Signature: signature on original

Date: 12-15-21