



for the truck to be restriped." A GEICO representative advised Groth that GEICO will need a receipt and estimate for additional reimbursement for the vehicle to be re-striped.

4. On July 6, 2021, Groth sent an email to GEICO from r\*\*\*.g\*\*\*@assuredservicesinc.com. The email contained, as an attachment, a \$1,272.00 sales receipt for "vehicle lettering," ostensibly issued by an automotive tint and detail company, hereinafter "H-Star." The receipt stated, "Sold To Robert Groth" and was dated April 29, 2021. Groth wrote:

"As for reimbursement of the lettering cost we are requesting reimbursement in the amount of \$1272.00 for lettering only..."

5. On July 6, 2021, in an effort to authenticate the H-Star receipt, a GEICO representative contacted H-Star. A representative reported that H-Star had no record of performing such work for Respondents. The GEICO representative emailed a copy of the receipt to the H-Star representative, who examined the receipt and reported that it was fraudulent. Respondents' claim was forwarded to GEICO's Special Investigations Unit ("SIU") for further investigation.

6. On July 8, 2021, a GEICO representative notified Groth that GEICO was unable to validate the receipt he submitted for letter. Therefore, GEICO was unable to provide coverage. Groth replied,

I am not asking Geico to pay for any rental time while our truck was at the shop being re-lettered. It was at the shop for only one day we did not rent a vehicle for that day. If you look at the dates it was lettered about a month after we got the truck back from the body shop.... As for the issue that the body shop claims our truck was not there and the receipt is not theirs I will contact them today to figure out why they are making this assertion. What I want is for Geico to reimburse us for all our lettering ...

7. On July 19, 2021, a GEICO investigator interviewed an H-Star representative who confirmed that the receipt Groth submitted to GEICO was fraudulent. The H-Star representative identified, among other things, the following discrepancies: H-Star receipts are black and white, while the fraudulent receipt was in color; the description field on an actual H-Star receipt would

reflect the make and model of the vehicle, while the fraudulent receipt reflected "Vehicle Lettering;" the H-Star logo on an authentic receipt is at the bottom of the receipt, not the top as on the fraudulent receipt. Authentic H-Star receipt numbers begin with "18." The fraudulent receipt number began with "21."

8. 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.

9. GEICO, having a good faith belief that Respondents committed insurance fraud, referred the matters to the MIA, Fraud Division.

## **II. THE ADMINISTRATION'S INVESTIGATION:**

10. On March 21, 2022, in an effort to authenticate the H-Star receipt, an MIA investigator spoke to the owner of H-Star who reported that the H-Star receipt Groth submitted to GEICO was fraudulent. H-Star's owner reported, among other things, that H-Star does not put license plate numbers on its receipts, whereas, the fraudulent receipt contained a license plate number; H-Star does not stamp receipts with "PAID," or "COMPLETED," as reflected on the fraudulent receipt; and all of H-Star's receipts are black and white. In addition, H-Star does not do custom lettering work and H-Star had no record of performing work for Respondents.

11. An MIA investigator compared the receipt Groth submitted to GEICO with an actual H-Star receipt and confirmed the statements made by the H-Star representatives.

## **III. VIOLATIONS:**

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

**Section 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[.]

**Section 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.

13. By the conduct described herein, Respondents violated § 27-403. The fraudulent insurance act of submitting a false document in support of a claim is complete upon submitting the false document and is not dependent on payment being made. Respondents violated the Insurance Article by submitting a false receipt to GEICO. As such, Respondents are subject to an administrative penalty under § 27-408(c).

**IV. SANCTIONS:**

14. 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. See §§ 2-201(d)(1) and 2-405.

15. Having considered the factors set forth in § 27-408(c)(2), the MIA has determined that \$1,500.00 is an appropriate penalty against Respondents, to be paid jointly severally.

16. The aforesaid administrative penalties shall be paid within thirty (30) days of the date of this Order to the Maryland Insurance Administration. Payment shall be made by immediately payable funds and shall identify the case by number (R-2022-0053A) and Respondents' names (Assured Services, Inc. and Robert Groth). Payment of the administrative penalty shall be sent to the attention of: Joseph Smith, Acting Associate Commissioner, Insurance Fraud and Enforcement Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.

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

**WHEREFORE**, for the reasons set forth above, and subject to Respondent's right to request a hearing, it is this 5<sup>th</sup> day of May 2022, **ORDERED** that:

Assured Services, Inc. and Robert Groth shall pay an administrative penalty, jointly and severally, of One Thousand Five Hundred dollars (\$1,500.00) within 30 days of the date of this Order.

KATHLEEN A. BIRRANE  
Insurance Commissioner

BY:

**signature on original**

JOSEPH SMITH  
Acting Associate Commissioner  
Insurance Fraud and Enforcement 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.