

Draft: 7/23/20

Antifraud (D) Task Force  
Conference Call  
May 20, 2020

The Antifraud (D) Task Force met via conference call May 20, 2020. The following Task Force members participated: Trinidad Navarro, Chair (DE); Jillian Froment, Vice Chair, represented by Michelle Brugh Rafeld (OH); Lori K. Wing-Heier represented by Alex Romero (AK); Ricardo Lara represented by George Mueller (CA); Michael Conway represented by Damion Hughes (CO); Andrew N. Mais represented by Kurt Swan (CT); Karima M. Woods represented by Phil Comstock (DC); John F. King (GA); Vicki Schmidt represented by Dennis Jones (KS); Sharon P. Clark represented by Juan Garrett (KY); James J. Donelon represented by Matthew Stewart (LA); Anita G. Fox represented by Lee McCallister (MI); Steve Kelley represented by Michael Marben (MN); Chlora Lindley-Myers represented by Marjorie Thompson (MO); Mike Chaney represented by John Hornback (MS); Matthew Rosendale represented by Jeannie Keller (MT); Mike Causey represented by Marty Sumner (NC); Jon Godfread represented by Dale Pittman (ND); Bruce R. Ramage represented by Martin Swanson (NE); Marlene Caride represented by Richard Besser (NJ); Russell Toal and Roberta Baca (NM); Barbara D. Richardson (NV); Glen Mulready represented by Ron Kreiter (OK); Andrew R. Stolfi represented by Stephanie Noren (OR); Kent Sullivan represented by Leah Gillum and Chris Davis (TX); Todd E. Kiser represented by Armand Glick (UT); and Scott A. White represented by Mike Beavers (VA). Also participating were: Frank Pyle (DE); David Altmaier represented by Evangelina Brooks (FL); and Colin M. Hayashida (HI).

1. Adopted its 2019 Fall National Meeting Minutes

Commissioner Richardson made a motion, seconded by Ms. Rafeld, to adopt the Task Force's Dec. 8, 2019, minutes (*see NAIC Proceedings – Fall 2019, Antifraud (D) Task Force*). The motion passed unanimously.

2. Heard Reports from State Fraud Departments Concerning Insurance Fraud Related to COVID-19

Commissioner Navarro said the Task Force has continued to collaborate with the states, industry and antifraud organizations to monitor potential insurance fraud resulting from the COVID-19 pandemic. He advised that to assist with bringing awareness to insurance fraud, the Task Force has asked the states' fraud directors and antifraud organizations to provide an update on what they are experiencing.

a. California DOI

Mr. Mueller said the California Department of Insurance (DOI) has been seeing an uptick in insurance fraud claims this quarter compared to previous quarters. He said the DOI currently has an outreach unit, which includes its communication division devoted to insurance fraud related to COVID-19. He said the DOI has contacted its network partners with the California low cost auto program to assist with insurance fraud awareness. The DOI has telephoned 480 community base organizations to bring awareness. Mr. Mueller said the biggest issue the DOI is seeing is with small businesses, and it has formed special outreach teams to assist in this area. He said the DOI conducted a tele-townhall to assist small businesses, which had approximately 1,500 people attend to receive education. He said the DOI has used the Coalition Against Insurance Fraud (CAIF) info-graphic tools to be used on the California website, and it has received great feedback. He said the DOI has also completed a senior fraud outreach for over 1,000 organizations, providing a town hall meeting to provide education. He said this outreach for senior fraud was completed through email and regular mail, which provided to be very successful.

b. Delaware DOI

Mr. Pyle said Delaware has been partnering with federal and state law enforcement, the U.S. Attorney's Office, the Federal Bureau of Investigation (FBI), and many others to assist with the fight against insurance fraud concerning COVID-19. He said the Delaware DOI created a COVID-19 Antifraud Coalition, which has been invaluable, with many more resources available than other areas. He said the DOI has seen a slight uptick in insurance fraud cases, but nothing specific to COVID-19. He said there are no trends at this time, but the DOI has experienced some cases, including bogus robocalls focused on seniors attempting to get themselves signed up for bogus health plans and bogus assistance offered for individuals that are out of work because of COVID-19. He said Delaware is preparing for upcoming scams concerning fake vaccines for COVID-19. He said there has been some cases that he is aware of concerning the rise in new family pet scams. Due to the rise in families getting new pets because of everyone being stuck at home, these scammers will post potential pets available, request a deposit, and

then the pet is never delivered. He said Delaware will continue monitoring this, as they expect to see more insurance fraud cases relating to COVID-19 in the future.

c. Ohio DOI

Ms. Rafeld said shortly after the pandemic began, Ohio issued a consumer alert warning consumers about all the various scams resulting from COVID-19. She said the Ohio DOI worked with its communications department to get this alert out through social media and local press. She said the DOI has also worked with senior groups to aid with conducting educational events. She said a call was scheduled with the Ohio industry special investigation units to hear what the industry is witnessing and what can be done to assist with collaboration throughout the state. She said the biggest item the DOI have been witnessing concerning COVID-19 is body shop scams. Body shops have been listing additional cleaning fees for vehicles due to COVID-19. She said some body shops are contracting with towing companies to commit a scam, claiming that a vehicle is being inspected for COVID-19 exposure; this vehicle is then towed even when drivable, which creates an additional expense to the consumer. She said the DOI is working with state and federal organizations to assist on these cases. She said the DOI is also witnessing private chiropractor practices providing COVID-19 prevention methods. She said Ohio is instituting COVID-19 safety precautions for their investigators in the field. She said due to the courts being temporarily closed and prosecutors stuck working from home, the DOI is making efforts to work with these prosecutors regarding potential cases taken to court once reopened.

d. Florida Office of Insurance Regulation

Ms. Brooks said the Florida DOI, as of this morning, received a report that there is a small uptick in COVID-19 cases. She said this could be due to many things, including an increase in testing. She said Florida is seeing some of the same issues as other states. She said the DOI has been tracking insurance fraud specific to COVID-19 since January, but it has seen no specific trends at this time. She said Florida has been discussing the liability for homeowner claims from individuals providing service to someone's home and claiming that they have contracted COVID-19. She said the DOI is expecting to see personal injury claims on behalf of employees claiming that their employer has not provided proper precautions to protect against COVID-19. She said while the DOI is continuing to monitor all fraud at this time, it is not seeing an uptick in insurance fraud specific to COVID-19.

3. Heard Reports from Antifraud Organizations Concerning Insurance Fraud Related to COVID-19

a. CAIF

Matthew J. Smith (CAIF) said from what the CAIF has been seeing, it looks as though COVID-19 will be the largest spike in insurance fraud in history. He said the CAIF is comparing the pandemic to what was witnessed during the great recession. He said the economic downturn will result in a spike in insurance fraud throughout the country. He said COVID-19 has been considered a worldwide natural disaster that will bring higher than normal cases of insurance fraud. He said the CAIF research found from Google that there was a 125% increase in people searching how to commit arson.

Mr. Smith said during the initial stage of the pandemic, the CAIF partnered with the National Insurance Crime Bureau (NICB) and the International Association of Special Investigation Units (IASIU) to provide a webinar concerning COVID-19. The webinar had approximately 3,000 attendees, which was the largest gathering of antifraud fighters in history. Mr. Smith said COVID-19 has had an impact around the world, and the CAIF has taken part with its international partners to provide 10–12 webinars specific to the pandemic. In addition, the CAIF has partnered with the American Association of Retired Persons (AARP) to fight insurance fraud against the elderly. Mr. Smith said the states have been utilizing the CAIF's info-graphic tool kit to bring awareness to insurance fraud.

Mr. Smith said the mid-year meeting scheduled for June has been cancelled due to the pandemic, but the CAIF plans to hold the end of year meeting in December as scheduled. He said the CAIF will be conducting a study on artificial intelligence (AI), specifically how companies are using AI to fight COVID-19 insurance fraud.

b. NICB

Alan Haskins (NICB) said the NICB launched an COVID-19 resource center immediately following the pandemic shut down. He said the NICB coordinated with state and trade national fraud groups during the shutdown. He said the NICB has started seeing states like New Jersey and Nevada put together state and federal task forces to investigate insurance fraud due to COVID-

19. He said some of the fraudulent claims are unlawful hoarding of medical supplies, price gouging, phishing schemes, and fake investment opportunities. He said the NICB has been working with the Las Vegas Metro Police Department concerning an increase in vehicle break-ins, specifically against doctors and medical professionals while their car is in parking lot at work. He said thieves are taking information from these cars to locate the individuals' home addresses and burglarize their homes. He said the NICB has been offering a virtual pandemic safety training course, which is available on its webpage. He said the NICB is holding monthly National Dialog Meetings on COVID-19 concerning fraud claims and insurance fraud trends. He said overall, the NICB has seen a 9% increase in questionable claims, including burglarized vehicles and homes, homeowner claims, and work comprehensive. He said the NICB has witnessed towing and storage claims like what Ms. Rafeld stated that Ohio is experiencing. He said the NICB has also seen tele-medicine schemes, physical therapy, and chiropractor service schemes. Lastly, he said the NICB Geospatial Intelligence Center (GIC), which is its insurance industry global energy provider, has continued to be utilized after natural disasters.

c. NHCAA

Leigh McKenna (National Healthcare Antifraud Association—NHCAA) said the NHCAA focuses primarily on education and training regarding health care fraud and the sharing of information. She said one of the NHCAA's key education and trainings, the annual program focusing on novice fraud investigators, has had to be moved to December due to the pandemic. She said a few of the NHCAA's educational programs have been moved to a virtual format because of the pandemic. She said the NHCAA's large annual conference that takes place in November is undetermined at this time as to whether it will be virtual or in-person. She said this conference typically brings 1,300–1,500 health care fraud investigators. She said the NHCAA has been holding monthly information sharing calls for its members and providing webinars for education and information sharing. She said the NHCAA is also holding weekly board member meetings to discuss what is being seen specific to COVID-19. She said the NHCAA has pulled together several valuable resources, which are available on its webpage. She said most of what the NHCAA is seeing is fraudulent COVID-19 testing, the billing of higher hours by providers, and the improper coding of services due to COVID-19. She said the NHCAA continues to monitor and identify schemes quickly so they can be shut down as soon as possible.

d. HFPP

Scott Caspall (Healthcare Fraud Prevention Partnership—HFPP) said the HFPP provides two key items: the data analytics to partners and the facilitation of sharing health care fraud intelligence among the partners of the partnership.

Jacob Gray (HFPP) said the HFPP is seeing an increase in health care data, which will add value at the state and federal level. He said the HFPP has increased its support for law enforcement departments, and it has partnered with academic institutions like Stanford to provide useful whitepapers. He said the HFPP has seen a lot of billing for COVID-19, specifically for testing. He said the HFPP is monitoring known compromised numbers from Medicare and Medicaid, along with stolen identity information, which is used for improper billing. He said the HFPP will be monitoring new providers that are created due to COVID-19.

Having no further business, the Antifraud (D) Task Force adjourned.

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