



2023



Periodic Report
to the Legislature

Criminal Insurance Fraud



RCW 48.135.100 requires the Office of the Insurance Commissioner to periodically report the fraud program activities to the Legislature. This 2023 report includes, but is not limited to:

- An overview of the fraud program's cases referred for prosecution.
- The number of convictions obtained.
- The amount of money recovered.
- Any recommendations of the Insurance Fraud Advisory Board from 2020 through 2022.



Patrick M. Guiton

Blue Cross Blue Shield (Consultant)

Michael Tower

Progressive Insurance

Ed Anderson

PEMCO Insurance

Wes Rethwill

Lewis County Undersheriff

Craig Williamson

Farmers Group Insurance

Leeta Scott

AARP Fraud Victim Support, Fraud Watch Network

Renee Sunde

Washington Retail Association

Dana MacDonald

National Insurance Crime Bureau

Melanie Thurlow

Liberty Mutual Insurance

Jonathon Cody

Thurston County Prosecutor's Office

RCW 48.135.090 specifies that the Commissioner shall appoint an insurance fraud advisory board. The board shall consist of 10 members. Five members shall be representatives from the insurance industry doing business in the state, at least one of which shall be from a Washington domestic insurer, two members shall represent consumers, one member shall represent the National Insurance Crime Bureau or successor organization, one member shall represent prosecutors, and one member shall represent other law enforcement agencies.



OIC Mission Statement

We protect the public interest, and our state's economy through fair and efficient regulation of the insurance industry.

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Message from Commissioner Kreidler:

Protecting consumers by combating insurance fraud

Protecting and educating consumers is one of our primary missions at the Office of the Insurance Commissioner (OIC). One of the ways we protect consumers is by investigating and prosecuting insurance fraud.



American consumers lose \$308.6 billion each year to insurance fraud theft, according to a recent study from the Coalition Against Insurance Fraud. Up to 10 percent of insurance claims are estimated to be fraudulent.

Insurance fraud is not a victimless crime. We all pay for it through increased insurance premiums.

I work with our Insurance Fraud Advisory Board to protect and educate consumers about the costs of insurance fraud.

You can learn more about our work to deter insurance fraud at www.insurance.wa.gov.

Insurance Commissioner

Mike Kreidler



Established by state law and at the direction of Commissioner Kreidler, the Criminal Investigations Unit (CIU) investigates criminal insurance fraud in Washington state. This includes a team of Detectives, Criminal Analysts, Prosecutors, an Administrative Assistant, and an Office Assistant.

CIU has earned law enforcement accreditation from the Washington Association of Sheriffs and Police Chiefs.

CRIMINAL INVESTIGATIONS UNIT

Mission Statement

Our mission is to identify, investigate and bring to prosecution criminal organizations and individuals who victimize the insurance industry.

Interagency Partnerships

Our unit continues to work with federal, state, and local law enforcement and regulatory agencies to identify, investigate and prosecute criminal organizations and individuals engaged in fraud that targets the insurance industry.



Media and Outreach

Along with a strong partnership with community organizations and law enforcement agencies committed to fighting fraud, CIU engages with the media, civic organizations, and other law enforcement agencies in order to educate Washington state consumers on insurance fraud.

Detectives connect with various groups each year to establish relationships and to provide education on CIU's mission statement and identifying insurance fraud to further protect Washington consumers.

Between January 2020 and December 2022, CIU detectives and the director attended and presented at eight outreach events. This is considerably less than in previous years due to the pandemic, but the unit was still able to convey its message.

<i>Community</i>	<i>People reached</i>
Government groups	41
Insurance industry	357
Community groups	75
Law enforcement	26
Financial	15

Total number of people reached: 514

Spokane man found guilty of insurance fraud for the second time in Spokane County Superior Court



Ivan Kriger was found guilty of insurance fraud for a second time in August 2022 in Spokane County Superior Court.

Kriger (also known as Evaun Syrah Solomon), of Spokane, was recently convicted of insurance fraud after Insurance Commissioner Mike Kreidler's Criminal Investigations Unit (CIU) completed a second criminal investigation into his filing of false insurance claims. Kriger pled guilty to another charge of filing false claims after he was found guilty by a jury earlier this year.

In this case, CIU's investigation found that Kriger submitted a claim for damages to the City of Spokane for a paved parking lot he owned. Kriger stated that a contractor the city hired to remove another building parked in his parking lot caused catastrophic damages. He claimed the amount to repair the parking lot would be \$279,680.44. The city submitted the claim to Alaska National Insurance Company, which completed an investigation and found that the parking lot had been in disrepair for years and there were no new damages as Kriger had alleged.

Former insurance agent pleads guilty to \$2.8 million theft



Edward J. Chadwick, of Yakima, pleaded guilty to first-degree theft in Spokane County Superior Court involving 24 insurance premium finance loans. Chadwick was ordered by the court to report to the Spokane County Jail by Oct. 1 to serve 30 days of confinement. He must also pay \$600 in court fees and \$847,795 in restitution to a Spokane premium finance company.

Charges against Chadwick were brought after an investigation by Insurance Commissioner Mike Kreidler's Criminal Investigations Unit (CIU).

Chadwick was an insurance producer and owned an insurance agency called Kelt, primarily selling insurance to transportation companies. He is accused of fraudulently obtaining 24 insurance premium finance loans totaling \$2.8 million from April 2016 through July 2018 from Tepco, a premium finance company based in Spokane. He is accused of obtaining loans on behalf of several fake trucking companies for commercial policies that didn't exist. He also obtained loans on behalf of one real trucking company, a former client, without the client's knowledge.

RCW 48.135.050 – Disclosing insurance fraud

“(1) Any insurer or licensee of the commissioner that has reasonable belief that an act of insurance fraud which is or may be a crime under WA law has been, is being, or is about to be committed shall furnish and disclose the knowledge and information to the commissioner...”



Insurance fraud

The act or omission committed by a person who, knowingly, and with intent to defraud, commits, or conceals any material information ...

FINAL ESTIMATE OF THE COST OF INSURANCE FRAUD IN THE UNITED STATES:

(All numbers are in billions and figures are as of 2022)

Property & Casualty	\$45B
Workers' Compensation	\$34B
Premium Avoidance	\$35.1B
Healthcare	\$36.3B
Medicare and Medicaid Fraud	\$68.7B
Life	\$74.7B
Disability	\$7.4B
Auto Theft*	\$7.4B

\$308.6 Billion Annually



**<https://insurancefraud.org/wp-content/uploads/The-Impact-of-Insurance-Fraud-on-the-U.S.-Economy-Report-2022-8.26.2022.pdf>*



Fraud Referred to the Commissioner

Before an investigation becomes a case, it's a referral — a questionable insurance claim submitted to the OIC for review. Insurance companies refer questionable claims as required by RCW 48.135.050. From January 1, 2020 to December 31, 2022, a total of 8,615 fraud referrals were submitted to the OIC.

The OIC receives referrals through three main sources: the National Insurance Crime Bureau, the National Association of Insurance Commissioners, and online reports from the public, other agencies, or law enforcement.

<i>Year</i>	<i>Referrals</i>
2020	2,712
2021	2,657
2022	3,246



82%

National Insurance
Crime Bureau



7%

National Association of
Insurance Commissioners



11%

Online reports from the public, other agencies, law enforcement, etc.

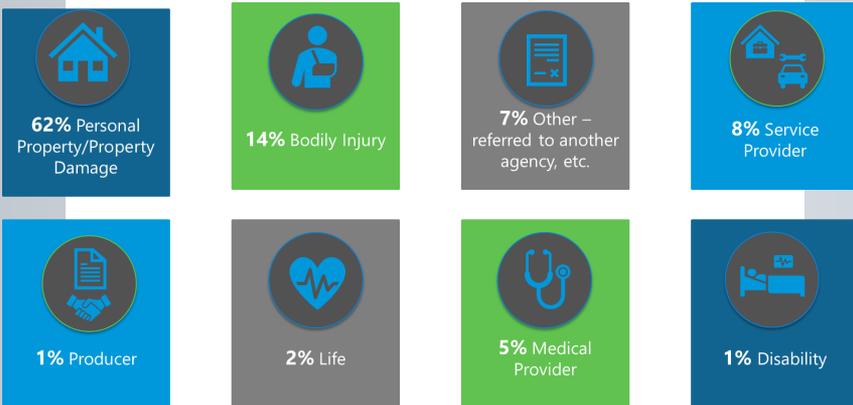
Criminal Investigations

CIU conducts criminal investigations of individuals and organizations who engage in fraud targeting insurance companies.

From January 1, 2020 to December 31, 2022, CIU opened 250 criminal cases. The majority of these were for personal property or property damage and bodily injury loss claims made to insurance companies.



By type of loss



Criminal Investigations

CIU Detectives protect consumers from fraud by investigating insurance fraud cases across Washington state with the highest volume of cases opened in King, Pierce, Snohomish, Clark and Spokane counties.



King County

92



Pierce County

32



SNOHOMISH COUNTY

24



20



SPOKANE COUNTY

14



OIC's CIU detectives out in the field.

Convictions

CIU's completed investigations are presented to prosecutors with recommended charges.

Below are the adjudicated charges for our completed cases from January 1, 2020 through December 31, 2022.

<i>Adjudicated Crime</i>	<i>Count</i>
False Claims or Proof	36
Theft 1	3
Theft 2	3
Theft 3	4
Attempted false claims or proof	6
Attempted theft	5
Criminal conspiracy	2
Wire fraud (federal)	1
Health care crimes (federal)	1
False or misleading statements to an official	1
Tax Evasion (Federal)	1
TOTAL CONVICTIONS	63



Sentencing and Restitution

5,838 days

Incarceration

312 months

Probation

933 days

Alternative:
EHM, CCAP, etc.

460 hours

Community
service

\$1,153,128.06

Restitution

\$19,593

Court costs

8 people

Diversion



Faces of Fraud

Suspects convicted of insurance fraud related crimes in 2020



Byron Mounce

Theft III



Jasmine Hansel

Theft II



Dale Maki

Attempted false claims or proof



Jamar Glenn

False claims or proof



Daniel Acevedo

Attempted false claims or proof



Gloria Kauffman

False claims or proof



James Faletogo

Attempted false claims or proof



Julie Beldin

Attempted false claims or proof



Keyona McDuffie

Theft III



Alicia Juma

False claims or proof



Long Thanh Nguyen

False claims or proof



Saffron Gustafson

Health care crimes
Tax evasion (federal charges)

Faces of Fraud

Suspects convicted of insurance fraud related crimes in 2021



Yasir Al-Mtowag

False claims or proof



Vicki Boser

18 US 1343
Wire fraud (federal charges)



Nikki Hill

False claims or proof



Edison Okolie

False claims or proof



Edward Chadwick

Theft II



Sorintha Whiteley

Theft I



Jaskaran Gill

False claims or proof—4 counts



Arnold Bodner

False claims or proof



Paris Simmons

US Naval Court
Larceny



Jaime Jo Crosby

False claims or proof



Colin Walsh

Attempted false claims or proof



Thiago Silva-Moreira

False claims or proof

Suspects convicted of insurance fraud related crimes in 2022



Attawwaab Fard

False claims or proof



Sarah Monty

False claims or proof
Attempted theft—2 counts



Andrew Rodriguez

Theft I



Marissa Lopez

Theft I



Nathaniel Fung Chen Pen

False claims or proof



Magnolia Fung Chen Pen

Attempted false claims or proof



Ivan Kriger

False claims or proof — 2 counts
Attempted theft I



Michael Kerwin

False claims or proof



Saul Perez

Attempted theft I
Criminal conspiracy
False claims or proof



Ricardo Carmona

Attempted theft I
Criminal conspiracy
False claims or proof



Joseph Calvert

False claims or proof—2 counts
Making false statements to a public servant



Timothy Myers

Theft III



Publicize efforts



Seek additional resources



Increase outreach



Mailing address:
PO Box 40255
Olympia, WA 98504-0255
1-800-562-6900
www.insurance.wa.gov



twitter.com/wa_oic



Facebook.com/wsoic



instagram.com/wa_oic



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commissioners-eye-on-
insurance](https://medium.com/commissioners-eye-on-insurance)