



**Coalition Against
Insurance Fraud**

www.InsuranceFraud.org

Board of Directors & Membership Meeting

June 9, 2009



MEETING SUMMARY

Sheraton Inner Harbor • Baltimore, Maryland



— **Summary Report** —

Attendance. Nearly 70 representatives from 47 organizations participated in this year’s summer meeting held in Baltimore, Maryland.

U.S. Department of Justice. Asst. Attorney General Tony West briefed coalition members on DOJ’s just-announced plans to beef up health-care fraud investigations and prosecutions. He stressed that health-care fraud is a top priority of the Justice Department and that work has begun with the Department of Health & Human Services on expanding strike forces in major cities and developing better technologies to detect fraud. He also indicated he supports the six federal fraud initiatives *[detailed below]* advanced by NICB and the coalition, and stressed the need for more public/private cooperation. West heads up the Justice Department’s civil division.



Assistant U.S. Attorney



Ralph S. Tyler III,
Maryland
Insurance

State vs. Federal Regulation. Maryland Insurance Commissioner Ralph Tyler broadly defended states as effective in regulating insurers, given the poor record of the federal government with cases such as Bernie Madoff. However, he admitted states must become much more efficient in streamlining regulation, especially in the area of uniformity. He said there was a move afoot to enhance coordination between fraud units and compliance regulators to ensure insurers are fulfilling regulatory requirements. In Maryland, he also mentioned that Gov. Martin O’Malley has committed to bringing back a legislative proposal to create a false claims act after his bill died in the state senate by one vote earlier this year.

Fraud Awareness via TV News. *Good Morning America* producer Vanessa Weber gave an insightful presentation on how fraud fighters can earn high-profile TV news coverage by providing trend stories with interesting people, strong visuals and intriguing story angles that focus on everyday people as fraud victims or perpetrators. The Emmy-winning producer recently teamed with the coalition on a national story about auto giveups, and said the coalition’s legwork on compiling facts, securing sources and demonstrating the fraud’s impact on regular people were all keys in securing her boss’ OK to devote months working on the story. A TV news story also can offer a bonus—an online article, Weber said. Many TV stories are rewritten as features for the news outlet’s



website. With so many newspapers going out of business, it's critical to tell the anti-fraud story on the surviving media – TV and news websites, Weber said. During the two days she met with fraud fighters at the coalition meeting, she said she picked up several new story ideas to take back to the national news program.

New Anti-fraud Ads Previewed. Ralph Burnham, head of the [Pennsylvania Insurance Fraud Prevention Authority](#), introduced two new [TV and radio ads](#) targeting hotspots of fraud in the Keystone State — padding homeowner claims and buying auto policies to cover existing damage. He said part of the strategy behind the ads was to deter this type of fraud by regular people so insurers could dedicate their anti-fraud resources to focus on organized criminal rings. More ads are in the works and Ralph offered to grant permission for any coalition member to use the ads free of charge.



New Medical Board Study Unveiled. Nearly one-fifth of medical providers convicted of fraud from 2004 to 2007 saw no action taken against them by state medical boards, according to preliminary results of a new study undertaken by the coalition in conjunction with the Consortium to Combat Medical Fraud. A review of 290 cases in 36 states involving convicted physicians and chiropractors revealed that most cases resulted in license revocation or suspension, but no action could be found against 19 percent of chiropractors and 18 percent of physicians. About 10 percent of convicted providers were found to not have proper licenses. The full study will be released later this year.



Health care reform. Anti-fraud organizations have developed a six-point plan for Congress to consider in fashioning anti-fraud legislation. NICB's CEO Joe Wehrle briefed attendees on recent meetings NICB and the coalition have had with various Senate committees drafting reform legislation. The six-point plan includes:



- ✓ Creation of a federal office of dedicated anti-fraud staff to coordinate agencies and serve as liaison to private insurers
- ✓ Increase in prosecutorial and investigative resources
- ✓ Enactment of strong and effective criminal penalties
- ✓ Expansion of database technologies
- ✓ Increase in public/private cooperation
- ✓ Enactment of litigation protection

Government Affairs. Committee chair Walt Dartland reported on recent coalition activity in six states. Two highlights include [Hawaii](#), where the legislature to expand the fraud bureau’s authority, and [Texas](#), where the legislature recently approved an anti-solicitation bill. He also offered a resolution to the coalition’s board of directors to officially back the creation of prescription monitoring programs in states to help detect drug diversion. The [resolution](#) passed.



Public outreach. Committee chair Frank Sztuk reported on recent [successes](#) in media outreach so far in 2009 with the coalition being involved in the publication of more than 1,270 news stories covering 36 fraud topics. During the presentation, news reports on auto giveups and medical discount cards that aired on [CBS Evening News](#), [Good Morning America](#), [Fox News Channel](#), [Cox TV](#) and [CNBC](#) were shown.

New coalition members. Co-chair Jim Brown reported that the following organizations had submitted membership applications since the previous membership meeting:

- IAT Group
- AIPSO
- Florida Workers Comp Joint Underwriting Authority
- Maryland Automobile Insurance Fund
- San Diego Office of District Attorney
- The Rhode Island Workers Comp Fraud Unit
- Office of Attorney General in Arizona
- Virtual Advantage

Other meeting activity. [NICB](#)’s Joe Wehrle presented a [video](#) on a new auto “drive-down” scam targeting women driving alone in late model cars . . . [Statistics on fraud](#) is the most visited section on the [coalition’s website](#), which currently is referenced 19.2 million times on the Internet . . . The coalition’s Public Information Committee is seeking nominations for [Prosecutor of the Year](#). Deadline is September 1 . . . The [Consortium to Combat Medical Fraud](#), which met the day prior, has developed a new list of potential program activities for the next year, including enhanced data studies on [scheme-based trends](#) . . . The [NAIC](#) is working with life insurers and the FBI to develop a Life Insurance Alert System to help law enforcement find life policies that may be linked to [homicides](#).

Next meeting. The coalition will hold its annual meeting in December.