



Commissioner  
Mike

Kreidler

*Presentation for: Employee Benefits Planning Association*



## Regulatory & Criminal Investigations



*Investigator Randi Osberg and Detective Sergeant Phil Comstock*

September 19, 2019

- Independently elected Commissioner
- Regulatory and consumer advocacy agency for the insurance industry
- Investigates fraud for civil action or criminal prosecution

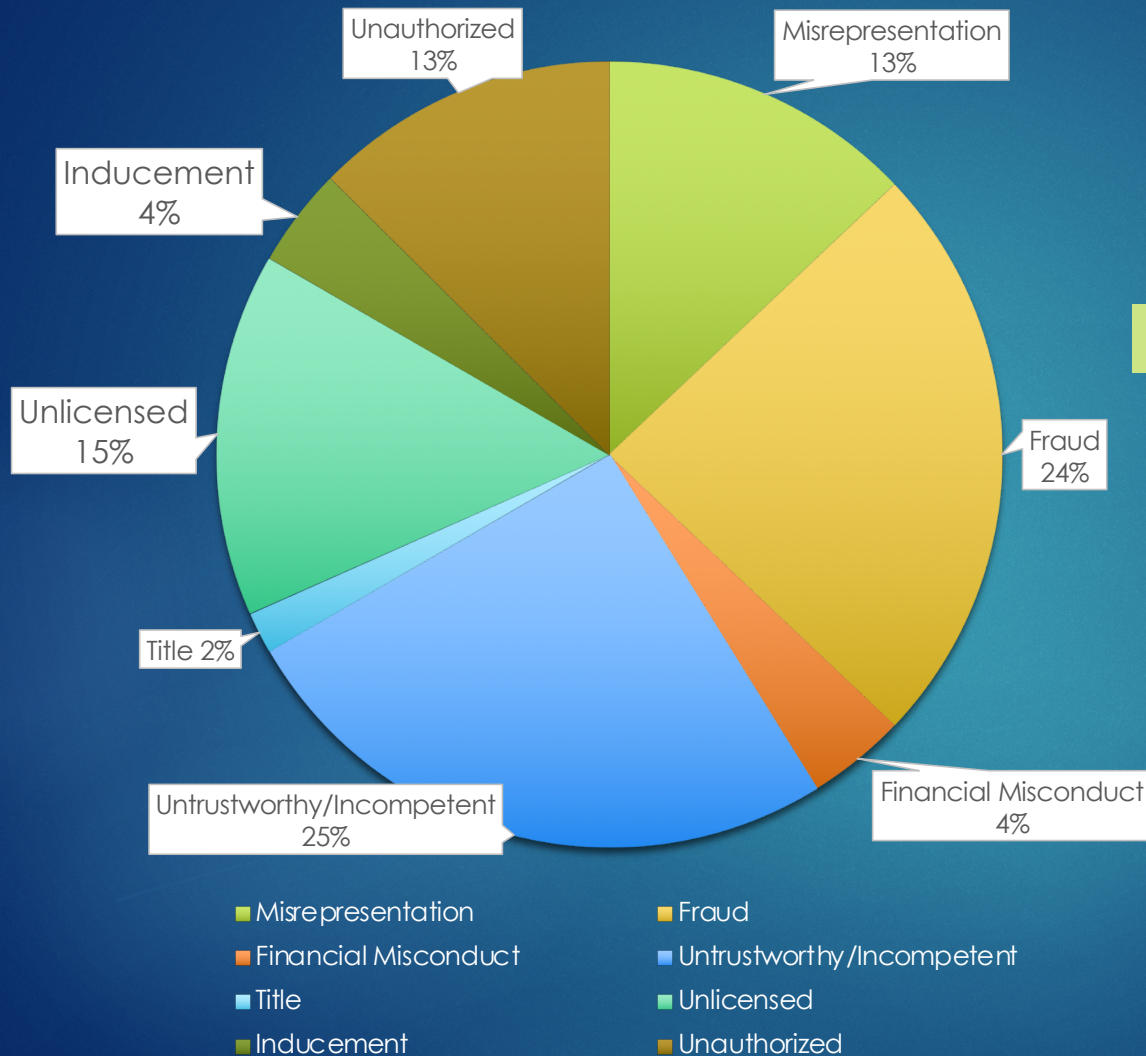


Insurance Building on the Capitol Campus



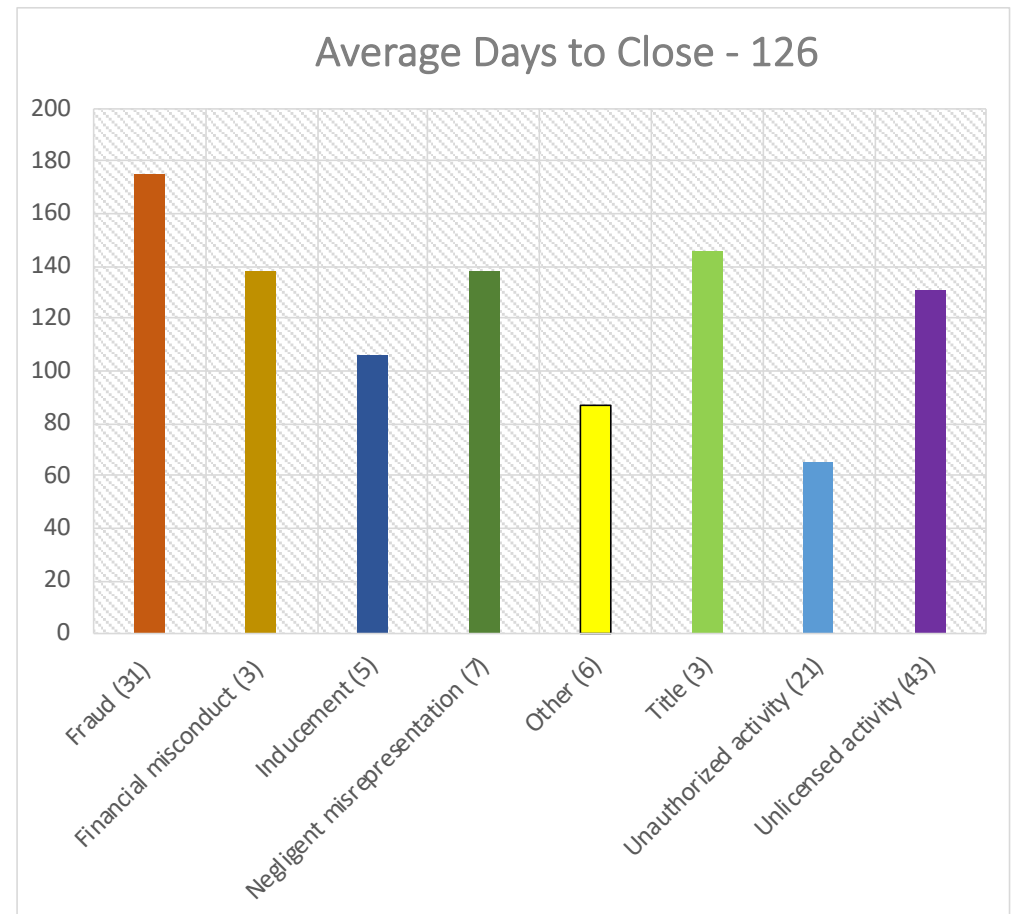
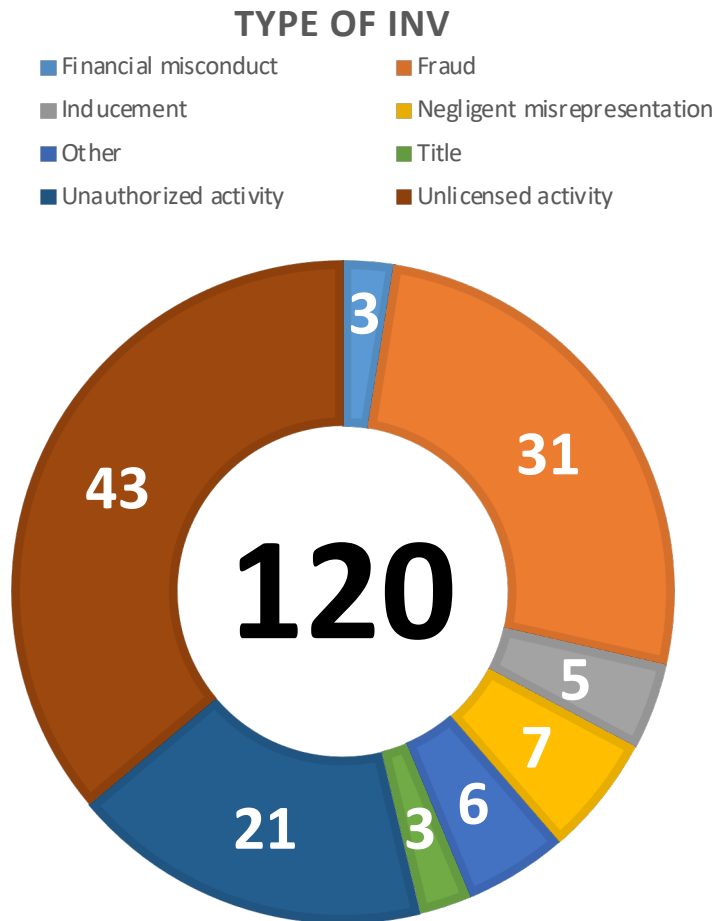


# OIC Regulatory Investigations Unit 2018

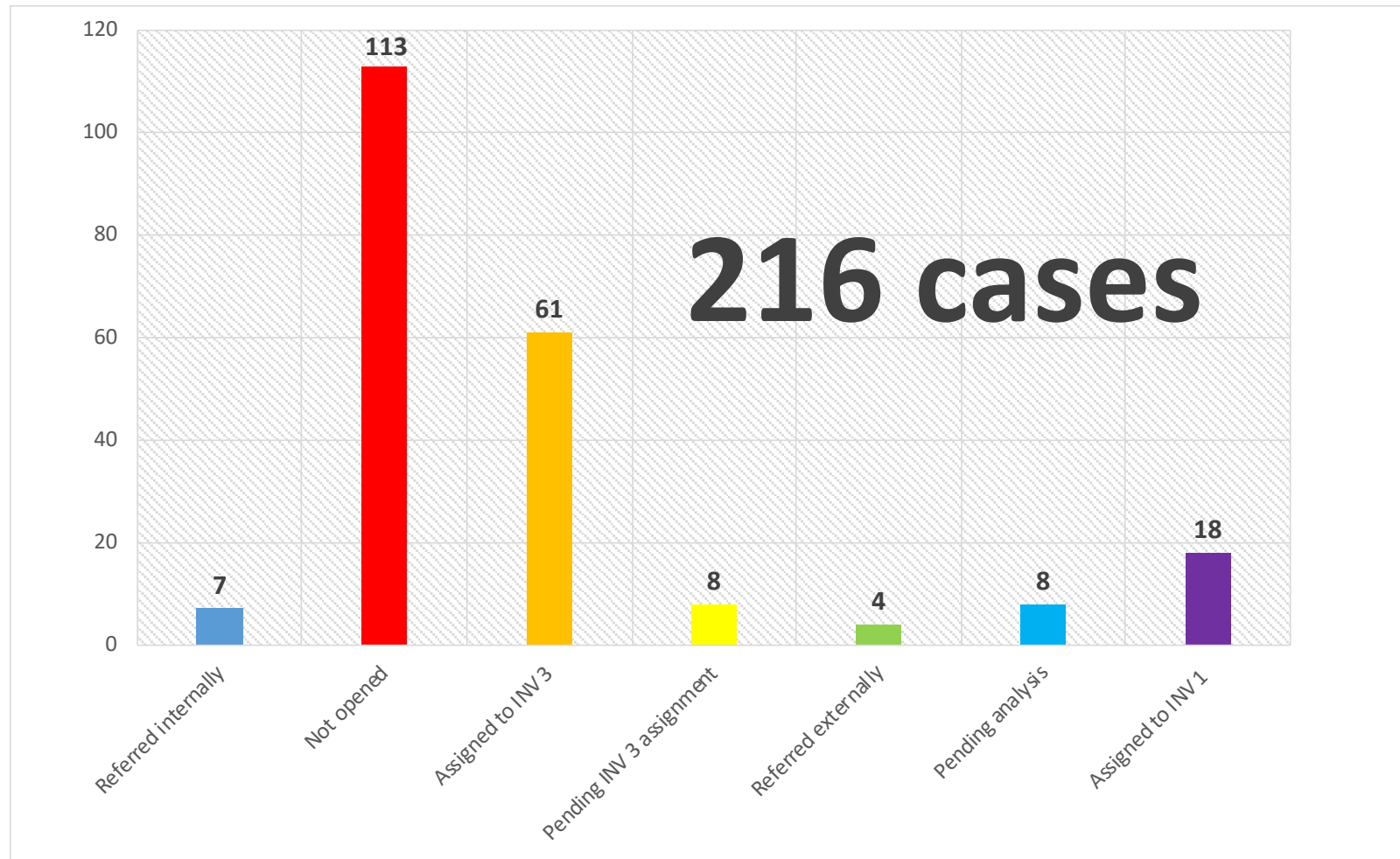


**239** INVs completed  
**356** complaints received

# RIU Completed Investigations: **2019 to date**



# RIU Complaint Disposition – 2019 to date





Who do we investigate?

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**Producers**



Who do we investigate?

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Agencies



Who do we investigate?

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**Insurance  
companies**



# When do we investigate?

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**Do we have jurisdiction?**

**Is there a reason to believe a violation might have occurred?**

**Is there reason to believe an investigation will accomplish anything?**



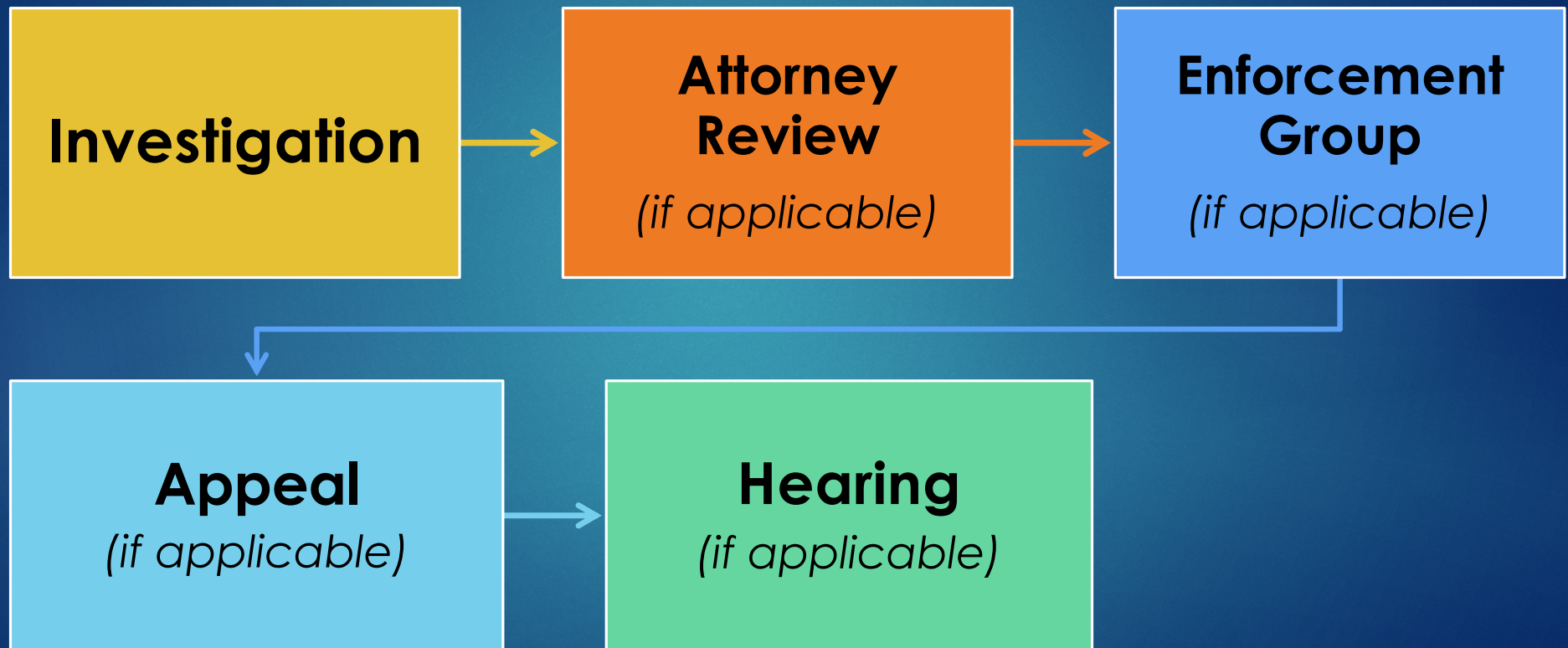
# Case Review: Bjork



A	B	C	E
18	2/12/2008	671539	American Equity
19	9/9/2008	696089	American Equity
20	12/23/2009	775539	American Equity
21	8/5/2010	OT61229	Medico
22	8/17/2010	MA00070866	Athene (RBC)
23	8/17/2010	MA00072187	Athene (RBC)
24	10/5/2010	925797-88	Mutual of Omaha
25	10/27/2010	4350423467	Assurity
26	11/22/2010	CM00028514	Conseco
27	1/1/2011	4350430640	Assurity
28	4/7/2011	4350443685	Assurity
29	8/18/2011	4250461961	Assurity
30	10/12/2011	4350467578	Assurity
31	10/25/2011	CCL00014968	United Security Assurance
32	12/2/2011	MASA507718	MASA Assist
33	2/2/2012	L0083489	American National
34	5/31/2012	200148714	Forethought
35	10/9/2012	200147680	Forethought
36	11/1/2012	6258606	Sterling
37	11/6/2012	200161831	Forethought
38	11/26/2012	GTA1225508	Guarantee Trust Life
39	11/29/2012	200160947	Forethought
40	1/11/2013	EQ0001160360L	EquiTrust
41	2/26/2013	EQ0001164342L	EquiTrust
42	3/22/2013	200155840	Forethought
44	7/19/2013	EQ0001179798L	EquiTrust
46	9/30/2013	200189895	Forethought
47	10/24/2013	200195199	Forethought
48	10/24/2013	200194512	Forethought
49	3/25/2014	EQ0001201267L	EquiTrust
50	3/25/2014	28179084	Phoenix
51	3/26/2014	EQ0001202777L	EquiTrust
52	3/26/2014	200194664	Forethought
53	5/1/2014	14760352	Stonebridge
	5/1/2014		Forethought
54	5/5/2014	200189664	Forethought
55	6/11/2014	200189536	Forethought
56	7/10/2014	FE0985973	Lafayette Life
57	9/19/2014	28183455	Phoenix

# The Process ...

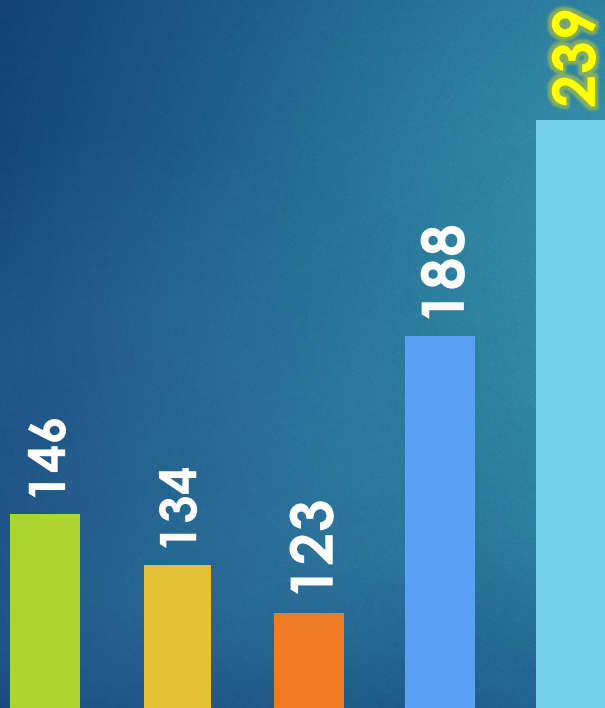
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## INVESTIGATIONS COMPLETED

■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018



## OIC Regulatory Investigations Unit 2018

*Completed in 2017*

**188**

*Completed in 2018*

**239**





# OLC Regulatory Investigations Unit's Philosophy:

- Unbiased
- Thorough
- Fair





# How to report bad actors:

(800) 562-6900

[www.insurance.wa.gov](http://www.insurance.wa.gov)



# Criminal Investigations Unit (CIU)

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Peace officer status



Conducts investigations



Serves search warrants



Submits cases to prosecutor



Testifies in Superior Court



Law Enforcement  
Accredited Agency

**Fraud, the crime  
you pay for**



# Waste of Police Resources

**FALSE POLICE REPORTS**



**SEATTLE POLICE DEPARTMENT**  
GENERAL OCCURRENCE HARDCOPY  
RECORDS REQUEST COPY

2305-0 THEFT-CARPROWL

2305-011237 INACTIVE

**Long Beach Police**  
P.O. Box 795  
Long Beach, WA 98631  
Phone 360-642-2911  
Fax 360-642-5273

Res  
Acc  
Vic  
230

**Clark County Sheriffs Office**  
Incident Report  
Records Center

DO NOT DISCLOSE: ☐ DOMESTIC VIOLENCE: ☐

Reported: 4/5/2013  
Date Received: 4/5/2013  
Incident Time: 16:04  
Incident Type: THEFT, OTHER VEHICLE  
Initial PCR: 304-E-0  
Court: 304-E-0  
District: F-6

Victim: 20658 126 AV SE  
City: AUBURN  
State: WA  
Zip: 98002

Vehicle: 20658 126 AV SE  
Year: 2011  
Make: FLAGSTAFF  
Model: TV  
Color: WHT

Registered Owner Name: 20658 126 AV SE AUBURN, WA  
Legal Owner Name: 20658 126 AV SE AUBURN, WA

Vehicle Disposition (If towed, list towing company, address):  
Status: ☐ Impounded ☐ Released ☐ Other: ☐  
Date: 4/5/2013  
Time: 16:40

Reviewed by: 22460 Bridges, William R  
Date Reviewed: 4/11/2013 7:58:29 A

Printed by: Germano, Heidi On: Thursday 07/24/14 10:38

## Waste of Fire Resources -



**Lacey FD #3**

Station: 32  
Shifts Or Platoon: A Shift

<b>Location:</b> 2900 Reservation RD SE Olympia WA 98501	<b>Incident Type:</b> <b>131 - Passenger vehicle fire</b>
<b>Lat/Long:</b> N 47° 1' 16.19" W 122° 41' 26.64"	<b>FDID:</b> 34D03 <b>Incident #:</b> 2012-0002643 <b>Exposure ID:</b> 4163449 <b>Exposure #:</b> 0 <b>Incident Date:</b> 03/16/2012 <b>Dispatch Run #:</b> LF120002643
<b>Zone:</b> 3-03 - Tender zone <b>Location Type:</b> 1 - Street address <b>Map Page:</b> M25	

<b>Report Completed by:</b>	Randall , Rob	<b>ID:</b> 50131	<b>Date:</b> 03/16/2012
<b>Report Reviewed by:</b>	Frost , Chris	<b>ID:</b> 29563	<b>Date:</b> 03/18/2012
<b>Report Printed by:</b>	Dickson, Kathy A	<b>ID:</b> 20903	<b>Date:</b> 5/28/2013 <b>Time:</b> 10:18

<b>Structure Type:</b>	Property Use: 960 - Street, other		
Automatic Extinguishment System Present: <input type="checkbox"/>	Detectors Present: <input type="checkbox"/>	Cause of Ignition: Cause undetermined after investigation	
Aid Given or Received: <b>None</b>	Primary action taken: <b>11 - Extinguishment by fire service personnel</b>		
<b>Losses</b>	<b>Pre-Incident Values</b>		
Property: \$26,000.00	Property: \$26,000.00	Civilian Injuries: 0	Fire Service Injuries: 0
Contents:	Contents:	Civilian Fatalities: 0	Fire Service Fatalities: 0
Total:	Total:	Total Casualties: 0	Total Fire Service Casualties: 0
Total # of apparatus on call: 1		Total # of personnel on call: 3	

### NARRATIVE

E-34 dispatched to car fire on 2900 block of reservation road se. On arrival car was off the road and fully involved. See previous for vehicle descriptions and value estimates. Car specific model type was unrecognizable due to heavy fire damage so value is best guess estimate. Initial Rp was passer by but 1st on scene was reservation police closely followed by WSP.





FRAUD = THEFT

## Key Statutes -

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### **RCW 48.135.010 – Insurance Fraud Defined**

“...knowingly, and with intent to defraud, commits, or conceals any material information...”

### **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 or the NICB, NAIC, ...”





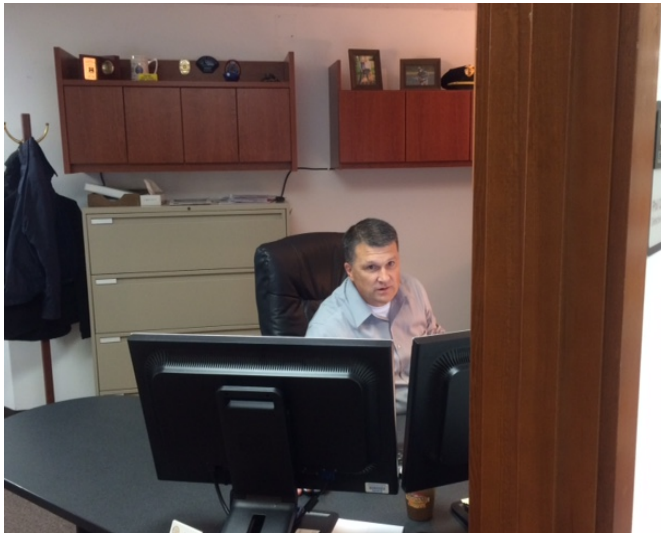
## Key Statutes -

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### **RCW 9A.56.030 – Theft in the first degree**

- (1) A person is guilty of theft in the first degree if he or she commits theft of:
  - (a) Property or services which exceed(s) five thousand dollars in value...
- (2) Theft in the first degree is a class B felony

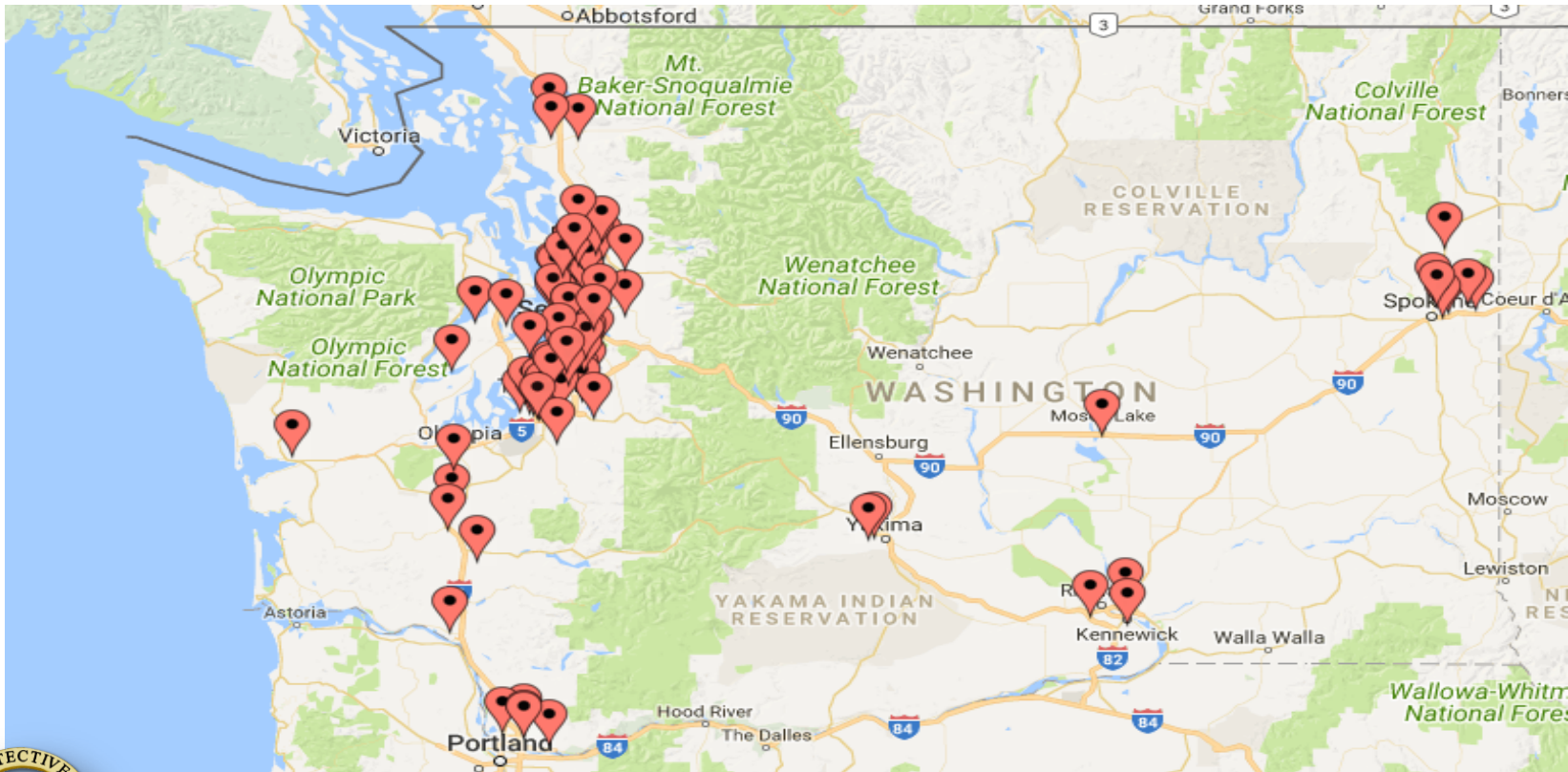






# Criminal Cases Opened – By Location

January 1, 2017 – December 31, 2017



# Types of Cases Investigated



**Property Loss**



**Medical Billing**



**Staged Collisions**



**Slip & Fall**



**Agent/Producer Fraud**



**Arson for Profit**









# Search Warrants, Bad Guys, Evidence & Reports





# The “Surgeon”

Billed \$7,441,500 over a total of 7 years

- Sole Proprietor “Alpine Medical Services”
- Licensed Surgery Technician
- Billed for surgeries that never occurred
- Billed under coding as surgeon
- Companies affected: Regence, Premera, Aetna, Cigna

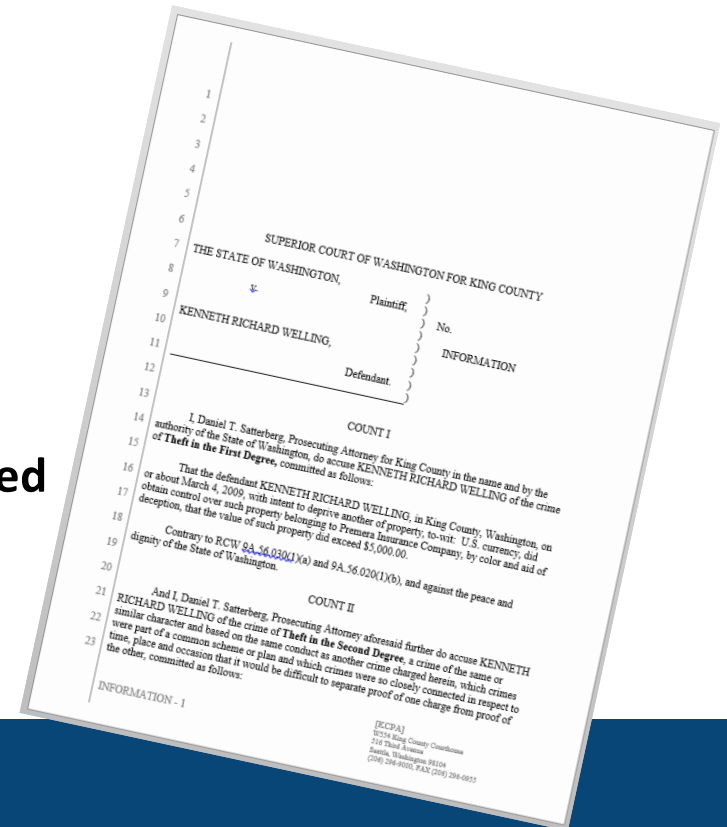
1  
2  
3  
4 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
5 IN AND FOR THE COUNTY OF THURSTON  
6 STATE OF WASHINGTON )  
7 Plaintiff )  
8 v. )  
9 Kenneth R. Welling, dba )  
10 Alpine Surgical Services )  
11 Defendant(s) )  
12 NO. 11-375  
13 OIC Case No. 11-0019  
14 JUL 28 2011  
15 AFFIDAVIT FOR SEARCH  
16 WARRANT  
17 FILED  
18 JUL 27 2011  
19 SUPERIOR COURT  
20 BETTY J. GOULD  
21 THURSTON COUNTY CLERK  
22  
23 The undersigned on oath states: That affiant believes that:  
24 Evidence of the crime of: Theft in the First Degree (RCW 9A.56.030), Forgery (RCW  
25 9A.60.020), and Making false claims (RCW 48.80.030),  
Are located in, on, or about the following described premises:  
1. Evergreen Hospital, 12040 NE 128<sup>th</sup> Street, Kirkland, WA 98034  
2. NWNHC Kirkland ASC, (Northwest Nasal Sinus Center Kirkland Ambulatory Surgery  
Center) 3100 Carillon Point, Kirkland, WA 98033  
3. Ortho Int. Ambulatory Surgery, (Orthopedics International, LTD., Ambulatory Surgery  
Center) also known now as Seattle Spine Institute, PLLC, 550 16<sup>th</sup> Ave, Suite 404,  
Seattle, WA 98122  
AFFIDAVIT FOR SEARCH WARRANT OIC-210 11-0005 - 1



# The “Surgeon”



- Plead guilty to 7 counts of theft
- Sentenced to 1 year in jail
- \$472,458 ordered restitution
- DOH technician certificate revoked





# Charged

## State v. Katherine Hargarten

### Case Synopsis

While working as an office manager, Hargarten obtained \$17,908.50 in benefits from 53 MetLife insurance claims that she filed and was not entitled to.

38 were for treatment dates that never occurred. Her husband was the policy holder.

The dentist discovered the fraudulent insurance claims and contacted MetLife.



Attachment "A"

#	Date Claim Submitted/Received	Claim Number	Date of Check	Check No.	Amount of Check	Received	Date of Deposit
1	6/6/2008	8060639624	6/10/2008	532727475	\$ 287.00	\$ 287.00	6/16/2008
2	10/29/2008	8102938836	11/13/2008	534133156	\$ 96.00	\$ 96.00	12/8/2008
3	1/20/2009	9012038005	1/21/2009	534701442	\$ 200.00	\$ 191.00	1/28/2009
4	2/6/2009	9020634695	2/9/2009	534879197	\$ 48.00	\$ 48.00	2/18/2009
5	2/20/2009	9022037131	2/23/2009	535007524	\$ 159.00	\$ 159.00	3/2/2009
6	6/22/2009	9062233694	6/23/2009	536158013	\$ 204.80	\$ 204.80	6/23/2009
7	7/6/2009	9070635586	7/7/2009	536284352	\$ 120.00	\$ 120.00	8/10/2009
8	7/20/2009	9072033781	7/21/2009	536409745	\$ 168.00	\$ 168.00	7/30/2009
9	8/17/2009	9081750323	9/1/2009	536816236	\$ 1,000.00	\$ 1,000.00	9/8/2009
10	10/29/2009	9102934870	10/30/2009	537351106	\$ 243.00	\$ 243.00	11/23/2009
11	1/5/2010	10636180	1/15/2010	538029804	\$ 760.00	\$ 760.00	1/20/2010
12	2/5/2010	20534970	2/8/2010	538248846	\$ 232.00	\$ 232.00	2/16/2010
13	3/10/2010	31135190	3/12/2010	538547778	\$ 953.40	\$ 100.00	3/23/2010
14	5/28/2010	60133105	6/9/2010	539356289	\$ 749.50	\$ 749.50	6/14/2010
15	8/25/2010	82535682	8/26/2010	540041775	\$ 187.40	\$ 187.40	8/31/2010
16	10/13/2010	101434530	10/15/2010	540470465	\$ 173.00	\$ 173.00	10/25/2010
17	11/4/2010	110434931	11/5/2010	540648851	\$ 126.40	\$ 126.40	11/16/2010
18	1/28/2011	1012834205	1/31/2011	541357463	\$ 32.00	\$ 32.00	2/7/2011
19	3/7/2011	1030733636	3/8/2011	541662843	\$ 231.40	\$ 231.40	3/14/2011
20	5/2/2011	1050246473	5/13/2011	542238011	\$ 560.00	\$ 560.00	5/20/2011
21	5/3/2011	1050435098	5/16/2011	542245443	\$ 849.00	\$ 113.00	5/24/2011
22	9/12/2011	1091233141	9/15/2011	543246708	\$ 293.80	\$ 293.80	9/21/2011
23	10/14/2011	1101745142	10/24/2011	543549683	\$ 772.50	\$ 772.50	10/28/2011
24	11/3/2011	1110334485	11/7/2011	543662541	\$ 240.00	\$ 240.00	12/12/2011
25	12/7/2011	1120735265	12/9/2011	543928994	\$ 128.80	\$ 128.80	12/22/2011
26	3/9/2012	2030940809	3/22/2012	544751313	\$ 1,432.50	\$ 1,432.50	3/26/2012
27	5/21/2012	2052136069	5/24/2012	545276878	\$ 147.00	\$ 147.00	5/29/2012
28	5/21/2012	2052138442	5/24/2012	545276879	\$ 174.00	\$ 174.00	5/29/2012
29	9/7/2012	2090738221	9/12/2012	546140353	\$ 88.00	\$ 88.00	9/26/2012
30	11/8/2012	2110835313	11/12/2012	546624852	\$ 235.00	\$ 235.00	11/15/2012
31	11/13/2012	2111343911	11/19/2012	546684016	\$ 185.50	\$ 185.50	11/23/2012
32	11/26/2012	2112645323	12/3/2012	546789897	\$ 632.60	\$ 632.60	12/6/2012
33	12/24/2012	2122434800	12/28/2012	546990890	\$ 204.00	\$ 204.00	1/3/2013
34	1/15/2013	3011543869	1/24/2013	547194632	\$ 630.50	\$ 630.50	1/29/2013
35	3/25/2013	3032533924	3/26/2013	547719736	\$ 88.00	\$ 88.00	4/8/2013
36	5/9/2013	3050939469	5/22/2013	548207791	\$ 704.50	\$ 704.50	5/31/2013
37	7/11/2013	3071135857	7/12/2013	548628202	\$ 80.00	\$ 80.00	8/3/2013
38	7/26/2013	3072640864	8/9/2013	548865220	\$ 1,201.50	\$ 1,201.50	8/15/2013
39	8/14/2013	3081440446	8/16/2013	548924193	\$ 189.00	\$ 189.00	8/21/2013
40	10/7/2013	3100735489	10/10/2013	549390772	\$ 1,106.50	\$ 1,106.50	10/14/2013
41	1/8/2014	4010839936	1/10/2014	550135091	\$ 208.00	\$ 208.00	1/21/2014
42	1/8/2014	4010839935	1/22/2014	550213941	\$ 777.50	\$ 777.50	1/28/2014
43	2/28/2014	4022894751	3/3/2014	550549004	\$ 80.00	\$ 80.00	3/11/2014
44	6/9/2014	4060940171	6/11/2014	551422938	\$ 88.00	\$ 88.00	6/26/2014
45	8/5/2014	4080539562	8/8/2014	551917231	\$ 286.00	\$ 286.00	8/20/2014
46	11/30/2014	4113036672	12/3/2014	552938912	\$ 581.50	\$ 581.50	12/11/2014
47	12/15/2014	4121533686	12/16/2014	553044928	\$ 348.80	\$ 348.80	12/23/2014
48	2/23/2015	5022333467	2/24/2015	553600402	\$ 115.00	\$ 115.00	3/2/2015
49	3/31/2015	5033134319	4/1/2015	553908775	\$ 105.00	\$ 105.00	4/17/2015
50	6/29/2015	5062933461	6/30/2015	554641083	\$ 88.00	\$ 88.00	7/9/2015
51	6/29/2015	5062947912	7/7/2015	554695217	\$ 630.50	\$ 630.50	7/20/2015
52	9/14/2015	5091433182	9/15/2015	555261316	\$ 160.00	\$ 160.00	9/25/2015
53	10/15/2015	5101535078	10/16/2015	555519528	\$ 125.00	\$ 125.00	10/23/2015
Total					\$ 19,506.90	\$ 17,908.50	

# Charged

## State v. Katherine Hargarten

4		
5		
6		
7	IN THE SUPERIOR COURT FOR ISLAND COUNTY, WASHINGTON	
8	STATE OF WASHINGTON,	
9	Plaintiff,	NO. 18 1 00063 15
10		
11	vs.	INFORMATION CHARGING:
12	KATHERINE D. HARGARTEN,	COUNT 1 - Theft in the First Degree
13	Defendant.	COUNT 2 - Making False Claim for Health Care Payment
14		COUNT 3 - Making False Claim for Health Care Payment
15		COUNT 4 - Making False Claim for Health Care Payment
16		COUNT 5 - Making False Claim for Health Care Payment
17		COUNT 6 - Making False Claim for Health Care Payment
18		
19		
20	COMES NOW GREGORY M. BANKS, Prosecuting Attorney of Island County, State of	
21	Washington, or his deputy, and by this Information accuses the above-named defendant of	
22	violating the criminal laws of the State of Washington as follows:	
23	<u>COUNT I - Theft in the First Degree</u>	
24		



Katherine Hargarten



## *Adjudicated*

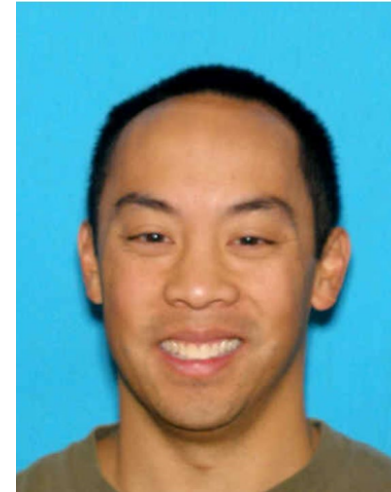
### *State v. Mark Monwai*

Naturopath

205 fraudulent claim submissions

- NPI numbers of other providers
- Tax I.D. Numbers of other providers
- Names of other providers
- Altered clinical chart notes
- Altered patient schedules
- Forged checks

**Plead guilty – False Claims and Theft**



Mark Monwai, ND



# KEY TAKEAWAYS

**PREVENTING AND  
COMBATTING FRAUD IS  
EVERYONES  
RESPONSIBILITY**



- ✓ If something seems 'off', clarify
- ✓ Be Alert; "Trust but verify"
- ✓ Don't be intimidated by aggressive customers
- ✓ Ask questions, start a dialogue
- ✓ Question and validate documents submitted
- ✓ Be factual and detail oriented when reporting

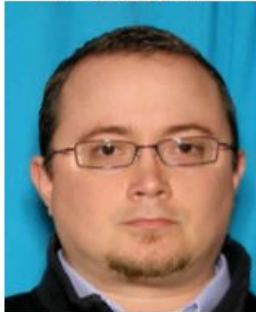


Visit the OIC website to learn more or to report fraud

# Washington State Insurance Fraud

## **MOST WANTED**

**Branko  
Cekarmis**



Theft II

**Baterdene  
Shinebayer**



False Claims or Proof  
Theft I  
Attempted Theft I

**Ahmed  
Mesbah**



False Claims or Proof  
Theft I  
Attempted Theft II

**Sisi  
Imani**



Theft II

**Erich  
Scott**



Fraudulent Insurance  
Claim  
Attempted Theft I

**William  
Boswell IV**



4 counts - False Claims  
or Proof

**Alicia  
Juma**



False Claims or Proof



**CRIME  
STOPPERS**



# QUESTIONS ?

