

Mission Statement for the Alabama Fraud Bureau

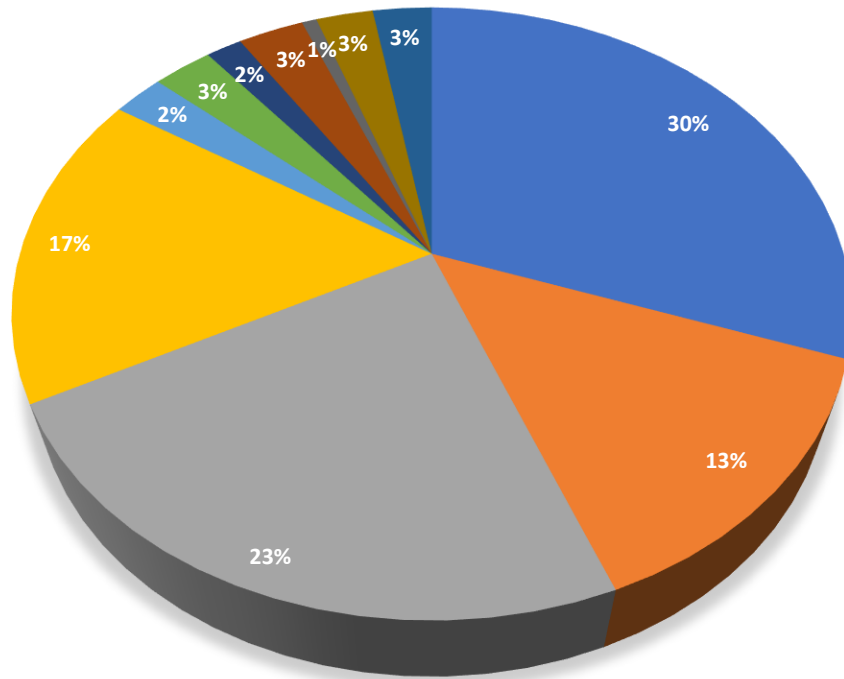
The Fraud Bureau protects the public from economic harm by investigating allegations of criminal insurance fraud. Responsibilities include receiving and reviewing reports of fraud, initiating inquiries and conducting investigations when the department has reason to believe that insurance fraud may have been or is being committed. We actively seek criminal indictments, make arrests and assist in prosecutions to deter insurance fraud in Alabama.

In 2012, Alabama passed into law, House Bill 323, which made insurance fraud a criminal act and established the formation of the Insurance Fraud Bureau, within the Department of Insurance. This law can impose criminal charges and/or civil sanctions for those in violation of regulation procedures of the insurance industry. The law includes mandatory reporting by those in the insurance industry as well as civil liability, (See Code of Alabama 1975, Cite: Section 27-12A-21; Mandatory reporting requirements; (Act 2012-429, p. 1170, §2.) ; Section 27-12A-22; Immunity from liability; (Act 2012-429, p. 1170, §2.)

The Fraud Bureau is a branch of the State Fire Marshal's Office, within the Alabama Department of Insurance. The bureau currently has nine criminal investigators, one forensic examiner, an intake specialist, and supervised by one Assistant State Fire Marshal. Suspected fraud is reported to the bureau in a variety of ways. Most complaints are received directly from the NAIC (National Association of Insurance Commissioners) or the NICB, (National Insurance Crime Bureau), on behalf of the insurance industry. Complaints are also received on a regular basis from the consumer as well. Web based internet reporting is preferred and available through the Department of Insurance website, www.aldoi.gov, (<https://www.aldoi.gov/FraudUnit>.) When a complaint is submitted through the portal, the process assigns a tracking number and allows the reporting person to follow the progress of the complaint and in some situations, allows them to remain anonymous. In 2020, 310 complaints were assigned for investigation. 24 investigations concluded in arrest by our agency and 28 investigations concluded in criminal charges by other agencies working in conjunction with the department of insurance. Fraud investigations were conducted in 52 of the 67 Alabama counties. Jefferson County continues to be the highest reporting area with 43 investigations or 14% of the 310 assigned cases.

The bureau has the resources of Forensic Computer and Electronic Analysis functions. Through the cooperative efforts between the Department of Insurance and the Jacksonville State University Center for Applied Forensics, two of our fraud investigators conduct insurance fraud related forensic electronic examinations. These investigators are trained in the forensic analysis of electronic data, specifically, cell phones, computers and other loose media, (See the attached forensic report .)

2020 Fraud Investigations and Dispositions



- Cases Worked
- Cases Opened
- New Cases Received in 2020
- Cases Closed in 2020
- Closed/Criminal Charges Filed
- Closed/Other
- Closed/No Prosecution
- Closed/Administrative
- Closed/Lack of Resources
- Closed/Unfounded
- Inactive

Criminal Charges Pursued: The investigation resulted in criminal charges filed; arrest warrant signed or submitted for Federal or State Grand Jury presentations

Other: Investigation was turned over to other agencies working in conjunction with the Department of Insurance

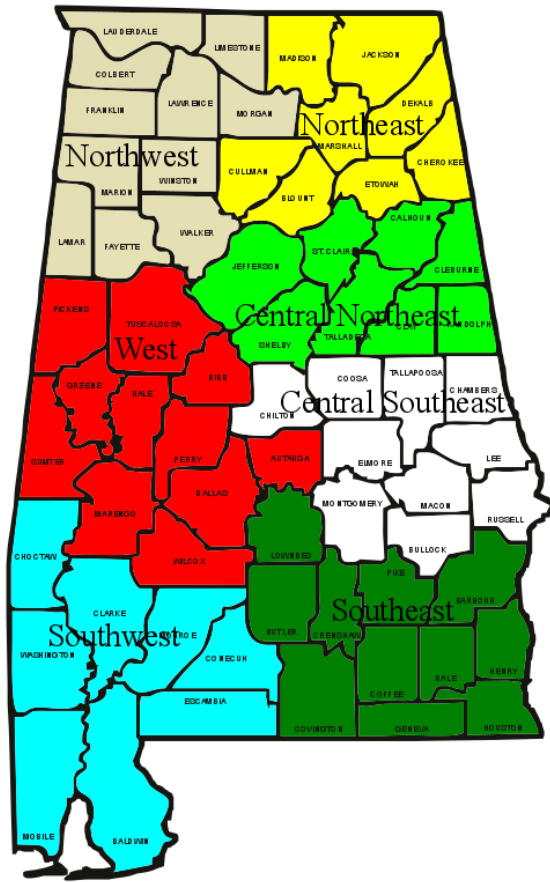
No Prosecution: The complaint was presented to prosecuting jurisdiction but was declined for prosecution

Administrative: Cases closed by decisions of the department in the best interest of the victim, witnesses or the department; this also includes complaints closed but referred for insurance regulatory review or sanctions

Lack of Resources: The complaint may have merit, but the investigation cannot continue due to limited resources

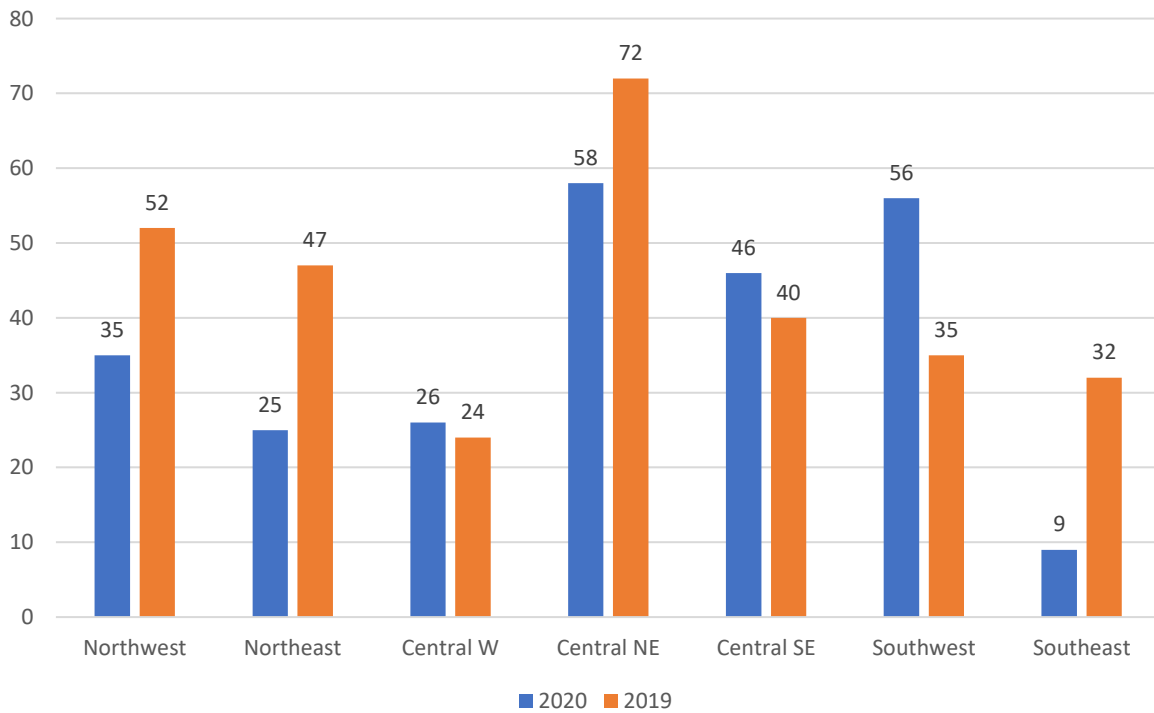
Unfounded: Complaint was investigated and was proven to be either a civil matter, did not occur as reported or at least “not criminal”

Inactive: Complaint received has little or no information; complainant is non-responsive; lack of complainant cooperation or original complaint was investigated, and all leads have been exhausted without a conclusion



Alabama
 Fraud Bureau
 Investigative Regions

Investigations by State Regions
 2019 - 2020 Comparison



Seven Year Comparison

