

THE REPORT OF THE

**STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL**

ALAN WILSON

INSURANCE FRAUD DIVISION

2012 ANNUAL REPORT



February 2013

**CUMULATIVE STATISTICS OF THE
INSURANCE FRAUD DIVISION
1995 - 2012**

TOTAL COMPLAINTS RECEIVED	12719
TOTAL FILES OPENED	6608
CRIMINAL CONVICTIONS	1357
CIVIL REMEDIES	764

Type of Fraud	Amount Reported
Personal/Commercial Property	\$22,729,659.02
Life Insurance	\$18,558,817.72
Automobile Insurance	\$13,917,236.53
Health/Medical	\$10,099,437.51
Workers' Compensation	\$9,431,590.83
Premium	\$9,411,898.09
Disability	\$7,232,456.87
Other	\$6,760,193.94
Unemployment	\$3,281,130.39
TOTAL	<u>\$101,422,420.90</u>

Types of Monies Collected	Amount Ordered
Criminal Restitution	\$5,235,311.44
Civil Penalties	\$1,584,343.21
Civil Restitution	\$1,201,515.07
Criminal Fines	\$378,603.73
Total	<u>\$8,399,773.45</u>

SUMMARY
Status of Cases – 2012

Complaints

Complaints Carried Forward from 2011	247
Complaints Received in 2012	1271
Information Only Referrals in 2012	465
Complaints Referred to other Agencies	23
Complaints Unfounded or Declined	976
Files Opened 2012	114
Complaints Carried Forward to 2013	91

Open Files

Files Opened in 2012	114
Open Files Disposed of 2012	377
Open Files on December 31, 2012	265
Open Files awaiting investigation as of 12/31/12	171

Disposition

2012 Convictions	49
2012 Civil Remedies	11

On the Docket

Indicted Cases as of December 31, 2012	43
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MONIES ORDERED AND/OR COLLECTED IN 2012

Criminal Penalties, Civil Penalties, Fines and Restitution

The following tables indicate the amounts of fines, penalties, restitution and attorneys' fees that have been ordered paid by the Courts or by a Memorandum of Understanding.

Monies Ordered and/or Collected Pursuant to Court Order

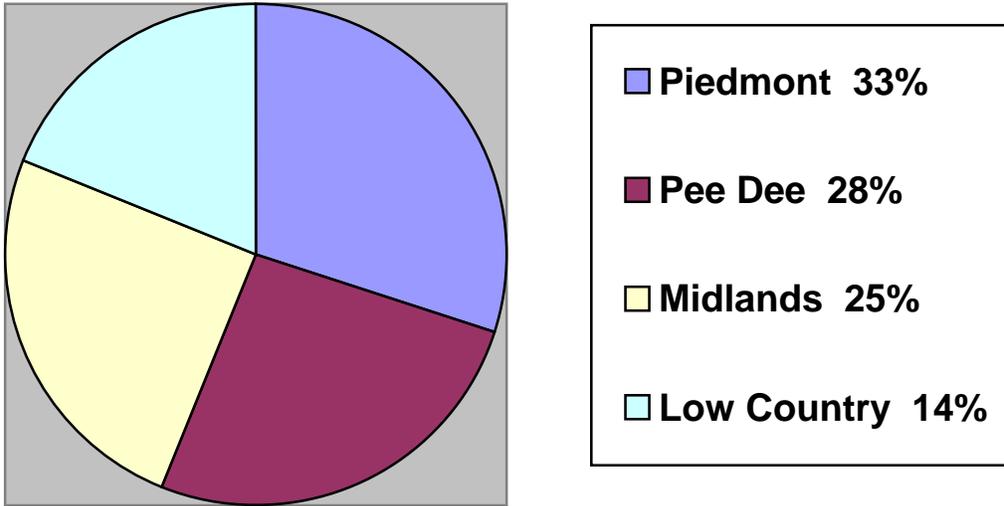
CRIMINAL	AMOUNT
Court Ordered Fines	\$17,500.00
Restitution Ordered	\$356,195.80
TOTAL	<u>\$373,695.80</u>

Monies Ordered and/or Collected Pursuant to Civil Disposition

CIVIL	AMOUNT
Fines Ordered	\$19,400.00
Fines Collected	\$19,400.00
Restitution Ordered	\$59,794.85
Restitution Collected	\$59,794.85
TOTAL ORDERED	<u>\$79,194.85</u>
TOTAL COLLECTED	<u>\$79,194.85</u>

BREAKDOWN OF CASES BY REGION

During 2012, the Insurance Fraud Division of the Attorney General's office opened 80 cases. As the chart below indicates, these cases were received from all areas of the state:



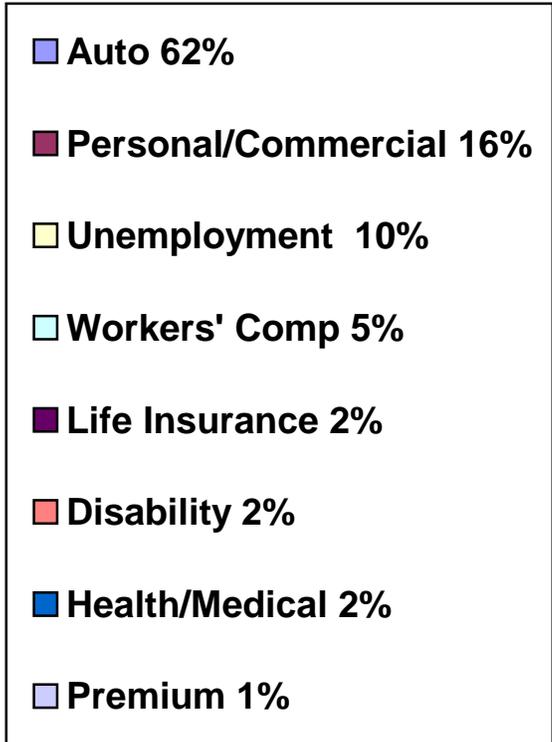
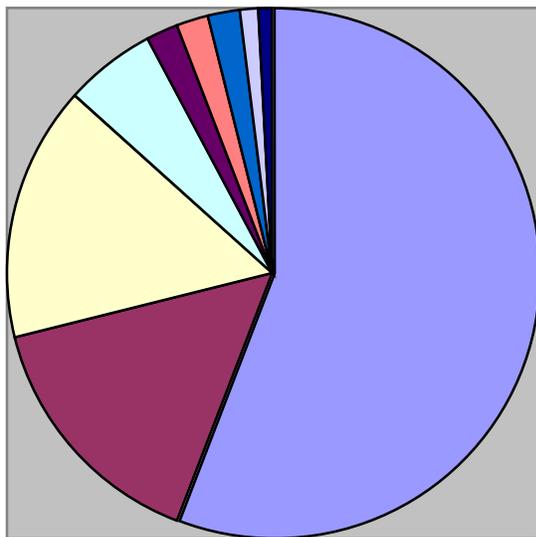
REGION	NUMBER OF CASES	PERCENT OF TOTAL
Piedmont	37	33%
Pee Dee	32	28%
Midlands	29	25%
Low Country	16	14%
TOTAL	114	100%

BREAKDOWN OF COMPLAINTS RECEIVED BY TYPE

The fraud complaints received during 2012 by the Insurance Fraud Division consisted of the following types of fraud:

Type of Fraud	Number of Complaints	Percentage of Total	Amount Reported
Automobile	792	62%	\$1,234,588.54
Personal/Commercial Property	209	16%	\$1,446,765.75
Unemployment	127	10%	\$2,273,836.39
Workers' Compensation	62	5%	\$624,495.02
Life Insurance	26	2%	\$458,091.34
Disability	25	2%	\$66,062.87
Health/Medical	19	2%	\$204,146.79
Premium	11	1%	\$76,605.94
TOTAL	1271	100%	\$6,384,592.64

Breakdown of Complaints by Type of Fraud – 2012



BREAKDOWN OF COMPLAINTS BY COUNTY

Note: Tables may show cases reported with no corresponding dollar amounts. In these cases, no dollar amount could be determined at the time the complaint was received, or the claim had been withdrawn or denied.

ABBEVILLE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	4	\$18,055.96	1
Personal/Commercial Property	1	\$1,616.50	0
Premium	1	0	0
TOTAL	6	\$19,672.46	1

AIKEN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	25	\$22,773.38	2
Health/Medical	2	\$9,553.00	0
Life Insurance	1	0	0
Personal/Commercial Property	7	\$74,292.09	0
Unemployment	3	\$60,640.00	3
TOTAL	38	\$167,258.47	5

ALLENDALE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	7	\$611.75	0
Personal/Commercial Property	2	0	0
Workers' Comp	1	0	0
TOTAL	10	\$611.75	0

ANDERSON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	17	\$20,751.00	0
Disability	1	\$673.10	0
Life Insurance	1	\$10,000.00	0
Personal/Commercial Property	7	\$35,311.71	0
Unemployment	3	\$47,607.00	3
Workers' Comp	4	0	2
TOTAL	33	\$114,342.81	5

BAMBERG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	5	\$3,615.34	0
Disability	1	\$3,358.31	0
Personal/Commercial Property	1	0	0
Premium Fraud	1	\$1,267.34	0
Unemployment	1	\$22,993.00	1
TOTAL	9	\$31,233.99	1

BARNWELL COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	6	\$3,800.00	0
Personal/Commercial Property	2	\$5,700.00	0
Unemployment	2	\$28,824.00	2
TOTAL	10	\$38,324.00	2

BEAUFORT COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	13	\$26,238.00	1
Disability	1	0	0
Health/Medical	1	\$15,649.79	0
Personal/Commercial Property	5	\$800.00	0
Workers' Comp	2	\$2,050.00	0
TOTAL	22	\$44,737.79	1

BERKELEY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	8	\$32,414.00	0
Disability	1	\$3,193.24	0
Life Insurance	1	0	0
Personal/Commercial Property	6	0	1
Unemployment	1	\$17,550.00	1
Workers' Comp	3	\$82,776.75	1
TOTAL	20	\$135,933.99	3

CALHOUN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	1	0	0
Personal/Commercial Property	2	\$37,000.00	0
Unemployment	1	\$13,860.00	1
TOTAL	4	\$50,860.00	1

CHARLESTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	45	\$44,151.02	0
Disability	2	\$2,920.00	1
Health/Medical	1	0	0
Life Insurance	4	\$33,200.00	0
Personal/Commercial Property	14	\$2,500.00	1
Unemployment	13	\$179,778.00	13
Workers' Comp	2	0	0
TOTAL	81	\$262,549.02	15

CHEROKEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	11	\$17,975.13	0
Unemployment	3	\$45,885.39	3
TOTAL	14	\$63,860.52	3

CHESTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	14	\$55,881.10	0
Personal/Commercial Property	3	\$43,010.00	0
Workers' Comp	1	0	0
TOTAL	18	\$98,891.10	0

CHESTERFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	9	\$1,962.67	1
Personal/Commercial Property	1	0	1
TOTAL	10	\$1,962.67	2

CLARENDON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	11	\$5,220.65	0
Personal/Commercial Property	1	0	0
Unemployment	2	\$54,850.00	2
TOTAL	14	\$60,070.65	2

COLLETON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	17	\$42,830.00	0
Personal/Commercial Property	2	\$3,750.00	0
Unemployment	2	\$35,381.00	2
Workers' Comp	1	0	0
TOTAL	22	\$81,961.00	2

DARLINGTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	6	\$8,712.51	0
Health/Medical	1	0	0
Personal/Commercial Property	2	0	0
Unemployment	1	\$14,844.00	1
Workers' Comp	1	\$30,728.64	1
TOTAL	11	\$54,285.15	2

DILLON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	10	0	0
Personal/Commercial Property	2	\$23,289.50	0
Unemployment	1	\$14,438.00	1
TOTAL	13	\$37,727.50	1

DORCHESTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	24	\$38,705.94	1
Personal/Commercial Property	3	0	0
Unemployment	3	\$58,930.00	3
Workers' Comp	3	\$76,751.39	1
TOTAL	33	\$174,387.33	5

EDGEFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	1	\$500.00	0
Disability	1	\$4,590.00	0
TOTAL	2	\$5,090.00	0

FAIRFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	15	\$26,109.80	0
Health/Medical	1	0	0
Personal/Commercial Property	1	0	0
Unemployment	2	\$37,920.00	2
Workers' Comp	1	0	0
TOTAL	20	\$64,029.80	2

FLORENCE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	25	\$124,664.46	0
Disability	1	0	0
Personal/Commercial Property	12	\$162,497.44	1
Premium Fraud	1	\$31,923.00	0
Unemployment	5	\$104,534.00	5
Workers' Comp	2	0	0
TOTAL	46	\$423,618.90	6

GEORGETOWN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	12	\$6,886.82	0
Unemployment	1	\$14,013.00	1
Workers' Comp	1	0	0
TOTAL	14	\$20,899.82	1

GREENVILLE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	69	\$62,980.72	3
Disability	2	0	0
Health/Medical	2	0	1
Life Insurance	4	\$10,512.89	2
Personal/Commercial Property	18	\$12,400.00	2
Premium Fraud	1	\$29,415.60	0
Unemployment	11	\$193,339.00	10
Workers' Comp	1	0	0
TOTAL	108	\$308,648.21	18

GREENWOOD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	21	\$4,828.49	2
Personal/Commercial Property	3	0	0
Workers' Comp	1	\$13,289.94	0
TOTAL	25	\$18,118.43	2

HAMPTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	8	\$2,589.74	0
Personal/Commercial Property	3	\$19,500.00	0
Unemployment	2	\$29,030.00	2
Workers' Comp	2	\$28,974.39	1
TOTAL	15	\$80,094.13	3

HORRY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	56	\$63,967.28	2
Disability	2	\$16,478.00	1
Health/Medical	2	\$996.00	1
Personal/Commercial Property	12	\$232,714.62	1
Unemployment	13	\$260,424.00	13
Workers' Comp	8	0	0
TOTAL	93	\$574,579.90	18

JASPER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	6	\$7,298.00	0
Personal/Commercial Property	1	\$8,500.00	0
TOTAL	7	\$15,798.00	0

KERSHAW COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	12	\$7,400.00	0
Health/Medical	1	\$115,000.00	0
Personal/Commercial Property	4	\$50,582.81	2
Unemployment	2	\$34,838.00	2
Workers' Comp	1	0	1
TOTAL	20	\$207,820.81	5

LANCASTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	8	\$11,258.21	1
Disability	1	\$3,710.17	0
Personal/Commercial Property	3	\$803.99	0
Premium Fraud	1	0	0
Unemployment	3	\$57,147.00	3
TOTAL	16	\$72,919.37	4

LAURENS COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	11	\$1,296.03	0
Personal/Commercial Property	5	\$5,241.70	0
TOTAL	16	\$6,537.73	0

LEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	5	\$18,929.25	0
TOTAL	5	\$18,929.25	0

LEXINGTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	33	\$131,183.44	5
Disability	3	\$311.70	1
Health/Medical	2	\$61,098.00	1
Life Insurance	2	0	0
Personal/Commercial Property	15	\$38,288.17	2
Premium Fraud	2	\$14,000.00	0
Unemployment	2	\$35,283.00	2
Workers' Comp	8	\$118,309.96	2
TOTAL	67	\$398,474.27	13

MARION COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	7	0	0
Personal/Commercial Property	2	0	0
Unemployment	1	\$14,962.00	1
Workers' Comp	2	0	0
TOTAL	12	\$14,962.00	1

MARLBORO COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	3	\$10,800.00	0
Personal/Commercial Property	1	\$939.00	0
TOTAL	4	\$11,739.00	0

MCCORMICK COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	4	\$17,500.00	0
TOTAL	4	\$17,500.00	0

NEWBERRY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	8	\$3,494.00	0
Health/Medical	1	0	0
Unemployment	2	\$40,708.00	2
Workers' Comp	1	0	0
TOTAL	12	\$44,202.00	2

OCONEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	2	\$5,496.00	0
Personal/Commercial Property	6	0	0
Unemployment	2	\$29,110.00	2
TOTAL	10	\$34,606.00	2

ORANGEBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	18	\$49,945.40	2
Disability	2	\$9,460.70	1
Life Insurance	1	\$13,000.00	0
Personal/Commercial Property	7	\$26,818.37	0
Unemployment	9	\$174,142.00	9
TOTAL	37	\$273,366.47	12

PICKENS COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	7	\$1,175.00	0
Personal/Commercial Property	4	\$6,192.08	0
Unemployment	2	\$29,807.00	2
Workers' Comp	1	0	0
TOTAL	14	\$37,174.08	2

RICHLAND COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	73	\$73,161.19	5
Disability	2	\$6,006.67	0
Health/Medical	2	\$1,100.00	0
Life Insurance	2	\$1,124.45	0
Personal/Commercial Property	21	\$101,828.36	0
Premium Fraud	2	0	0
Unemployment	12	\$248,860.00	12
Workers' Comp	5	\$15,800.00	2
TOTAL	119	\$447,880.67	19

SALUDA COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	3	0	0
Workers' Comp	1	0	0
TOTAL	4	0	0

SPARTANBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	36	\$70,123.74	3
Disability	3	\$15,360.98	0
Life Insurance	1	0	0
Personal/Commercial Property	8	\$546,615.12	0
Unemployment	7	\$120,045.00	7
Workers' Comp	2	0	1
TOTAL	57	\$752,144.84	11

SUMTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	64	\$86,372.31	25
Life Insurance	4	0	0
Personal/Commercial Property	10	0	0
Unemployment	4	\$61,222.00	4
Workers' Comp	1	0	0
TOTAL	83	\$147,594.31	29

UNION COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	7	\$331.20	0
Life Insurance	1	\$20,000.00	0
Personal/Commercial Property	2	\$5,372.29	0
Unemployment	2	\$30,763.00	2
TOTAL	12	\$56,466.49	2

WILLIAMSBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	13	\$24,982.38	0
Life Insurance	1	\$15,000.00	0
Personal/Commercial Property	1	0	0
Unemployment	2	\$41,763.00	2
Workers' Comp	1	0	0
TOTAL	18	\$81,745.38	2

YORK COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	25	\$54,726.63	1
Disability	2	0	1
Health/Medical	1	\$750.00	0
Life Insurance	3	\$355,254.00	0
Personal/Commercial Property	8	\$1,202.00	0
Premium Fraud	1	0	0
TOTAL	40	\$411,932.63	2

UNKNOWN/OTHER/OUT OF STATE

Type of Fraud	Number of Complaints	Total Amount Reported	2012 Complaints Pending
Automobile	7	\$18,790.00	0
Health/Medical	2	0	1
Personal/Commercial Property	1	0	0
Premium	1	0	0
Unemployment	7	\$120,346.00	7
Workers' Comp	5	\$255,813.95	2
TOTAL	23	\$394,949.95	10

SELECTED STATUTES FROM THE SOUTH CAROLINA CODE OF LAWS PERTAINING TO THE INVESTIGATION AND PROSECUTION OF INSURANCE FRAUD and GLASS COUPONING

§ 38-55-530. Definitions.

As used in this article:

(A) "Authorized agency" means any duly constituted criminal investigative department or agency of the United States or of this State; the Department of Insurance; the Department of Revenue; the Department of Public Safety; the Workers' Compensation Commission; the State Accident Fund; the Second Injury Fund; the Employment Security Commission; the Department of Consumer Affairs; the Human Affairs Commission; the Department of Health and Environmental Control; the Department of Social Services; the Department of Health and Human Services; the Department of Labor, Licensing and Regulation; all other state boards, commissions, and agencies; the Office of the Attorney General of South Carolina; or the prosecuting attorney of any judicial circuit, county, municipality, or political subdivision of this State or of the United States, and their respective employees or personnel acting in their official capacity.

(B) "Insurer" shall have the meaning set forth in Section 38-1-20(25) and includes any authorized insurer, self-insurer, reinsurer, broker, producer, or any agent thereof.

(C) "Person" means any natural person, company, corporation, unincorporated association, partnership, professional corporation, or other legal entity and includes any applicant, policyholder, claimant, medical providers, vocational rehabilitation provider, attorney, agent, insurer, fund, or advisory organization.

(D) "False statement and misrepresentation" means a statement or representation made by a person that is false, material, made with the person's knowledge of the falsity of the statement, and made with the intent of obtaining or causing another to obtain or attempting to obtain or causing another to obtain an undeserved economic advantage or benefit or made with the intent to deny or cause another to deny any benefit or payment in connection with an insurance transaction and such shall constitute fraud.

§ 38-55-540. Criminal penalties for making false statement or misrepresentation, or assisting, abetting, soliciting or conspiring to do so; restitution to victims.

(A) A person who knowingly makes a false statement or misrepresentation, and any other person knowingly, with an intent to injure, defraud, or deceive, or who assists, abets, solicits, or conspires with a person to make a false statement or misrepresentation, is guilty of a:

(1) misdemeanor, for a first offense violation, if the amount of the economic advantage or benefit received is less than one thousand dollars. Upon conviction, the person must be fined not less than one hundred nor more than five hundred dollars or imprisoned not more than thirty days;

(2) misdemeanor, for a first offense violation, if the amount of the economic advantage or benefit received is one thousand dollars or more but less than ten thousand dollars. Upon conviction, the person must be fined not less than two thousand nor more than ten thousand dollars or imprisoned not more than three years, or both;

(3) felony, for a first offense violation, if the amount of the economic advantage or benefit received is ten thousand dollars or more but less than fifty thousand dollars. Upon conviction, the person must be fined not less than ten thousand nor more than fifty thousand dollars or imprisoned not more than five years, or both;

(4) felony, for a first offense violation, if the amount of the economic advantage or benefit received is fifty thousand dollars or more. Upon conviction, the person must be fined not less than twenty thousand nor more than one hundred thousand dollars or imprisoned not more than ten years, or both;

(5) felony, for a second or subsequent violation, regardless of the amount of the economic advantage or benefit received. Upon conviction, the person must be fined not less than twenty thousand nor more than one hundred thousand dollars or imprisoned not more than ten years, or both.

(B) In addition to the criminal penalties set forth in subsection (A), a person convicted pursuant to the provisions of this section must be ordered by the court to make full restitution to a victim for any economic advantage or benefit which has been obtained by the person as a result of that violation, and to pay the difference between any taxes owed and any taxes the person paid, if applicable."

SECTION 38-55-170. Presenting false claims for payment.

A person who knowingly causes to be presented a false claim for payment to an insurer transacting business in this State, to a health maintenance organization transacting business in this State, or to any person, including the State of South Carolina, providing benefits for health care in this State, whether these benefits are administered directly or through a third person, or who knowingly assists, solicits, or conspires with another to present a false claim for payment as described above, is guilty of a:

- (1) felony if the amount of the claim is ten thousand dollars or more. Upon conviction, the person must be imprisoned not more than ten years or fined not more than five thousand dollars, or both;
- (2) felony if the amount of the claim is more than two thousand dollars but less than ten thousand dollars. Upon conviction, the person must be fined in the discretion of the court or imprisoned not more than five years, or both;
- (3) misdemeanor triable in magistrates court or municipal court, notwithstanding the provisions of Sections 22-3-540, 22-3-545, 22-3-550, and 14-25-65, if the amount of the claim is two thousand dollars or less. Upon conviction, the person must be fined not more than one thousand dollars, or imprisoned not more than thirty days, or both.

§ 38-55-550. Civil penalties for violations of article; costs; payment; use of revenues; Attorney General to assist Insurance Fraud Division; consent agreements.

(A) In addition to any criminal liability, any person who is found by a court of competent jurisdiction to have violated any provision of this article, including Section 38-55-170, is subject to a civil penalty for each violation as follows:

- (1) for a first offense, a fine not to exceed five thousand dollars;
- (2) for a second offense, a fine of not less than five thousand dollars but not to exceed ten thousand dollars;
- (3) for a third and subsequent offense, a fine of not less than ten thousand dollars but not to exceed fifteen thousand dollars.

(B) The civil penalty must be paid to the director of the Insurance Fraud Division to be used in accordance with subsection (D) of this section. The court may also award court costs and reasonable attorneys' fees to the director. When requested by the director, the Attorney General may assign one or more deputies attorneys general to assist the bureau in any civil court proceedings against the person.

(C) Nothing in subsections (A) and (B) shall be construed to prohibit the director of the Insurance Fraud Division and the person alleged to be guilty of a violation of this article from entering into a written agreement in which the person does not admit or deny the charges but consents to payment of the civil penalty. A consent agreement may not be used in a subsequent civil or criminal proceeding relating to any violation of this article.

(D) All revenues from the civil penalties imposed pursuant to this section must be used to provide funds for the costs of enforcing and administering the provisions of this article.

§ 39-5-170. Vehicle glass repair business; unlawful practices.

It is an unfair trade practice and unlawful for a person who is acting on behalf of or engaged in a vehicle glass repair business to offer or make a payment or transfer money or other consideration to:

- (1) a third person for the third person's referral of an insurance claimant to the vehicle glass repair business for the repair or replacement of vehicle safety glass;
- (2) an insurance claimant in connection with the repair or replacement of vehicle safety glass; or
- (3) waive, rebate, give, or pay all or part of an insurance claimant's casualty or property insurance deductible as consideration for selecting the vehicle glass repair business.

§ 38-55-173. Unlawful vehicle glass repair business practices; penalties.

(A) A person who is acting on behalf of or engaged in a vehicle glass repair business is guilty of a misdemeanor if the person offers or makes a payment or transfer of money or other consideration to:

- (1) a third person for the third person's referral of an insurance claimant to the vehicle glass repair business for the repair or replacement of vehicle safety glass;
- (2) an insurance claimant in connection with the repair or replacement of vehicle safety glass; or
- (3) waive, rebate, give, or pay all or part of an insurance claimant's casualty or property insurance deductible as consideration for selecting the vehicle glass repair business.

(B) If the amount of the payment or transfer of subsection (A) has a value of:

- (1) one thousand dollars or more, the person, upon conviction, must be fined in the discretion of the court or imprisoned for not more than three years, or both, per violation; or
- (2) less than one thousand dollars, the person, upon conviction, must be fined not more than five hundred dollars or imprisoned for not more than thirty days, or both, per violation.

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