



## A Word From the Vice President Brad Marlowe

I want to begin by telling you that I appreciate the opportunity in allowing me to serve as the 2011 SCIFI Vice President. As many of you know we recently met with the new South Carolina Attorney General Alan Wilson for SCIFI's 2<sup>nd</sup> quarter training of 2011. For the ones who were unable to attend, we met at the Colonial Life building in Columbia for a morning session with Alan Wilson, Heather Weiss and Melissa Manning.

Mr. Wilson began by giving the audience a rundown of his staff he has on hand at this time. Wilson said he currently consolidated the attorneys so they can learn to prosecute all types of cases. He goes on to tell he only has two investigators assigned to the AG's Office and they currently conduct investigations in the Medicaid and Securities Divisions. Mr. Wilson says SLED, at this time, has no investigators assigned to the AG's Office so this is hindering the investigation and prosecution of many insurance fraud cases. Wilson said he has had many meetings and looked the budget over a number of times for money to hire his own investigators that can conduct investigations for his office. Wilson also told us that he met with Senator David Thomas with the attempts at gathering the money and resources to hire his own investigators. Mr. Wilson said this was added to a House Bill but was later struck off the bill.

"Where do we go from here?" Mr. Wilson asked the audience of 40 plus. He stated he first wants the money to hire his own investigators and give them the authority to investigate all the cases referred to his office. This is so he does not have to rely on SLED. He said this summer a new Director of SLED will be appointed so he expects to have the opportunity to sit down and discuss this with the new director. At this time the question was asked, "Is there was someone in mind for the Directors position?". Mr. Wilson said there is a committee currently reviewing the applicants and will meet soon. Mr. Wilson then made it clear that we need to approach our local Senators and House Members with our concerns of the next Director. Mr. Wilson then asked what are the three things we should be looking at in a new Director of SLED? Mr. Wilson says we must look for the following; 1) Law enforcement experience, 2) Successful management experience and 3) Young enough to sustain the job but old enough to handle the job.

At this time Mr. Wilson needed to leave for a prior commitment but made it clear that if there are any questions or concerns to please contact him or his staff.

After I heard Mr. Wilson speak, I felt as if it was clear as to what he was attempting to do with his office during these budget trying times. I walked away knowing that things with the AG's Office will get better, whether it's when the new Director of SLED is appointed or when the money is found to hire new investigators for Wilson's office.

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## Training 2nd Quarter 2011



- On March 15, Special Agent Terri DeAngelo with NICB presented training on Hail Damage Fraud at the Charlotte Police Training Academy. Attendees were updated on several major investigations conducted by NICB. Additionally, photographs and surveillance video of perpetrators manufacturing damage was presented.

• On March 17, SCIFI and IAAI sponsored training on cell phone technology and cellular forensics with speaker Thomas J. Slovenski, of Cellular Forensics, LLC in Greenville, SC. Cellular Forensics is SC's first private forensic technology firm specializing in cell phone data recovery, cell site analysis and malware/spyware detection. Mr. Slovenski is a published writer, noted speaker, trainer and consultant in the field of Cellular. Mr. Slovenski is a Certified Mobile Forensic Data Recovery Specialist and cell tower Analyst. The topics he covered included: 3 Things



Every Investigator Needs To Know About Cell Phones, S.P.E.A.R. Triage Method, Tools for Extraction.



- On May 11, SCIFI Second Quarter Training/Meeting included Guest Speaker SC Attorney General Alan Wilson. This took place at the Colonial Life building. Mr. Wilson discussed the Preparation of Fraud Referrals to AG Office and the future of the

## Upcoming Training

**2011 Cargo Theft Conference** August 17-18, 2011 at The College Center, Complex for Economic Development, Trident Technical College 7000 Rivers Avenue, North Charleston, SC

### Presentation Agenda will include:

- ISO Claim Search database CargoNet
- Cargo Theft Trends: Local and Nationwide Statistics
- Technology, Techniques and Tools used in the Trucking Industry for Theft and by the Cargo Thief
- Cargo Theft Prevention
- Information Sharing between Law Enforcement, NICB, Insurance Industry and Cargo Transport Industry
- Development of a Mid Atlantic Cargo Theft Council

### Attendee Fees

Law Enforcement: \$5.00

All Others: \$30.00

RSVP to: [jlewis@nicb.org](mailto:jlewis@nicb.org)

## Membership Committee Letter To All South Carolina Law Enforcement

In our last issue, the Membership Committee updated us on their attempts to increase our law enforcement membership. The following letter was sent from Brad Marlowe to all Law Enforcement Agencies:

I would like to start by giving you a brief summary about the South Carolina Insurance Fraud Investigators (SCIFI) organization. We are a combination of insurance investigators (SIU), local law enforcement and fire officials combating insurance fraud in the State of South Carolina. As you know, insurance fraud is a multi-billion dollar industry that continues to grow on a daily basis. SCIFI strives to assist in the training of not only insurance investigators, but also our local law enforcement and local fire departments, to recognize the attempt to commit insurance fraud. We conduct four training sessions a year and try to hold them in convenient locations for all members to attend. We also have a SCIFI Conference each November which consist of training and recognizing accomplishments made by our members.

I would like to send an invitation, asking you to suggest an investigator or officer from your departments to join SCIFI free of charge. I ask that you recommend someone to represent your department by filling out the membership form that has been supplied with this letter. Once your designee has completed and submitted the membership form they will receive a quarterly e-newsletter and information on upcoming training. In addition, they will receive the opportunity to make professional contacts throughout the state from other departments and insurance companies. Again, this is a membership at no charge to your designee or your department.

If you have any questions, please feel free to contact Brad Marlowe at 843-566-3622 or Jody Parker (Memberships) at 803-936-4340.

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### 13th Annual Fall SCIFI Conference

Come and enjoy our yearly conference in the heart of the SC Low Country!

**Sunday November 6-Tuesday November 8, 2011**

Holiday Inn

250 Johnnie Dodds Blvd

Mt. Pleasant, SC 29464

843-884-6000

Special Rooms Rates will be available (additional information to follow)

Lunch on Monday will be provided

Hospitality Room provided Sunday and Monday nights

PAYPAL will be available on the website to register with a credit card

Training topics:

- Upcoming Computer Technology
- Automobile Theft and Fire Investigations
- Major Case Investigations
- Specialty Theft Investigations
- Identity Theft Investigations
- NICB/ISO Round Table
- SCIFI Officers and Board Member Elections

***Nominations: We will be electing new officers at the Annual Conference and we are looking for new blood. If you are interested in running for one of the Officer's positions for next year, please contact Donna Kifer. Donna.Kifer@allstate.com 864-213-3691.***

## SLED Director Announcement

Governor Nikki Haley nominated Mark Keel, the prior assistant director under Robert Stewart, to head up SLED. Keel supports the prosecution of arson cases and the industry will have an ally in the top office again. He'll act as interim assistant director until the end of the year and if he is confirmed in January by the Senate, he will replace outgoing director Reggie Lloyd who announced he would leave the agency before his term ended.

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## Weaknesses in PKES Systems

Researchers at ETH Zurich University used \$100 antennas to successfully hack into 10 vehicles from 8 manufacturers of recent model cars with passive keyless entry and start (PKES Systems). They used a pair of antennas (one near the key holder and a second near the vehicle, connected wirelessly or via cables) to trigger and relay signals across distances of 50 meters. For consumers who own a vehicle with PKES, immediate fixes suggested by the study authors were 1. placing their key fob in a small key case lined with aluminum to prevent a signal being received from the car or 2. removing the battery that powers the radio from the key, thereby disabling its wireless communication function. Vendors will likely move quickly to make these systems more secure and automakers will be able to implement software fixes to stay ahead of the curve. A spokesperson for American Honda Motor Co., noted that they evolved their technology over the years to make cars more and more difficult to steal. Eg. innovations such as engine immobilizers, advanced key cutting and "rolling code" in keyless entry systems that prevents an attacker from "eavesdropping" once on the unlock command and then being able to replicate it at will.

## Life Insurance Database

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Walt Woloszczuk with NICB recently shared information regarding Life Insurance Policy Searches. Cases requiring a search of life insurance policies (i.e. suspicious deaths, murders) now have a new resource with which to gather that data. The International Claim Association will forward an alert throughout their network, consisting of approximately 400 life insurance companies, requesting the data and providing the information to you in the course of a criminal investigation. The request MUST COME FROM the Law Enforcement Officer conducting the investigation.

They request that you provide the following:

- A reason for the search (i.e., suspicious death).
- Complete name and all available identifiers (DOB; SSN) of the individual for which you are seeking life insurance information.
- Name, Address, Telephone Number, Law Enforcement Agency Name, and E-mail Address (if available) for person receiving documents.

Requests may be sent to: [DWGrannan@goldenrule.com](mailto:DWGrannan@goldenrule.com)

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## Death of Two Fraud investigators

Two Louisiana insurance fraud investigators were shot in Ville Platte, Louisiana in June 2011 while trying to collect information from an insurance agent. The agent later turned the gun on himself. All three were killed. Fraud specialists Rhett Jeansomme and Kim Sledge were investigating John Melvin Lavergne, whose license had been suspended for providing fraudulent proofs of vehicle insurance several times. In October of 2010, he was reported for not sending payments from his customers to the insurance companies causing seven policies to cancel. He had been charged with unfair claims practices in January. The 64 year old was also fined \$16,500. Lavergne had been in business selling insurance for over 40 years. Lavergne and his family owned several businesses in town. The investigators were unarmed. After shooting the two unarmed investigators, Laverne barricaded himself in his office. A swat team and more than 100 officers responded to the incident and used a remote camera to go into the building. It was determined that Laverne shot himself after killing Sledge and Jeansomme.

## S.C. Arson Hotline Reward

Two men were arrested for setting fires set at an old mill building in Rock Hill on July 3 and July 10, 2009 as a result of a tip to the South Carolina Arson Hotline (**1-800-92-ARSON**). A witness said that Matthew Wallace and Christopher Anderson were bragging about setting the fires. A reward of \$1,000 was given to the tipster, who wished to remain anonymous. The two fires cost the city of Rock Hill \$60,000. Wallace pleaded no contest to third-degree arson charges and was sentenced to 10 years, five of them in prison and the other five on probation, Anderson pleaded guilty but mentally ill to two counts of third-degree arson and was sentenced to 10 years in prison on the first charge and two years probation on the second. The South Carolina Arson Hotline (1-800-92-ARSON or 1-800-922-7766) is a statewide toll-free number available 24 hours a day for reporting information about suspicious fires.

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## SC Attorney General Collects 2.3. Million in Medicaid Fraud

The South Carolina Attorney General's office collected \$2.3 million in restitution from Dr. Saroj K. Parida of Pennsylvania, who defrauded the state Medicaid program. Parida is serving an 8 year federal prison term after pleading guilty to federal charges of health care fraud and mail fraud. Parida operated "The Download Center" out of his Pennsylvania home conducting sleep studies on children. Families in SC would pick up monitoring equipment from a local medical supply service, hook their children up to it while they slept and then send the data to Parida's "Download Center". SC Attorney General Alan Wilson says Parida was "then using that personal information to make false claims to Medicaid for services he never did on these children." The SC DHHS noticed a spike in the number of costly procedures he billed to the state's Medicaid program in 2008 which led to a joint investigation by the SC and PA attorneys general. Parida will pay over \$7 million in restitution to Medicaid and private insurance companies. Medicaid fraud costs SC \$270 million a year. SC Medicaid Fraud Control Unit has 14 members and the federal government pays for 75 percent of its costs.

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## Columbia Woman Pleads Guilty to Insurance Fraud

In May, Phyllis Renea Bryant pleaded guilty to obtaining property by false pretenses. Judge Thomas W. Cooper Jr. sentenced her to 18 months suspended to two years probation and \$3,489.29 restitution to Allstate Insurance Co. Bryant agreed to pay a civil penalty in addition to her criminal guilty plea in Richland County. In 2009, Bryant reported to police and Southern United Insurance Co. that her 1998 Jeep Cherokee had been stolen. The vehicle was later recovered burned. Bryant signed a vehicle theft statement indicating she did not have any other insurance on the vehicle. An investigation found that she had insurance on the same vehicle with at least three other insurance companies and that she had filed a claim with each of them for the theft. The case was investigated by Ted Shealy of SLED. It was prosecuted by the S.C. Attorney General's Office.

## Vehicles with Highest Insurance Claims for Theft

Cadillac Escalade
Ford F-250 crew 4WD
Infiniti G37 2-door
Dodge Charger HEMI
Chevrolet Corvette Z06
Hummer H2 4WD
Nissan Pathfinder Armada
Chevrolet Avalanche 1500
Chevrolet Silverado 1500
GMC Yukon

## Vehicles with Lowest Claims for Theft

Volvo S80
Saturn VUE 4WD (2008-09)
Nissan Murano (2009)
Saturn VUE (2008-09)
Honda Pilot 4WD (2009)
Subaru Impreza (2008-09)
Toyota Prius
Mini Cooper
Toyota Tacoma
Toyota Sienna 4WD

**SCIFI Website <http://www.sc-ifi.org/index.htm>**

Please visit the SCIFI website. Upcoming training opportunities can be found under News and Events. If you have any information for the website, please contact Taylor Gardner at **[gardnet2@nationwide.com](mailto:gardnet2@nationwide.com)**.

**Pay Pal** has been added to the website for membership renewals and payment for functions.



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**SCIFI is an active professional organization of insurance fraud investigators, law enforcement, fire service and other allied personnel who share a common goal: combating insurance fraud.**

**Please submit any items for Member News that you think should be included in the newsletter (e.g. member news, new members, promotions, certifications achieved, job openings. This information can be emailed to [webbj1@nationwide.com](mailto:webbj1@nationwide.com).**



Mailing Address:  
PO BOX 674  
Columbia, SC 29202

Editor: Jodie Webb Johnson  
864-380-1683  
[webbj1@nationwide.com](mailto:webbj1@nationwide.com)

