



ALABAMA FIRE MARSHAL'S OFFICE 2019 ANNUAL REPORT



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Mission Statement for the Alabama Fraud Bureau

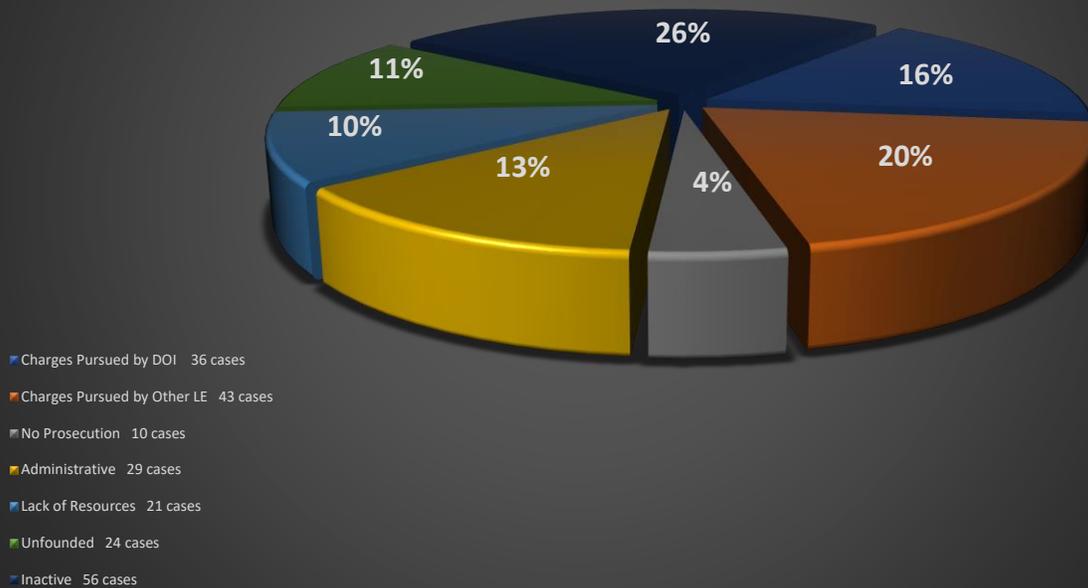
The Fraud Bureau protects the public from economic harm by investigating allegations of criminal insurance fraud. Responsibilities include receiving and reviewing reports of fraud, initiating inquiries and conducting investigations when the Department has reason to believe that insurance fraud may have 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 eight criminal investigators, one forensic examiner, an intake specialist and one supervisor. Suspected fraud is reported to the bureau in a variety of ways. Most complaints are received directly from the insurance companies, from the NAIC (National Association of Insurance Commissioners) or the NICB, (National Insurance Crime Bureau), on behalf of the insurance companies. Complaints were also received on a regular basis from the public. Web reporting is preferred and available through the Department of Insurance website, www.aldoi.gov, under the fraud bureau web page, (<http://www.aldoi.gov/FraudUnit/About.aspx> .) When a complaint is submitted through the web portal, it assigns a tracking number for the reporting person and allows the complainant to follow the progress of the complaint. In 2019, 302 complaints were assigned for investigation. 36 investigations concluded in arrest by our agency, (43 other bureau investigations concluded in criminal charges by other agencies working in conjunction with the department of insurance.) Fraud investigations were conducted in 50 of the 68 Alabama counties. Jefferson County continues to be the highest reporting area with 37 investigations or 12.25% of 302

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 .)

Results of Fraud Complaints Investigated in 2019



Charges Pursued by DOI: Complaint resulted with criminal charges filed; arrest warrant signed or grand jury presentations

Charges pursued by Other Law Enforcement: Cases turned over to agencies working in conjunction with the Department of Insurance

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

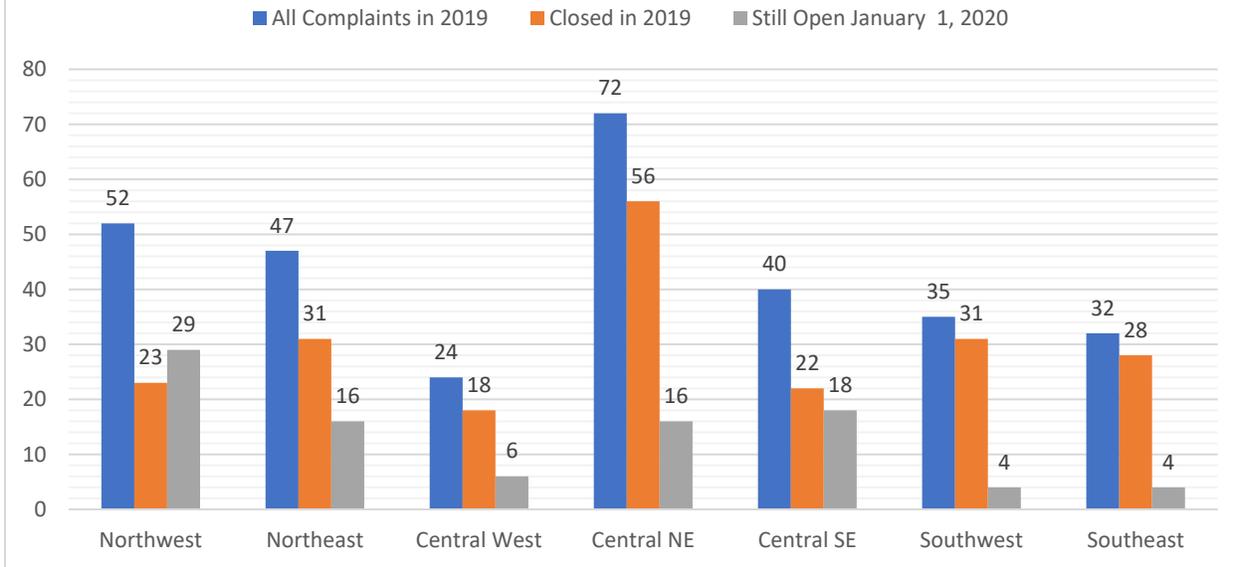
Administrative: Cases closed by decisions of the department in the best interest of the victim, witnesses or department; this also includes complaints closed but referred for regulatory review or sanctions

Lack of Resources: 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 or at least “not criminal”

Inactive: Complaint received has little or no information; complainant refused cooperation or original complaint was investigated, and all leads have been exhausted without a conclusion

2019 Fraud Complaints by State Region



Alabama Department of Insurance Fraud Bureau

COMPUTER ANALYSIS STATISTICS

2019 Annual Report

Agencies Assisted	12
Criminal Cases Assisted	40
Computer/ DVR's Analyzed	21
Volume Examined	9.07 TB
Cell Phones Analyzed	42
Volume Examined	1.936 TB
Loose media/ mass storage devices Analyzed	5
Volume Examined	2.56 TB
TOTAL VOLUME ANALYZED	13.566 TB

Additional forensic assistance offered to other agencies: Alabama Department of Conservation, Calhoun County District Attorney's Office, Calhoun County Sheriff's Office, The Center for Applied Forensics, Oxford Police Department, Randolph County Sheriff's Office, St. Clair County Sheriff's Office, Talladega County Sheriff's Office and the Winfield Police Department.