

Texas Department of Insurance

Fraud Unit Annual Report

November 2022



Fraud Unit Annual Report

Fiscal year 2022

by the

Texas Department of Insurance

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Overview

The Texas Department of Insurance (TDI) Fraud Unit protects the public from economic harm by investigating and prosecuting insurance fraud.

Responsibilities include:

- Investigating fraud allegations and working with other law enforcement agencies and prosecutors to indict and prosecute offenders in Texas.
- Educating the public about fraud and how to report and avoid it.
- Helping consumers and local officials identify and prevent potential fraud after disasters.
- Sharing knowledge and experience to help law enforcement, prosecutors, and the industry successfully investigate and prosecute insurance fraud.

Organization

Criminal investigators

The unit's investigators are licensed state peace officers who resolve allegations of insurance fraud.

Types of fraud the unit investigates:

- Insurance agents stealing premiums, fraudulently obtaining commissions, and committing forgery.
- Insurance adjusters defrauding consumers and insurance companies.
- People staging accidents and committing insurance claim fraud.
- Doctors and health care providers submitting fraudulent bills.

Fraud prosecutors

The unit's prosecutors are special assistant district attorneys in the Bexar, Dallas, Harris, Tarrant, and Travis county district attorney offices. They prosecute insurance fraud cases referred by the unit's investigators and other law enforcement agencies.

Administrative operations

Administrative staff provide wide-ranging support:

- Intake analysts review incoming fraud reports.
- Criminal analysts collect and analyze data to support investigators and prosecutors.
- A forensic accountant provides expert analysis of financial records.
- Other staff respond to open records requests; maintain files, equipment, and supplies; create subpoenas; secure evidence; and track the progress of referred cases and prosecutions.

Fiscal year 2022 in review

Case highlights

In fiscal year 2022, the Fraud Unit referred 220 offenses for prosecution. Fifty-five people were indicted, and 31 cases were adjudicated.

These were the most significant cases:

Investigation leads to additional guilty pleas from former NFL players

In Harris County, five former NFL players accused of taking part in a scheme to defraud the Gene Upshaw NFL Player Health Reimbursement Account Plan pleaded guilty over the past year. Shantee Orr, Clint Ingram, Chadwick Slaughter, Fabian Washington, and Jonathan Hadnot each pleaded guilty to third-degree felonies, made to repay the money unlawfully taken (over \$343,000 combined) and were each placed on five years' deferred adjudication community supervision.

Harris County insurance agent guilty of stealing ambulance premiums

In Harris County, Dimitriy Shilnikov was placed on 10 years' deferred adjudication after pleading guilty to a second-degree felony for misapplication of fiduciary property. Shilnikov, an insurance agent, stole premiums from corporate clients who provided emergency ambulance transportation services. As a condition of the plea, Shilnikov was ordered to pay over \$209,000 in restitution.

Tarrant County woman guilty of organized crime

In Tarrant County, Teandra Gipson was placed on seven years' deferred adjudication after pleading guilty to a second-degree felony for engaging in organized crime. Gipson, and four others she recruited, filed false medical claims as employees under her employer group policy. As a condition of her plea, Gipson was ordered to pay \$55,440 in restitution.

Investigations

In FY 2022, the unit worked on 389 criminal investigations. At the end of the year, the unit had 173 pending investigations in 86 cities and 40 counties across Texas.

Court dispositions

In FY 2022, 31 case dispositions resulted in the following sentences and court orders:

- 3 years in jail
- 13 years of probation
- 117 years of deferred adjudications
- 1,850 hours of community service
- \$6,800 in fines

Key statistics

Key statistics by fiscal year

Type	2018	2019	2020	2021	2022
Fraud reports	13,395	14,465	14,180	14,645	16,277
Investigations resolved	284	302	246	193	216
Suspects resolved*	-	-	-	-	451
Suspects indicted	79	76	32	38	55
Restitution ordered	\$13.6 M	\$1.7 M	\$11.6 M	\$53.8 M	\$16.1 M

* Because investigations may have more than one suspect, TDI also started tracking suspects resolved in FY 2022.

Education and training

Fraud Unit employees gave 10 presentations at national and regional conferences and provided training to other law enforcement agencies, prosecutors, and lawyers.

Highlights include:

- Training prosecutors from other states at the 2021 National Conference of Insurance Crime Attorneys in Chicago.
- Discussing workers' compensation fraud prosecution, investigation techniques, and statutory challenges at the 2022 Workers' Compensation Conference in Austin.



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