

NAIC 2009 Summer National Meeting  
Washington, DC

**ANTIFRAUD (D) TASK FORCE**

**Tuesday, September 22, 2009**

**2:00 pm to 4:00 pm**

**Gaylord Convention Center—National Harbor 4-5 (National Harbor Level)**

Sandy Praeger, Chair	Kansas	Glenn Wilson	Minnesota
Kim Holland, Vice Chair	Oklahoma	Mike Chaney	Mississippi
Linda S. Hall	Alaska	John Huff	Missouri
Jay Bradford	Arkansas	Monica Lindeen	Montana
Steve Poizner	California	Scott Kipper	Nevada
Karen Weldin-Stewart	Delaware	Roger Sevigny	New Hampshire
Gennet Purcell	District of Columbia	James Wrynn	New York
Kevin McCarty	Florida	Wayne Goodwin	North Carolina
Michael McRaith	Illinois	Adam Hamm	North Dakota
J.P. Schmidt	Hawaii	Mary Jo Hudson	Ohio
Carol Cutter	Indiana	Joel Ario	Pennsylvania
Susan E. Voss	Iowa	Kent Michie	Utah
James J. Donelon	Louisiana	Mike Kreidler	Washington
Ralph S. Tyler, III	Maryland	Jane L. Cline	West Virginia

**AGENDA**

**\*\*\*PLEASE NOTE WITH THE CHANGE IN SCHEDULE, WE MAY HAVE TO ADJUST THIS AGENDA DURING THE MEETING. THANK YOU.\*\*\***

1. **Welcome & Roll Call** – *Ted Clark, KS (Chair, Antifraud Task Force) & Keri Kish, NAIC Antifraud Counsel and Antifraud Task Force Staff Support* (10 minutes)
  - A. **Introduction of Dr. Peter Budetti, M.D., J.D., Visiting Professor in Health Insurance Fraud, NAIC Headquarters**
2. **Discuss 1033 Guideline Revisions** – *Mike Ridgeway, OK (Chair, Federal & International Enforcement Working Group)* (10 minutes)
3. **Discuss Antifraud Plan Guideline Drafting** – *Steve Perry, DC (Chair, Antifraud Liaison Working Group)* (10 minutes)
4. **Discuss progress with CMS discussions** – *Steve Nachman, NY (Agent & Unlawful Activity Working Group)* (10 minutes)
5. **Discuss and approve proposed Antifraud Task Force 2010 Charges** —*Ted Clark, KS (charges will be approved by D Committee on 9/24/09)* (20 minutes)
6. **Discuss Consortium to Combat Medical Fraud**—*Steve Perry, DC* (5 minutes)
7. **Discuss Coalition Against Insurance Fraud State Fraud Bureau Survey**—*Steve Perry, DC* (5 minutes)
8. **Receive verbal reports from Guests** – *Ted Clark, KS*

- A. **Coalition Against Insurance Fraud – Howard Goldblatt** (5 minutes)
  - B. **National Insurance Crime Bureau – Alan Haskins** (5 minutes)
  - C. **Financial Crimes Enforcement Network – Patrick Lightcap** (5 minutes)
  - D. **National Health Care Antifraud Association –Erin Carlson** (5 minutes)
  - E. **Other guests** (10 minutes)
9. **Receive Presentation regarding Medical Identity Theft from Blue Cross and Blue Shield Association—Chuck Focarino , BCBS** (20 minutes)
10. **Announcements – Keri Kish, NAIC** (5 minutes)
- A. **2008/2009 Antifraud Resource Report**
  - B. **Other**
11. **Adopt Reports of Working Groups –Ted Clark, KS** (5 minutes)
- A. **Agent & Unlawful Activity Working Group (Chair, NY)**
  - B. **Federal & International Enforcement Coordination Working Group (Chair, OK)**
  - C. **Antifraud Liaison Working Group (Chair, DC)**
  - D. **Antifraud Training & Seminar Working Group (Chair, OH)**
  - E. **Information Sharing & Technology Working Group (Chair, IA)**
  - F. **NAIC Enforcement Coordination Working Group (Chair, NH)**
12. **Any Other Matters Brought Before the Task Force**
13. **Adjourn**

## 2010 PROPOSED CHARGES

Draft: 9/9/09

### ANTIFRAUD (D) TASK FORCE

The mission of the Antifraud (D) Task Force is to serve the public interest by assisting the state insurance supervisory officials, individually and collectively, to promote the public interest through the detection, monitoring and appropriate referral for investigation of insurance crime, both by and against consumers. The Task Force will assist with the following: (1) maintain and improve the electronic databases regarding fraudulent insurance activities; (2) disseminate the results of research and analysis of insurance fraud trends, as well as case-specific analysis, to the insurance regulatory community; (3) provide a liaison function between insurance regulators, federal, state, local and international law enforcement and other specific antifraud organizations; and (4) coordinate between state and federal regulators regarding the USA PATRIOT Act anti-money laundering amendments to the federal Bank Secrecy Act. The Task Force also will serve as a liaison with the NAIC Information Systems Division and other NAIC committees to develop technological solutions for data collection and information-sharing. The Task Force will monitor all aspects of antifraud activities by its working groups and subgroups on the following charges.

#### Ongoing Support of NAIC Programs, Products or Services:

1. Appoint the **Antifraud Training and Seminar Working Group** to (1) evaluate alternative training sessions and online courses regarding insurance fraud issues of importance for insurance regulators, the industry and interested parties; (2) develop and present the Advanced Antifraud Seminar; (3) develop the agenda for the 2011 Basic Insurance Fraud Investigation Training for Regulators; and (4) develop educational course targeting investigations of enforcement actions.—*Essential*
2. Appoint the **Information Sharing and Technology Working Group** to (1) evaluate sources of antifraud data and propose methods for enhancing the utilization and exchange of information among insurance regulators, fraud investigative divisions, law enforcement officials, insurers and antifraud organizations; (2) recommend secure systems for the dissemination of confidential information between insurance fraud agencies; and (3) develop or address any other projects related to technology or information-sharing that develop over the following year.—*Essential*
3. Appoint the **Antifraud Liaison Working Group** to (1) explore alternatives to enhance relationships with the industry's special investigation units (SIUs), external private sector antifraud entities and antifraud organizations; (2) update the *Survey on State Insurance Department Antifraud Resources Report*; (3) develop an antifraud plan guideline; (4) review participation in or provide support for "National Insurance Fraud Prevention Week/Day" or similar project supported by outside organizations; (5) provide advisory role to the Coalition Against Insurance Fraud (CAIF), International Association of Special Investigation Units (IASIU), National Insurance Crime Bureau (NICB), National Healthcare Antifraud Association (NHCAA) and other antifraud associations as necessary or requested; and (6) track national insurance fraud trends and provide information, at minimum, on a quarterly basis.—*Essential*

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4. Appoint the **Federal and International Enforcement Coordination Working Group** to (1) coordinate with state, federal and international law enforcement agencies in addressing antifraud issues relating to the insurance industry; (2) support insurance regulator efforts to gain access to the FBI Fingerprint Identification Record System/Criminal History Record Identification System; (3) monitor and recommend appropriate guidance on state issues arising from the application of 18 U.S.C. 1033, 1034; (4) complete revision of existing 18 USC 1033, 1034 guidelines; and (5) develop recommendations to increase mandatory coordination between federal government and state insurance regulators regarding health care fraud and abuse program.—*Essential*
5. Appoint the **Agent and Unlawful Activities Working Group** to (1) develop methods to enhance the investigation and prosecution of agent fraud; (2) identify and develop recommendation for coordination and cooperation between state insurance department and law enforcement authorities on insider insurance fraud; (3) develop recommendations to enhance and increase mutual data-sharing between state insurance regulators and the U.S. Centers for Medicare and Medicaid Services (CMS); (4) develop recommendations to increase collaboration regarding fraud investigations with CMS; and (5) in conjunction with the Antifraud Training and Seminar Working Group, develop educational programs regarding investigations in enforcement actions.—*Essential*
6. Appoint the **Securities Enforcement Coordination Working Group** to (1) develop an education and training seminar in cooperation with representatives from securities regulation; and (2) identify and develop recommendations for cooperation and communication between insurance and securities regulators.—*Essential*

### **Sponsors for 2010 Charges**

*(Except as noted, I support all charges)*

**Susan E. Voss**  
**Iowa**

**Kim Holland**  
**Oklahoma**

**Sandy Praeger**  
**Kansas**

Staff Support: Keri Kish

2009 Fall National Meeting  
Washington, DC

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**REPORTS OF THE WORKING GROUPS**

The following reports of the Antifraud (D) Task Force are provided for approval during the Fall National Meeting:

**1. Agent and Unlawful Activities Working Group – Steve Nachman (NY), Chair**

State insurance regulators will meet with representatives of the U.S. Centers for Medicare and Medicaid Services (CMS) in closed session Sept. 23. The purpose of this meeting is to specifically discuss mutual investigations. The Working Group also is collecting information regarding methods to enhance investigations and prosecution of insurance fraud and enhancement of cooperation and coordination between state fraud bureaus and law enforcement. Outstanding information should be returned to Keri Kish (NAIC), [kkish@naic.org](mailto:kkish@naic.org).

**2. Federal and International Enforcement Coordination Working Group – Mike Ridgeway (OK), Chair**

The Working Group continues to review possible revisions to the guidelines on 18 U.S.C. 1033 and 1034. The Working Group also is collaborating with Dr. Peter Budetti, NAIC visiting professor in health insurance fraud, regarding the mandatory coordination between federal and state governments and the health care fraud and abuse program.

**3. Antifraud Liaison Working Group – Steve Perry (DC), Chair**

The Coalition Against Insurance Fraud has begun distribution of a state insurance fraud bureau survey. The Working Group encourages state insurance fraud bureaus to participate in the survey. Mr. Perry also encourages state insurance departments to consider membership in the Consortium to Combat Medical Fraud. For more information, contact Mr. Perry at [stephen.perry@dc.gov](mailto:stephen.perry@dc.gov).

**4. Antifraud Training and Seminar Working Group – Michelle Brugh (OH), Chair**

The Working Group requests that state insurance departments and fraud bureaus provide possible topics for NAIC training. The Working Group also seeks information from industry members, service providers and other interested parties on training topics, as well. The Working Group would like to enhance their trainings and increase attendance.

The regulator-only Insurance Fraud Investigators Boot Camp, hosted by the Antifraud Task Force July 27 and 28 at the NAIC in Kansas City, was well attended. Evaluations showed that the program was well-received. In response to comments, the Working Group is considering creating an online course with two tracks: enforcement and investigations.

The Working Group is seeking recommended topics and speakers for the 2010 Antifraud Seminar. This seminar is open to everyone. This training will be held at the NAIC Central Office. The Working Group asks regulators and interested parties to provide comments on topics and potential dates, as they would like to determine a good time of the year to host this training. Please send this information to Keri Kish (NAIC) at [kkish@naic.org](mailto:kkish@naic.org).

**5. Information Sharing and Technology Working Group – Cindy Schmell (IA), Chair**

State insurance regulators should contact Cindy Schmell for access to the FBI Law Enforcement Only Web site. NAIC OFRS Web service is nearly complete. NICB is completing beta testing and reports that information will soon be available for states via OFRS sometime in October.

**6. NAIC Enforcement Coordination Working Group – Barbara Richardson (NH), Chair**

The NAIC, NASAA and FINRA continue to work towards planning a regulator-only Sales, Suitability and Supervision Training for 2010. This one-and-one-half-day program is tentatively scheduled to follow either the NAIC Summer or Fall National Meeting. The first one-half day may have open attendance. The second full day will be for regulators only. More information will follow as it becomes available, and will be posted on the Antifraud Task Force page on the NAIC Web site.