2012 Summer National Meeting
Atlanta, GA

ANTIFRAUD (D) TASK FORCE
Sunday, August 12, 2012
2:00–4:00 p.m.
Atlanta Marriott Marquis—Marquis Ballroom C—Marquis Level

ROLL CALL

Sandy Praeger, Chair
Kansas

Mike Rothman
Minnesota

William P. White, Vice Chair
District of Columbia

John M. Huff
Missouri

Bret Kolb
Alaska

Monica J. Lindeen
Montana

Jay Bradford
Arkansas

Bruce R. Ramge
Nebraska

Dave Jones
California

Scott J. Kipper
Nevada

Jim Riesberg
Colorado

Roger A. Sevigny
New Hampshire

Thomas B. Leonardi
Connecticut

Benjamin M. Lawsky
New York

Karen Weldin Stewart
Delaware

Wayne Goodwin
North Carolina

Ralph T. Hudgens
Georgia

Adam Hamm
North Dakota

Gordon I. Ito
Hawaii

Mary Taylor
Ohio

Andrew Boron
Illinois

John D. Doak
Oklahoma

Susan E. Voss
Iowa

Michael F. Consedine
Pennsylvania

Sharon P. Clark
Kentucky

Eleanor Kitzman
Texas

James J. Donelon
Louisiana

Neal T. Gooch
Utah

Eric A. Cioppa
Maine

Jacqueline K. Cunningham
Virginia

Therese M. Goldsmith
Maryland

Mike Kreidler
Washington

Kevin Clinton
Michigan

Michael D. Riley
West Virginia

AGENDA

1. Consider Adoption of April 3 and June 14 Joint Conference Call Minutes—Ted Clark (KS) Attachment One

2. Discuss Proposed Outline for Insurance Department Investigator Safety Handbook—Ted Clark (KS) Attachment Two

3. Receive Report on Fraud Prevention Partnership—Steve Perry (DC)

4. Receive Report on Uniform Fraud Reporting Form and Online Fraud Reporting System—Cindy Schmell (IA)

5. Hear Presentations from Special Invited Guests—Ted Clark (KS)
   - Financial Crimes Enforcement Network—James Freis (FinCEN)
   - National Center for the Prevention of Home Improvement Fraud—Phae Howard (NCPHIF)

6. Hear Reports from Interested Parties—Ted Clark (KS)
   - Coalition Against Insurance Fraud—Howard Goldblatt (CAIF)
   - National Health Care Antifraud Association—Leigh McKenna (NHCAA)
   - National Insurance Crime Bureau—Alan Haskins (NICB)

7. Hear Update on Insurance Fraud Bureau Directors’ Conference—Michelle Brugh (OH)

8. Any Other Matters Brought Before the Task Force—Ted Clark (KS)

9. Adjournment
The Antifraud (D) Task Force met by conference call April 3 and June 14, 2012. The following Task Force members participated: Sandy Praeger, Chair, represented by Ted Clark (KS); William P. White, Vice Chair, represented by Steve Perry (DC); Jay Bradford represented by Anna Franks and Bill Lacy (AR); Dave Jones represented by Rick Plein (CA); Jim Riesberg represented by Paula Sisneros (CO); Thomas B. Leonardi represented by Amy Stegall (CT); Ralph T. Hudgens represented by Drew Lane (GA); Andrew Boron represented by Jim Morris (IL); Susan Voss represented by Cindy Schmell (IA); Sharon P. Clark represented by Clark Williams (KY); James J. Donelon represented by Paul Boudreaux and Tom Portier (LA); Therese M. Goldsmith represented by Carolyn Henneman (MD); Eric A. Cioppa represented by Bob Wake and Tim Schott (ME); Kevin Clinton represented by Jason McNally (MI); Mike Rothman represented by Bob Hernz (MN); John M. Huff represented by Dana Whaley and Carrie Couch (MO); Monica J. Lindeen represented by Mike Winsor (MT); Bruce R. Range represented by Martin Swanson (NE); Scott J. Kipper represented by Ted Bader (NV); Roger A. Sevigny represented by Barbara Richardson (NH); Adam Hamm represented by Melissa Hauer and Dale Joe Pittman (ND); Mary Taylor represented by Michelle Rafeld and Joel Demory (OH); John D. Doak represented by James Mills and Michael Copeland (OK); Michael F. Consedine represented by Debra Lee (PA); Eleanor Kitzman represented by Chris Davis (TX); Neal T. Gooch represented by Armand Glick (UT); and Michael D. Riley represented by Greg Elam (WV).

1. **Consider Adoption of Online Fraud Reporting System (OFRS) Uniform Fraud Reporting Form and Instructions**

Ms. Schmell explained that the Task Force originally created the Uniform Fraud Reporting Form at the request of both industry representatives and regulators. The form was a product of the input and efforts of both groups. Ms. Schmell said the form has been revised in order to address changes in fraud schemes and reflect reporting information that state insurance fraud bureaus require in order to determine whether to open a case within the insurance fraud bureau. Ms. Schmell said the states prefer to maintain one form for all lines of insurance.

Mr. Glick said the form should reference past-posting for amount of loss. Ms. Henneman said it should be called post-dated loss. Alan Haskins (National Insurance Crime Bureau—NICB) said NICB refers to the loss as prior injuries/damage/loss. Mr. Perry said not to add a separate box with the information. The Task Force did not add a separate box for this purpose.

Ms. Schmell moved to add a space for “Internet/Social Media Search Results,” and adopt the Uniform Fraud Reporting Form as revised. Mr. Perry seconded the motion. There was no discussion. The motion passed unanimously.

Ms. Schmell said the Task Force amended the instructions for use of the form to reflect the revisions to the form. She moved to adopt the Uniform Fraud Reporting Form Instructions as revised. Mr. Perry seconded the motion. There was no discussion. The motion passed unanimously.

Ms. Schmell moved to provide the adopted Uniform Fraud Reporting Form and Instructions together to the Health and Managed Care (B) Committee and the Market Regulation and Consumer Affairs (D) Committee as the Antifraud (D) Task Force’s recommendation to satisfy Section 6603 of the federal Patient Protection and Affordable Care Act. Mr. Perry seconded the motion. There was no discussion. The motion passed unanimously.

Having no further business, the Antifraud (D) Task Force adjourned.
Proposed Outline: Insurance Department Investigator Safety Handbook

1. Awareness Training for Investigators and Examiners
   a. Tips to Recognize Dangerous Situations
   b. Appropriate Responses for Various Types of Threats and Aggression
      i. Report Threats to Law Enforcement
      ii. Mechanisms to Exit a Potential Threatening Situation
   c. Defense Tactics and Verbal Judo Training
   d. Tactics and Plans to Conclude Interview if Subject Becomes Combative
   e. Awareness of Your Surrounding
      i. Identify the Location of All Exits
      ii. Prevent Subject from Blocking Exits

2. Safety Recommendations
   a. Roll Call Procedure
      i. Require Investigators and Examiners to Report Expected Location for the Day
      ii. Require Checkout at End of Workday
      iii. Establish Protocol for No Contact with Investigator or Examiner
   b. Use-of-Force Policy
      i. Determination of When Force is Appropriate
      ii. Criteria for Use of Force and Sliding Scale on Type of Force to be Used (e.g., Baton, Pepper Spray, etc.)
      iii. Decision on Peace Officer Standards and Training (POST) Certification or Concealed Weapon Permit
   c. Procedures to Report Threats or Aggression
      i. Reporting to Fraud Director
      ii. Reporting to Criminal Authorities (Misdemeanor or Felony)
   d. Coordination with Local Law Enforcement
      i. Initial Training and Education
      ii. Continuing Training and Education
   e. Establish Criteria for Law Enforcement to be Present on Examinations or Interviews
   f. Require Two Investigators or Examiners During Interviews
   g. Conduct Interviews in Protected Venue
      i. Public Place
      ii. Insurance Department Office
      iii. Law Enforcement Office
      iv. Exercise Caution if Interview is Conducted at Subject’s Home
   h. Consider Time of Day and Location of Interview
      i. Service of Administrative Action in Conjunction with State Police or Other Criminal Enforcement Authorities

3. Training Recommendations
   a. Police Survival (Legal and Mental)
   b. Standard of Conduct
   c. Interview and Interrogation
   d. Preparing for Deadly Force and Other Actions
   e. Preliminary Investigations
   f. Courtroom Testimony
   g. Confessions and Admissions
   h. Report Writing
   i. Computer Forensics
The National Center for the Prevention of Home Improvement Fraud

NO ONE DESERVES TO BE A VICTIM OF HOME IMPROVEMENT, HOME REPAIR, OR CONTRACTOR FRAUD!

The National Center for the Prevention of Home Improvement Fraud is a 501(c)(3) nonprofit organization. NCPHIF was created to help protect consumers from becoming victims of home improvement, home repair, or contractor fraud. Our mission is to educate homeowners BEFORE they begin a home improvement or home repair project, to greatly reduce the chances of victimization or contractor fraud. We do this by providing homeowners with valuable information and resources so they can become their own quality control managers. By empowering homeowners with knowledge around “Best Practices” we can begin to win the war on contractor fraud and claim our communities as contractor “Fraud-Free Zones.”

We’re Working to Create Contractor “Fraud-Free Zones”

NCPHIF’s long-term goal is to make every city and town in the United States Contractor “Fraud-Free Zones” through our comprehensive plan and phased approach. With our “SmartPower” workshops, our community involvement, resources and tools available on our Web site, and soon through the development of our National Database, Call Center, and Traveling Kiosk, we will make a major difference in the war on contractor fraud across the country. Through our services, the information and knowledge provided by NCPHIF will help empower consumers to differentiate between honest contractors and those involved in home improvement scams, or poor service delivery. With this knowledge, consumers can proactively become their own quality control managers, which will help them avoid being victimized by illegal contracts, upfront deposits, lost payments, shoddy construction, and liens on the property they have worked so hard to acquire.

Consumers, Neighborhoods, Honest Contractors, Insurance Companies, Lenders, Law Enforcement and Government Agencies Reap the Benefits

When consumers have the resources and tools needed to make good decisions around hiring a contractor and beginning a home improvement or home repair project, everyone wins! NCPHIF is committed to helping everyone impacted by home improvement, home repair, and contractor fraud. That means:

- Homeowners can feel more confident and knowledgeable when overseeing their home improvement or home repair projects.
- Honest and ethical contractors can focus on providing quality service at reasonable rates to continue to serve their customers and grow their business.
- Lenders will have fewer foreclosures as informed homeowners prevent financial hardships commonly associated with contractor fraud.
- Insurance companies and lenders can better manage their rates with the reduction of fraudulent claims.
- Government offices, law enforcement agencies, and businesses can spend less time and money pursuing unscrupulous contractors as fraud complaints decline.
BEING PROACTIVE VS. REACTIVE WHEN IT COMES TO PREVENTING FRAUD IS A WIN-WIN FOR EVERYONE! ISN’T IT TIME TO GET INVOLVED?

The success of NCPHIF and our efforts to prevent home improvement/home repair contractor fraud is founded on the generous support of our funders, sponsors, partners, and volunteers. With operational and program grants, seminar and workshop sponsorships, and ongoing corporate partnerships, we will continue to grow our program across the United States.

There are many ways to help NCPHIF prevent our families, neighbors, and communities from becoming victims of home improvement/home repair contractor fraud.

Here are a few ways to get involved:

- Sponsor a “SmartPower” workshop, conference, or event
- Support our “HealthyHouse” (Green) Initiative
- Become a partner in our Contractor “Fraud-Free Zones” Campaign
- Make a financial or in-kind donation to support our mission

With your support of NCPHIF and the communities we serve, we can help eliminate home improvement/home repair contractor fraud before it happens. In recognition of your support, there are many opportunities to increase awareness around your organization and your personal commitment to community service.

Your support can provide you with inclusion in NCPHIF’s:

- Media outreach (news releases, stories, Social Media, etc.)
- Print and electronic communications
- Web site, blog, and Social Media applications
- Seminar, workshops, and conference publicity
- Private supporter and partner events

For more information on how you can partner with NCPHIF, or contribute to our efforts to prevent home improvement, home repair, and contractor fraud call: Phae Howard at (404) 902-6100 or email: phae@ncphif.org.

MEET OUR FOUNDER

NCPHIF was founded by Phae Howard, after she saw her Grandmother financially and emotionally victimized by a fraudulent contractor. “I was shocked at how easy contractor fraud was,” says Phae. I don’t know how much money my Grandmother lost, but I absolutely remember the pain on her face. That will stay with me always.”

Realizing that, like her Grandmother, many homeowners are not equipped with the information and resources needed to avoid being victimized by contractor fraud, Phae has made it her personal goal, and the mission of NCPHIF, to empower consumers to avoid similar situations.

With an ever growing population of potential fraud victims, Phae believes “Now more than ever, the need for NCPHIF is urgent.” Those most vulnerable to fraud and often targeted by unscrupulous contractors include: senior citizens, disaster and storm victims, first time homebuyers, the physically challenged, those in low wealth or rural communities, non-English speaking individuals, and women.

“We are committed to providing an unbiased place for homeowners to go with all their questions regarding home improvement and home repair projects so they can prevent being victimized.”