



DIFS
FRAUD INVESTIGATION UNIT



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Fraud Investigation Unit

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Agenda

- Creation of the FIU and where we are now
- How do we get complaints and what complaints are investigated
- Sending requested information
- Successful investigations
- Q & A



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June 11, 2019
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**STATE OF MICHIGAN
100TH LEGISLATURE
REGULAR SESSION OF 2019**

Introduced by Senators Nesbitt, Theis, LaSata, Horn, McBroom, Barrett, Lauwers and VanderWall

ENROLLED SENATE BILL No. 1

AN ACT to amend 1956 PA 218, entitled "An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker's compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act," by amending sections 150, 224, 1244, 2038, 2040, 2069, 2105, 2106, 2108, 2111, 2118, 2120, 2151, 3009, 3101, 3101a, 3104, 3107, 3109a, 3111, 3112, 3113, 3114, 3115, 3135, 3142, 3145, 3148, 3151, 3157, 3163, 3172, 3173a, 3174, 3175, and 3177 (MCL 500.150, 500.224, 500.1244, 500.2038, 500.2040, 500.2069, 500.2105, 500.2106, 500.2108, 500.2111, 500.2118, 500.2120, 500.2151, 500.3009, 500.3101, 500.3101a,

Creation of the Fraud Investigation Unit (FIU)



Created Under State Law

Chapter 63 of the Insurance Code creates the FIU as a criminal justice agency within the Department of Insurance and Financial Services.

- Investigates all persons, including, but not limited to, persons subject to the department's regulatory authority, consumers, insureds, and any other persons allegedly engaged in criminal and fraudulent activities in the insurance market.
- Coordinates its investigative activities with other law enforcement agencies at the local, state and federal levels.
- Conducts outreach efforts with local and state law enforcement and regulatory agencies to promote investigation and prosecution of criminal and fraudulent activities in the insurance and financial service markets.



Slide 6

ML(1) McCallister, Lee (DIFS), 10/13/2021

MA(1) Is this where you would like all of the team members pics?
Miller, Andrea (DIFS), 10/18/2021

complaint

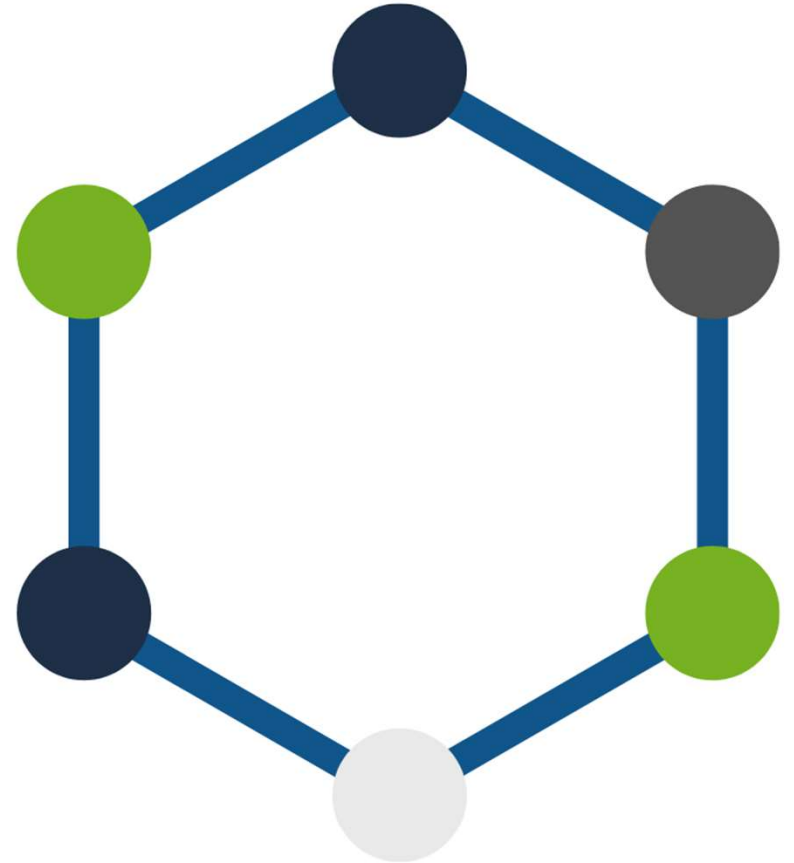




Memorandum of Understanding with the Attorney General



Coordination and Outreach Efforts



DIFS Online Fraud Report Form



The screenshot shows a web browser displaying the DIFS Online Fraud Report Form. The page header includes the DIFS logo and the text "Department of Insurance and Financial Services". The main heading is "Department of Insurance and Financial Services Fraud Complaint Form". Below this, there is a disclaimer: "Filing this form is restricted to legitimate business purposes only. Information will be submitted to the Michigan Department of Insurance and Financial Services (DIFS) Fraud Investigation Unit (FIU) for their review and investigation. DIFS bears no responsibility or liability for the accuracy or veracity of information submitted. Users reporting fraudulent activity through this form will do so in good faith." A checkbox labeled "I agree to the language above" is present. The section "Person Reporting Suspected Fraud" includes the text "YOU MAY REPORT ANONYMOUSLY: No personal identifying information is required to submit an allegation of suspected fraud. For those individuals wishing to receive verification of DIFS receipt of the report, please provide your name and e-mail address. You may also choose to provide additional contact information to facilitate additional communication from DIFS Fraud Investigation Unit or other investigating authorities." Below this is the section "Voluntary Contact Information of Person Reporting Suspected Fraud" with a radio button for "I would like to remain anonymous:" and options for "Yes" and "No". The URL "Michigan.gov/ReportFraud2DIFS" is displayed at the bottom of the monitor.

DIFS Department of Insurance and Financial Services

Michigan.gov/Home

Michigan's Official Website

DIFS Home | Contact DIFS

*Required field

Department of Insurance and Financial Services
Fraud Complaint Form

Filing this form is restricted to legitimate business purposes only. Information will be submitted to the Michigan Department of Insurance and Financial Services (DIFS) Fraud Investigation Unit (FIU) for their review and investigation. DIFS bears no responsibility or liability for the accuracy or veracity of information submitted. Users reporting fraudulent activity through this form will do so in good faith.

By clicking in the box next to the, "I agree to the language above", you acknowledge the following: that you have read and understand this statement regarding the use of this form; that access or use of this form for fraudulent activity is strictly prohibited by the State of Michigan and the Department of Insurance and Financial Services; that use of this form or the reporting of suspected fraudulent activity which you know to be false, may subject you to criminal or civil penalties/remedies under state, federal, or other applicable domestic and foreign laws.

* I agree to the language above.

Person Reporting Suspected Fraud

YOU MAY REPORT ANONYMOUSLY: No personal identifying information is required to submit an allegation of suspected fraud. For those individuals wishing to receive verification of DIFS receipt of the report, please provide your name and e-mail address. You may also choose to provide additional contact information to facilitate additional communication from DIFS Fraud Investigation Unit or other investigating authorities.

Voluntary Contact Information of Person Reporting Suspected Fraud

*I would like to remain anonymous:

Yes
 No

Michigan.gov/ReportFraud2DIFS





- About DIFS
- Consumers
- Industry
- Insurance Fraud
- Licensing - Insurance
- Licensing - Consumer Finance and Mortgage
- Statutes, Rules and Regulations
- Hearings and Decisions
- Bulletins
- Forms
- FAQs

DIFS

Additional Resources

Department of Insurance and Financial Services Fraud Investigation Unit

- Call toll-free: 1-877-999-6442
- Email: DIFS-AntiFraud@michigan.gov
- Mail: DIFS - Fraud Investigation Unit, 530 W. Allegan Street, 7th Floor, Lansing, MI 48933
- [2020 Annual Report](#)

Insurance company

Contact the insurance company you think was defrauded. Some insurers sponsor toll-free hotlines. Call or write if the insurer doesn't have a hotline.

National Association of Insurance Commissioners

The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories.

- Phone: (816) 842-3600
- Fax: (816) 783-8175
- [NAIC website](#)

Related Content

- [Insurance Fraud Statistics](#)
- [How Does Fraud Affect Me?](#)
- [Report Fraud](#)
- [What is Homeowners Insurance Fraud?](#)
- [What is Auto Insurance Fraud?](#)
- [What is Insurance Fraud?](#)
- [What is Health Insurance Fraud?](#)



Arrests and Convictions



**Mid-Michigan Woman
Agrees to Pay Fine
and Restitution to
Trustmark for making
false claims**



**\$130,000 in Fraudulent
Claims for Injuries and
Appointments that
Never Occurred**



**Northern Michigan
Man Claims to be a
Paraplegic, Costing
Insurance Company
over \$1 Million**



**Southeast Michigan
man claims he wasn't
near his house when
it started on fire. His
truck told a different
story.**



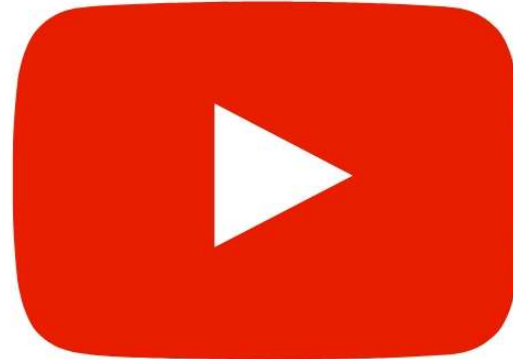
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Michigan Department of Insurance
and Financial Services



Thank you!

Michigan.gov/ReportFraud2DIFS

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