

STATE FIRE MARSHAL 2017 ANNUAL REPORT



ALABAMA
KNOW TWO WAYS OUT

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The badge is a five-pointed star with a central circular seal. The seal features the Alabama state flag and the text "ALABAMA" and "FIRE MARSHAL". The star's points contain decorative floral patterns and the words "STATE", "POLICE", "ALABAMA", "FIRE MARSHAL", and "AL".

STATE FIRE MARSHAL'S OFFICE

OUR MISSION...

The mission of the Alabama State Fire Marshal's Office is to provide inspection services, to conduct investigations of fires and explosions, to prevent the commission of arson and related crimes, to protect lives and property from fires and explosions and to provide visitors and citizens of the state a safe environment in which to live, work, and play.

Introduction

The 2017 Annual Report of the Alabama State Fire Marshal's Office is submitted by State Fire Marshal Scott F. Pilgreen in compliance with Section 36-19-26, Code of Alabama, 1975.

In 2017, the State Fire Marshal's Office had a staff of thirty one law enforcement officers. This includes sixteen Deputy Fire Marshals and five Special Agents assigned to the Arson/Code Bureau. In addition, there are six Fraud Investigators and one Special Agent assigned to the ALDOI Criminal Fraud Bureau. The balance of the law enforcement staff includes two Assistant State Fire Marshals and the State Fire Marshal. The Administrative Staff of the State Fire Marshal's Office and the ALDOI Fraud Bureau include; one Departmental Operations Specialist who serves as Office Manager and four Administrative Support Assistants, and one Forensic Examiner/Analyst.

In 2017, the State Fire Marshal's Office conducted five hundred seventy-one (571) structure fire and/or explosion investigations. These investigations resulted in one hundred eighty-three (183) arrests for crimes ranging from arson and capital murder to drug related offenses and fire code violations.

Inspections conducted during 2017 totaled one thousand eight hundred thirty-three inspections (1,833). This is a decrease of more than two percent from the previous year.

Fire fatalities in 2017 totaled 79, a decrease of more than thirty percent over 2016. We are increasing our efforts in the area of inspections and public education to combat this problem. It is crucial that the awareness of the public is raised regarding fire safety issues. The Fire Service took a significant step in this area in 2014 with the creation of the "Turn Your Attention to Fire Prevention Campaign". The goal of this campaign is to provide information through Public Service Announcements and other means in order to accomplish the goal of raising awareness of the public on these issues in order to continue to decrease the occurrence of fatal fires. In support of this effort, the State Fire Marshal's Office has taken steps to establish a separate Bureau for Public Education and Community Risk Reduction.

Who We Are . . .

The Alabama State Fire Marshal's Office (SFMO) is a division of the Alabama Department of Insurance (ALDOI). The department is under the leadership of Insurance Commissioner Jim Ridling. Commissioner Ridling provides the resources for the SFMO to accomplish the goals and perform the duties and responsibilities of the office. A portion of the funding for the SFMO is provided through monies generated by permits issued by the office.

The Alabama State Fire Marshal's Office was established in 1909. In 1919, the first legislative act regarding the authority, duties and responsibilities of the office was adopted and signed into law. In 1953, Title 36 Chapter 19 of the Code of Alabama, 1975 provides the authority and prescribes the duties of the office of the State Fire Marshal and his deputies. The Fire Marshal, Assistants, Special Agents and Deputies are state police officers and carry general police powers statewide.

In 2012, the Alabama Legislature passed laws establishing the crime of Insurance Fraud. Insurance Commissioner Ridling created within ALDOI the Insurance Fraud Unit to enforce these laws. The Insurance Fraud Unit was attached to the SFMO as a separate division due to the law enforcement responsibilities. This unit investigates the crime of Insurance Fraud and works with local, state and federal law enforcement agencies and District Attorney's to identify and prosecute those responsible for fraud involving any type of insurance.

In 2017, as a result of the expanding mission of the State Fire Marshal Division and under the direction of Commissioner Ridling, the division was renamed as the ALDOI Criminal Investigations Division and restructured to include two bureaus; Arson/Code Bureau and the Criminal Fraud Bureau in order to properly convey the scope of the division.

The ALDOI Criminal Investigations Division consists of Director/State Fire Marshal Scott F. Pilgroom and two Assistant State Fire Marshals Mark Drinkard, Arson/Code Bureau and Jim Finn, Criminal Fraud Bureau. The division is staffed as follows; sixteen Deputy State Fire Marshals and five Special Agents in the Arson/Code Bureau and one Special Agent along with six Fraud Investigators in the Fraud Bureau. Additionally, the Fraud Bureau has one Forensic Examiner and one Administrative Support Assistant. The Deputy State Fire Marshals, Criminal Fraud Investigators and Special Agents are located in field offices throughout the state and are responsible for investigations and inspections in their respective districts. The office headquarters is located in Montgomery and is staffed by the Director/State Fire Marshal, two Assistant State Fire Marshals, one Departmental Operations Specialist, and three Administrative Support Assistants.

The ALDOI Criminal Investigations Division is tasked with a variety of responsibilities which include but are not limited to the following; the criminal investigation of fires, explosions, insurance fraud and related crimes, the interpretation and enforcement of the state's building and fire codes. The division also regulates and permits the fireworks industry, fire sprinkler industry, fire alarm industry, cigarette industry and blasting industry.

The Division provides assistance and training for Fire Departments, Law Enforcement Agencies, other government entities and the public on issues such as criminal investigations, building/fire code interpretation and fire safety/prevention education.



State Fire Marshal Scott Pilgreen



Mark Drinkard
Assistant State Fire Marshal



Jim Finn
Assistant State Fire Marshal



Alesha Womble
Departmental Operations Specialist



Vicki Parker
Inspections



Margot Whatley
Investigations



Angie Shires
Fraud Records Intake



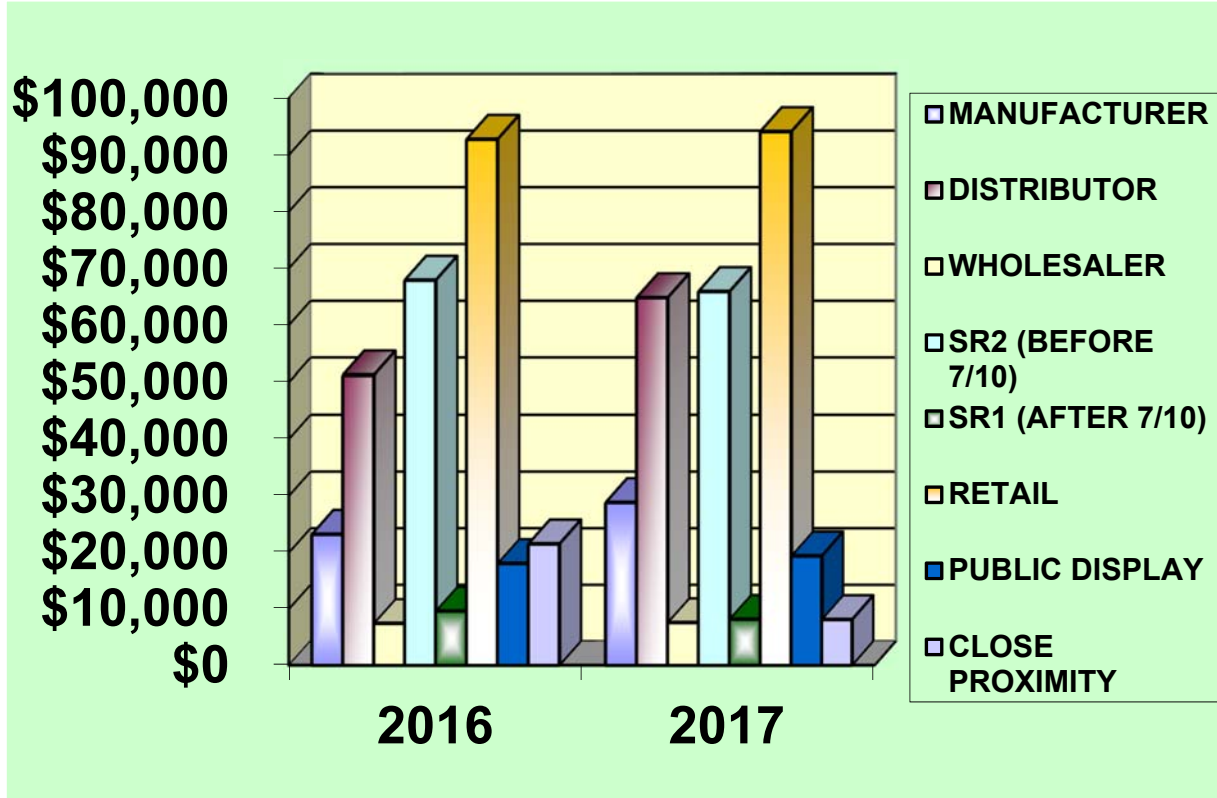
Debra Lewis
Front Desk

Alabama Fire Incident Reporting System (AFIRS)

The Federal Fire Prevention and Control Act of 1974 authorizes the National Fire Data Center in the United States Fire Administration (USFA), an entity of the Federal Emergency Management Agency, to gather and analyze information on the magnitude of the Nation's fire problem, as well as its detailed characteristics and trends. The Act further authorizes the USFA to develop uniform data reporting methods, and to encourage and assist state agencies in developing and reporting data. In order to carry out the intention of this Act, the National Fire Data Center has established the National Fire Incident Reporting System (NFIRS).

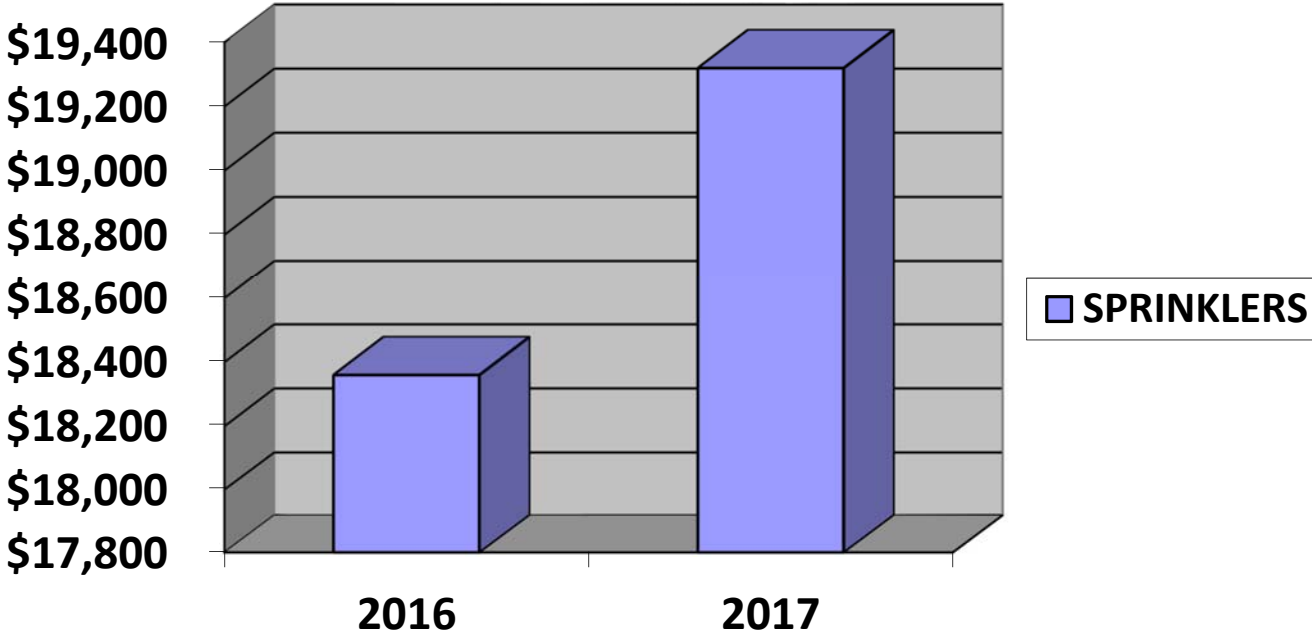
The State of Alabama, recognizing the importance and benefits of reliable statistical data, is encouraging fire departments to submit data to AFIRS. AFIRS is Alabama's segment of the National Fire Incident Reporting System. During the 2017 calendar year, over four hundred fire departments out of 1,041 fire departments have activated the electronic reporting account to the system. More than three hundred and nineteen (319) departments have actually submitted data to the system in 2017. Alabama is one-third of the way towards having timely, factual data on which many decisions can be made. In support of AFIRS, the State Fire Marshal's Office administers the creation of the reporting accounts for departments, provides software for the electronic reporting, and provides support services. During 2017 more than seventy (70) training sessions with fire departments or county fire associations have been conducted around the state, which provided information and assistance to all interested departments in the area. Assistance is provided to any department who asks for help. Assistance is first attempted over the telephone; however, for more difficult problems, site visits are not uncommon. The software necessary for reporting is supplied to fire departments in the following ways; by download from FEMA's website, in addition FEMA provides a web based version for the Data Entry Tool which is available on their web site. Many departments' particularly volunteer fire departments now have high-speed internet connections which enable those departments to access FEMA's web site in order to download the software and updates or utilize the web based version of the program.

FIREWORKS STATISTICS



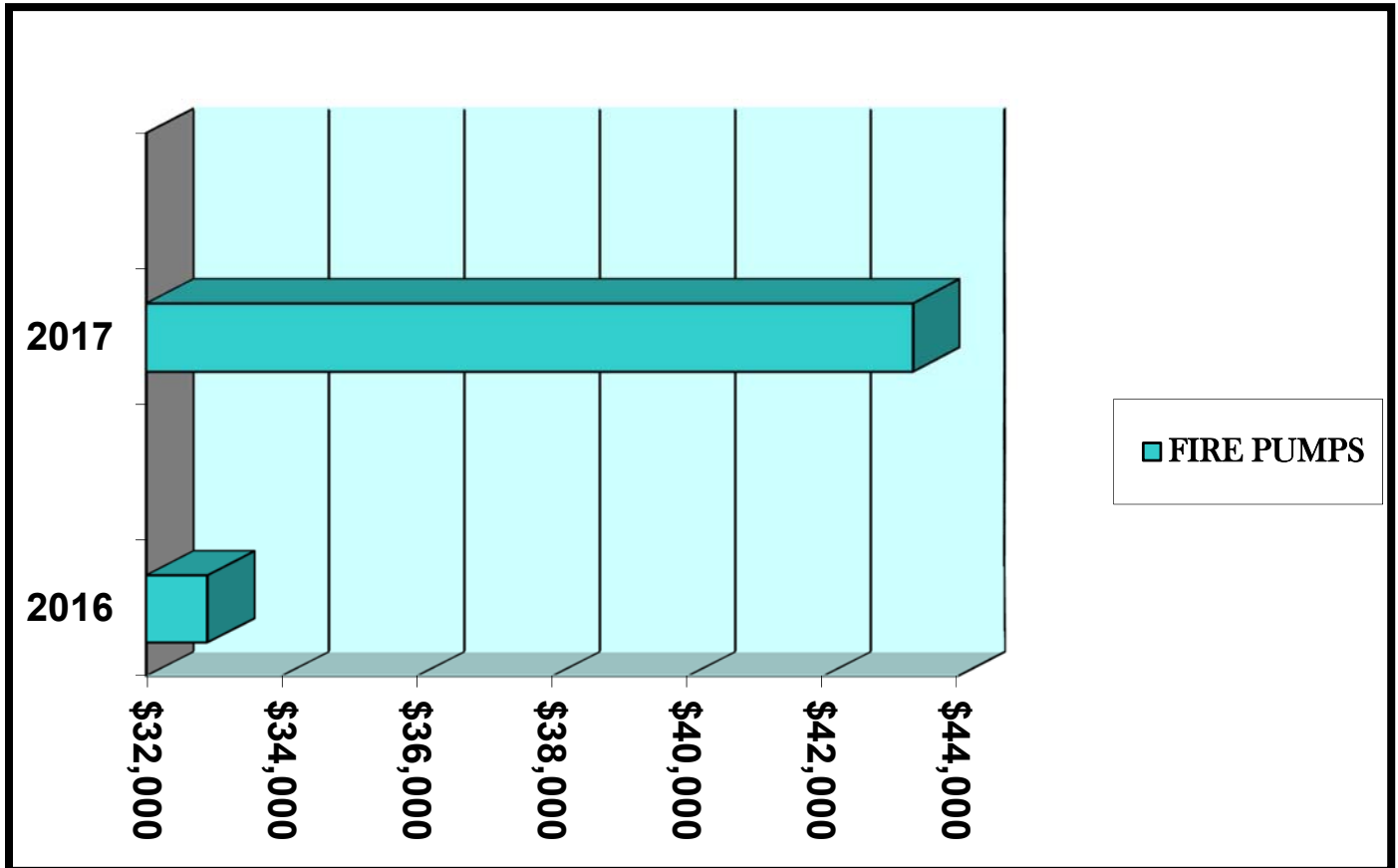
<u>MONIES COLLECTED FOR 2016</u>		<u>MONIES COLLECTED FOR 2017</u>	
DISTRIBUTOR	\$51,200.	DISTRIBUTOR	\$64,800.
MANUFACTURER	\$23,200.	MANUFACTURER	\$28,800.
WHOLESALER	\$ 7,420.	WHOLESALER	\$ 7,560.
SEASONAL RETAILER - SR2 BEFORE 7/10	\$67,880.	SEASONAL RETAILER – SR2 BEFORE 7/10	\$65,880.
SEASONAL RETAILER – SR1 AFTER 7/10	\$ 9,600.	SEASONAL RETAILER – SR1 AFTER 7/10	\$ 8,160.
RETAIL	\$92,720.	RETAIL	\$94,080.
PUBLIC DISPLAY	\$18,050.	PUBLIC DISPLAY	\$19,380.
CLOSE PROXIMITY	\$21,500.	CLOSE PROXIMITY	\$ 8,100.
TOTALS	\$291,570.	TOTALS	\$296,760.
PERMITS ISSUED	1,280	PERMITS ISSUED	1,150
INSPECTIONS CONDUCTED	1,012	INSPECTIONS CONDUCTED	1,109

SPRINKLER STATISTICS



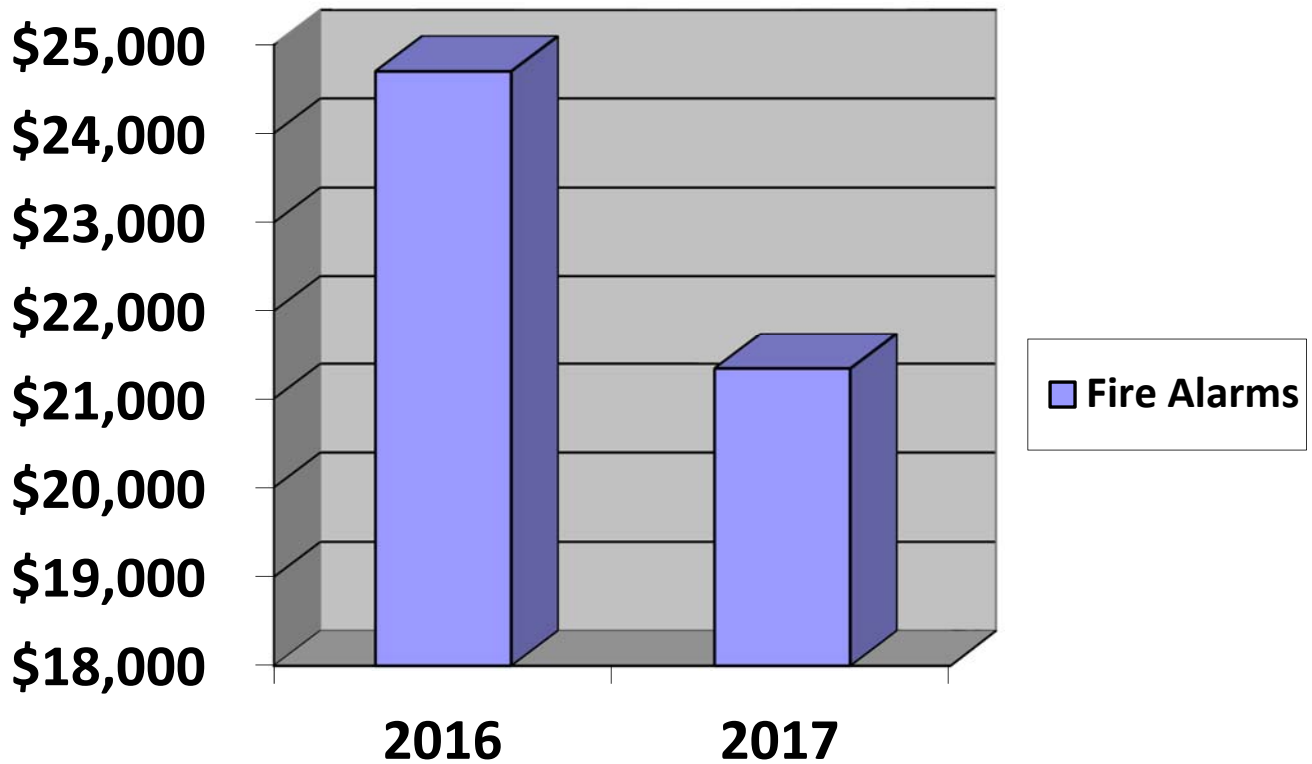
MONIES COLLECTED FOR 2016		MONIES COLLECTED FOR 2017	
SPRINKLER CONTRACTORS	\$18,360.	SPRINKLER CONTRACTORS	\$19,320.
PERMITS ISSUED	153	PERMITS ISSUED	161

FIRE PUMP STATISTICS



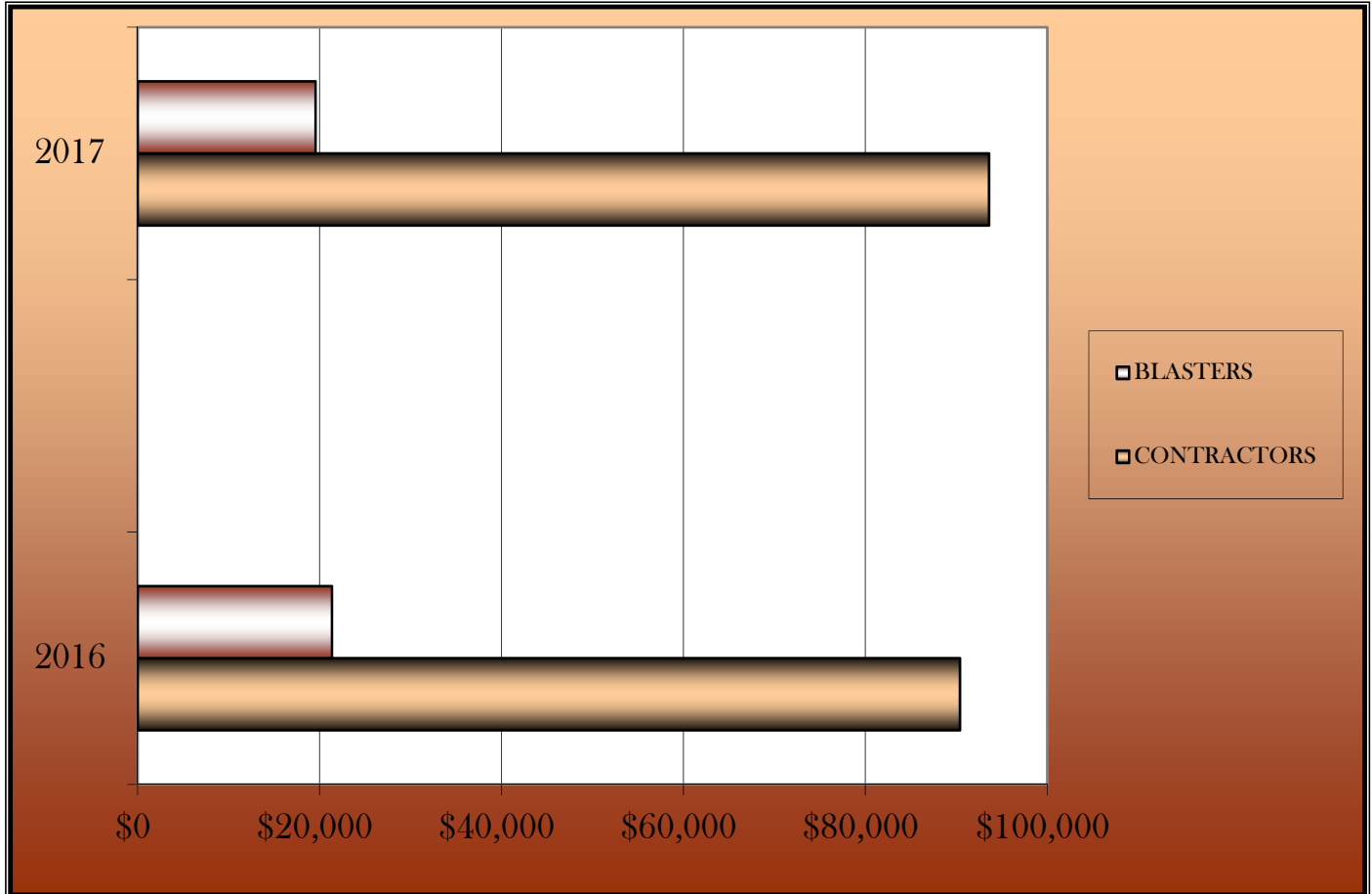
MONIES COLLECTED FOR 2016		MONIES COLLECTED FOR 2017	
FIRE PUMPS	\$32,900.	FIRE PUMPS	\$43,320.
PERMITS ISSUED	275	PERMITS ISSUED	361

FIRE ALARM STATISTICS



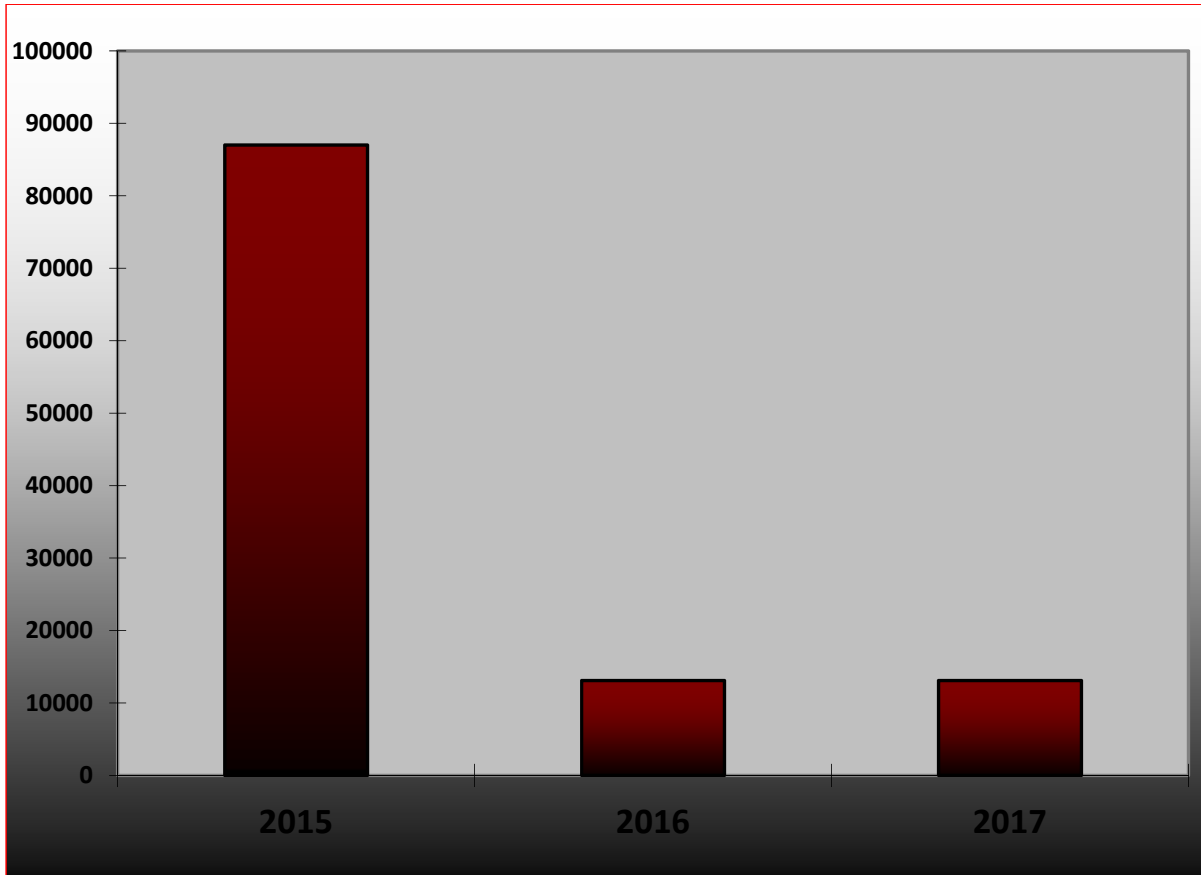
MONIES COLLECTED FOR 2016		MONIES COLLECTED FOR 2017	
FIRE ALARMS	\$24,700.	FIRE ALARMS	\$21,340.
PERMITS ISSUED	206	PERMITS ISSUED	194

CONTRACTOR & BLASTERS STATISTICS



<u>MONIES COLLECTED FOR 2016</u>		<u>MONIES COLLECTED FOR 2017</u>	
CONTRACTORS	\$90,400	CONTRACTORS	\$93,600
BLASTERS	\$21,360	BLASTERS	\$19,560
TOTALS	\$111,760	TOTALS	\$113,160
TOTAL PERMITS ISSUED	217	TOTAL PERMITS ISSUED	202

CIGARETTE IGNITION PROPENSITY STATISTICS



<u>2015</u>		<u>2016</u>		<u>2017</u>	
FEES COLLECTED	\$ 87,000.	FEES COLLECTED	\$13,100.	FEES COLLECTED	\$ 12,000.
PERMITS ISSUED	87	PERMITS ISSUED	12	PERMITS ISSUED	18

- **This is a three (3) year license.**

FIRE INVESTIGATIONS

Selma firefighters respond to 4 fires on same street

Published: Monday, October 16th 2017, 12:33 pm CDT

Updated: Monday, October 16th 2017, 9:18 pm CDT

By Bryan Henry, Reporter [CONNECT](#)



K-9 Accelerant Detection Handlers

During the late 1980s and early 1990s the State Fire Marshal's Office began training Deputy State Fire Marshals to be K-9 accelerant detection handlers. We had one (1) K-9 team that responded statewide. This team was responsive not only to our agency, but assisted police departments and fire departments in locating trace amounts of hydrocarbon residue at fire scenes. The team also provided another service to the citizens of the State of Alabama by conducting demonstrations of controlled searches at schools and civic groups. This was done throughout the year to assist with Fire Prevention Awareness. This team was a very valuable asset to our agency, the Department of Insurance, and the State of Alabama.

It is with deep regret and profound sadness that we must report that Andy, our accelerant K-9, passed away in July of this year. Andy provided a great service to our agency, the Department of Insurance, police departments, fire departments, and our state. He will be truly missed, as he was a part of the Fire Marshal Family!

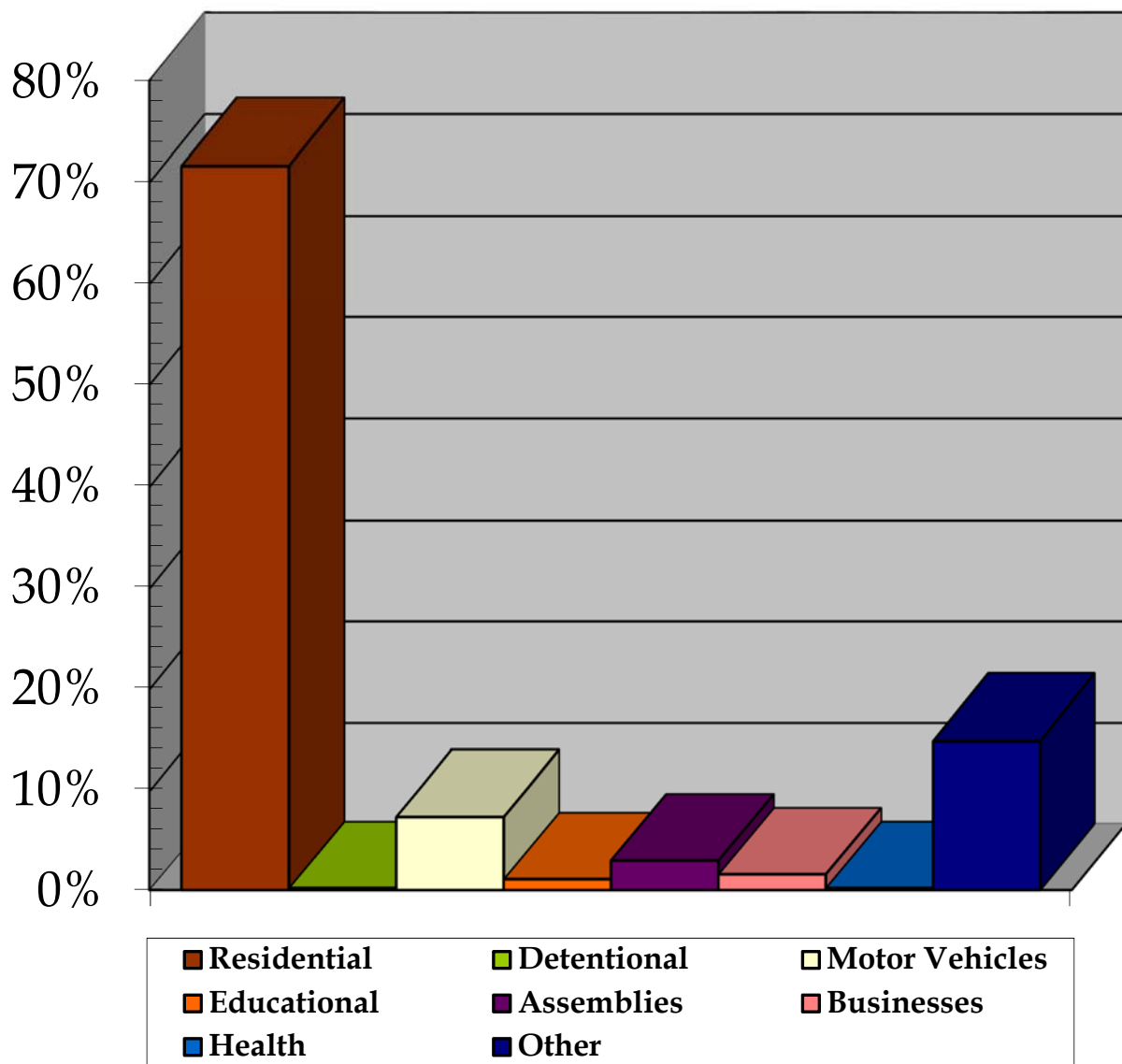


Deputy State Fire Marshal Ray Cumby and K-9 Andy

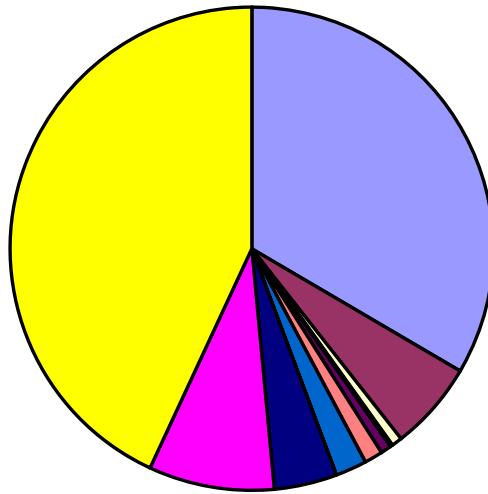
CLASSIFICATION OF PROPERTY INVOLVED A CLOSER LOOK..

RESIDENTIAL:	71.6%
DWELLINGS	302
MOBILE HOMES	96
APARTMENTS, DORMITORIES	12
HUNTING CLUBS/LODGES	-
HOTELS/MOTELS	-
DETENTIONAL:	0.2%
JAILS, etc.	1
MOTOR VEHICLES:	7.4%
AUTOMOBILES, TRUCKS, etc.	41
MOTOR HOMES/CAMPER TRAILERS	-
WATERCRAFT	-
FARM EQUIPMENT/ TRACTORS, HEAVY EQUIPMENT, etc.	1
EDUCATIONAL FACILITIES:	1.1%
SCHOOLS, UNIVERSITIES	6
ASSEMBLIES:	3.0%
ASSEMBLIES/CHURCHES	8
RESTAURANTS	9
BUSINESSES:	1.6%
INDUSTRIAL, COMMERCIAL, MERCANTILE	9
HEALTHCARE:	0.2%
DOCTOR OFFICES, HOSPITALS	1
OTHER:	14.9%
	85
TOTAL	571

Investigations Classifications of Property Involved



Classifications of Investigations

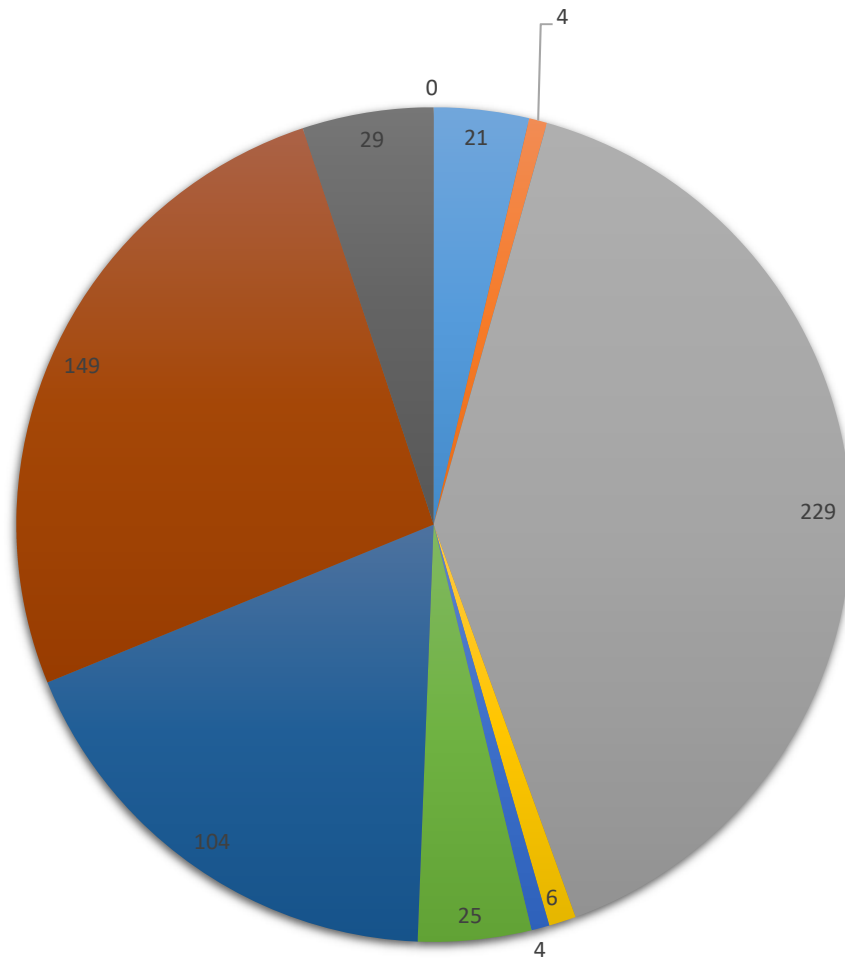


- Arson - 191
- Electrical System - 34
- Adverse Weather - 4
- Natural Gas System - 1
- Liquid Petroleum Gas System - 4
- Heating Equipment - 7
- Cooking Equipment - 12
- Portable Appliances - 0
- Not Otherwise Classified - 24
- Other-Criminal/Non Criminal - 48
- Unknown/Undetermined - 246

Investigations by County

AUTAUGA	9	JACKSON	13
BALDWIN	24	JEFFERSON	16
BARBOUR	11	LAMAR	4
BIBB	4	LAUDERDALE	20
BLOUNT	6	LAWRENCE	9
BULLOCK	8	LEE	2
BUTLER	3	LIMESTONE	10
CALHOUN	17	LOWNDES	4
CHAMBERS	6	MACON	1
CHEROKEE	1	MADISON	9
CHILTON	17	MARENGO	5
CHOCTAW	3	MARION	9
CLARKE	6	MARSHALL	4
CLAY	1	MOBILE	30
CLEBURNE	3	MONROE	5
COFFEE	9	MONTGOMERY	4
COLBERT	14	MORGAN	8
CONECUH	11	PERRY	10
COOSA	2	PICKENS	5
COVINGTON	17	PIKE	7
CRENSHAW	2	RANDOLPH	6
CULLMAN	8	RUSSELL	4
DALE	5	SHELBY	7
DALLAS	20	ST. CLAIR	7
DEKALB	5	SUMTER	4
ELMORE	1	TALLADEGA	22
ESCAMBIA	21	TALLAPOOSA	4
ETOWAH	6	TUSCALOOSA	11
FAYETTE	2	WALKER	37
FRANKLIN	11	WASHINGTON	7
GENEVA	7	WILCOX	4
GREENE	3	WINSTON	6
HALE	2		
HENRY	2		
HOUSTON	10	TOTAL	571

Investigation Requestors



■ 911 - 21

■ Citizen - 4

■ Fire Department - 229

■ Government Official - 6

■ Insurance Industry - 4

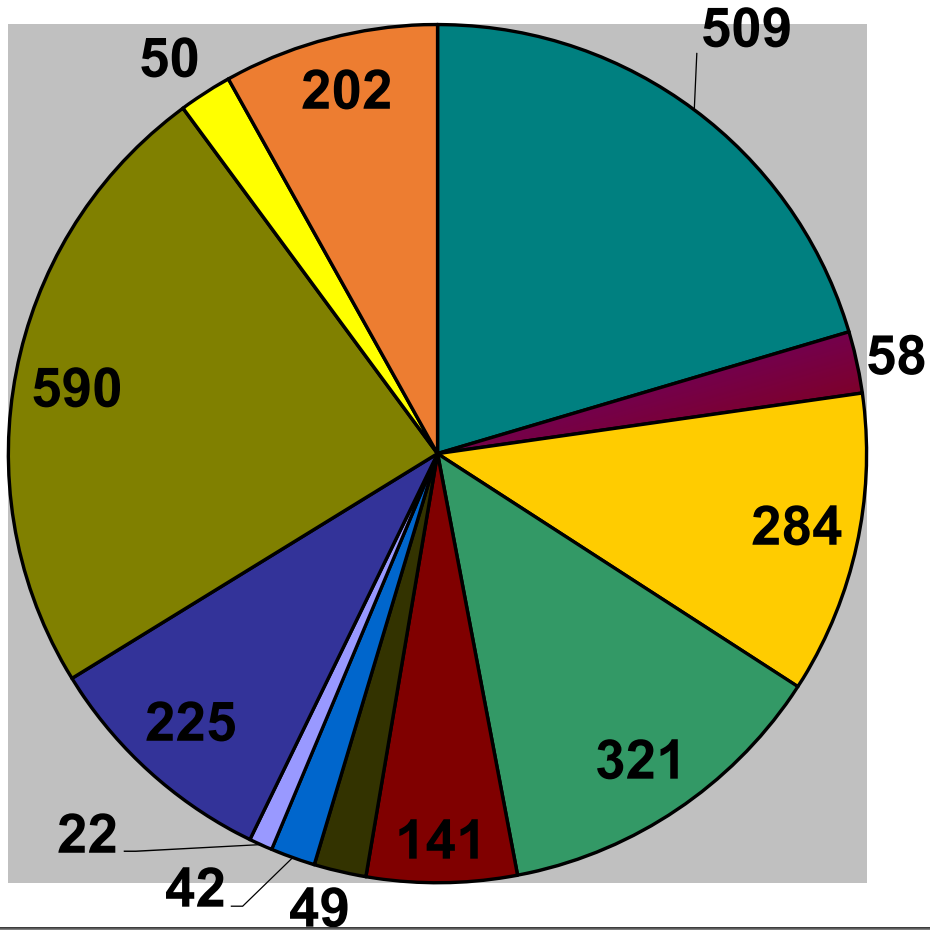
■ Owner/Occupant - 25

■ Police Department - 104

■ Sheriff's Department - 149

■ State Fire Marshal's Office - 29

*Assistance Provided to Others
In Man Hours*



- Deputy Fire Marshal - 509
- Fire Departments - 58
- K9 Response - 284
- Law Enforcement Agency - 321
- Polygraph (Other Agencies) - 141
- Polygraph DSFM - 49
- Polygraph Refuse - 42
- Polygraph Response - 22
- Public Education - 225
- National Fire Incident Reporting System (NFIRS) - 590
- Center for Advanced Forensics - 50
- Follow-Up - 202



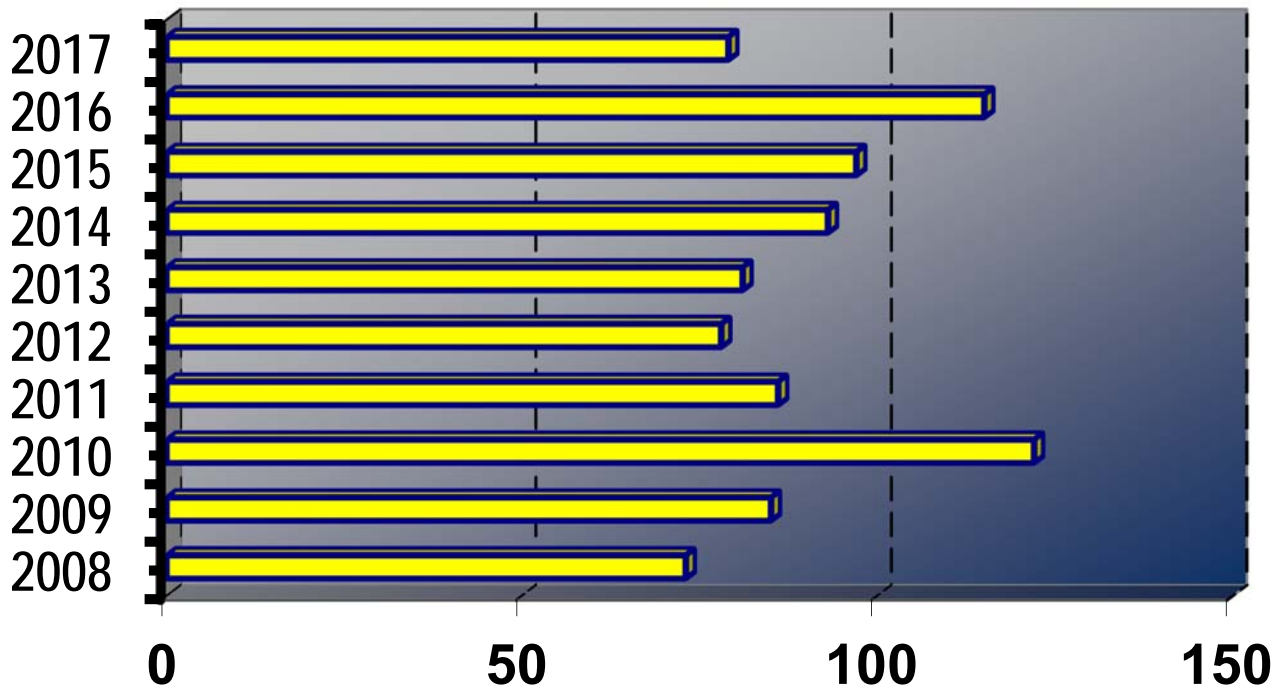
2017 Arrests/Charges



Altering Firearm Id. or Poss. of Altered Firearm	1
Arson 1 st	8
Arson 2 nd	49
Assault 1 st	4
Assault 2 nd	1
Assault 3 rd	1
Attempted Arson 2 nd	1
Attempted Murder	3
Attempting to Elude	1
Burglary 2 nd	2
Burglary 3 rd	10
Certain Persons Forbidden to Possess Pistol	1
Criminal Mischief 1 st	6
Criminal Mischief 2 nd	1
Criminal Mischief 3 rd	4
Criminal Trespass 1 st	1
Destructive Device, or bacteriological	4
Discharging a Firearm into a Building, Auto, Ex.	1
Driving Under the Influence	1
Driving Wrong Side of Road	6
Escape 1 st	5
Escape 3 rd	1
Failure to Register as Sex Offender	1

False Reporting to Law Enforcement	1
Giving False Name or Address to Law Enforcement Officer	1
Hindering Prosecution	2
Illegal Possession of Alcohol	1
Insurance Fraud 1 st	4
Manufacturing Controlled Substance 2 nd	3
Manufacturing Methamphetamine 1 st	1
Possession of Drug Paraphernalia	1
Possession of Explosive Device	14
Possession or Receipt of a Controlled Substance	1
Reckless Endangerment	9
Robbery 1 st	10
Running Red Light	2
Running Stop Sign	1
Speeding	1
Terrorist Threat	1
Theft of Property 1 st	3
Theft of Property 2 nd	1
Theft of Property 3 rd	3
Theft of Property 4 th	1
Theft of Services 3 rd	1
Unlawful Breaking and Entering of Motor Vehicle	2
Unlawful Possession of Marijuana 2 nd	3
Unlawful Possession or Receipt of a Controlled Substance	3
TOTAL	183

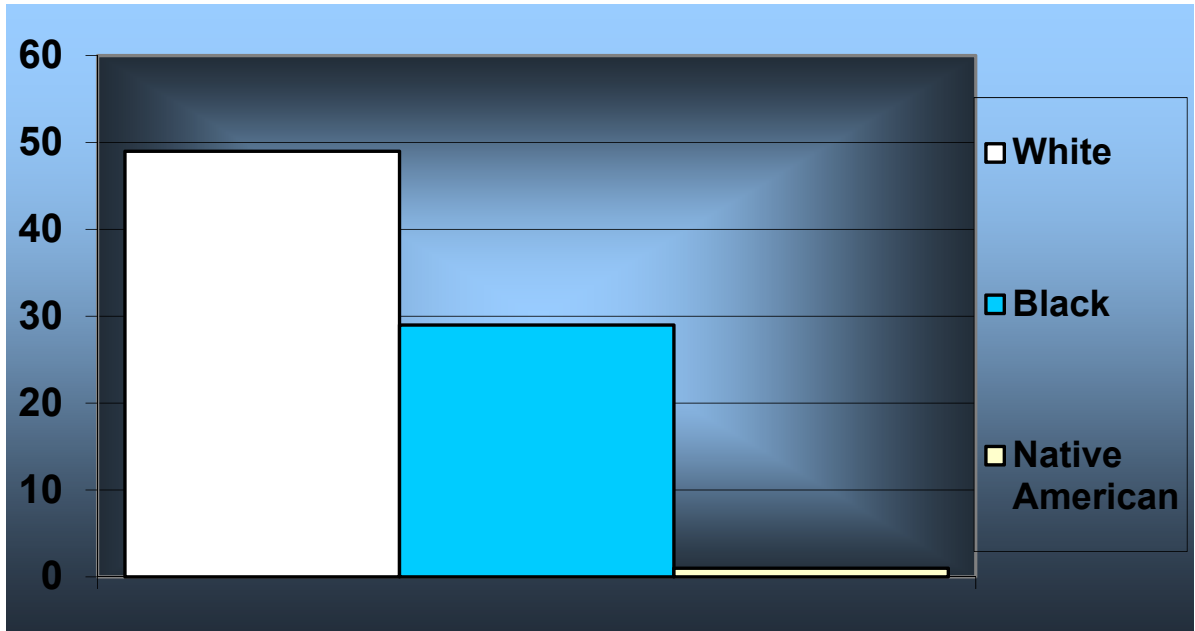
Alabama Fire Fatality Record



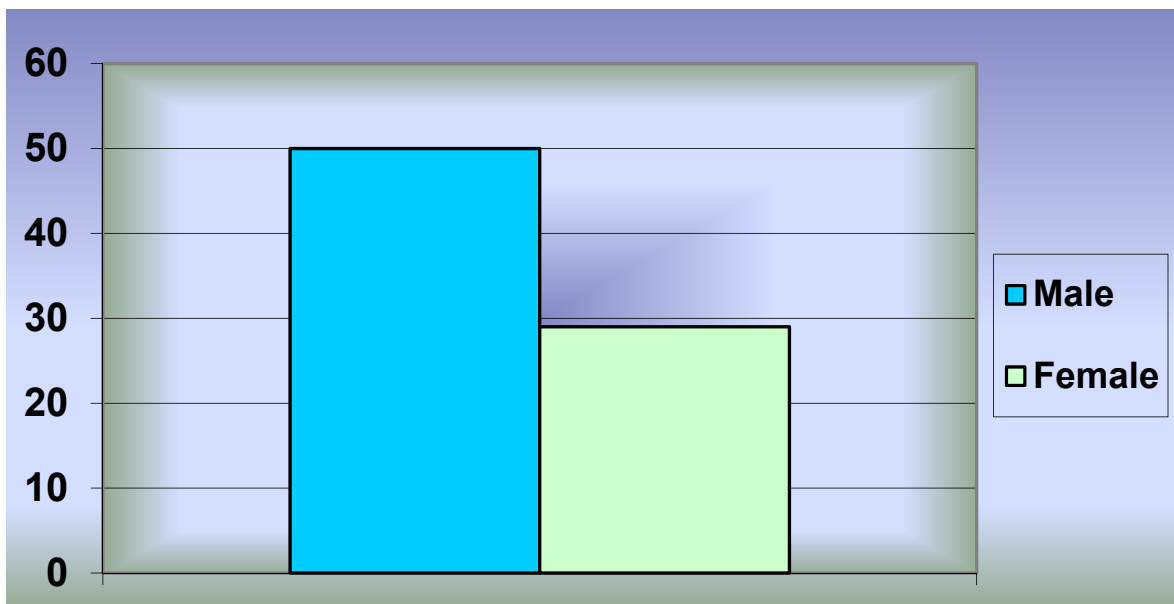
Alabama's fire death record for the past ten years is statistically graphed above. The exact numbers of annual fire-related fatalities are as follows:

2008 - 73
2009 - 85
2010 - 122
2011 - 86
2012 - 78
2013 - 81
2014 - 93
2015 - 97
2016 - 115
2017 - 79

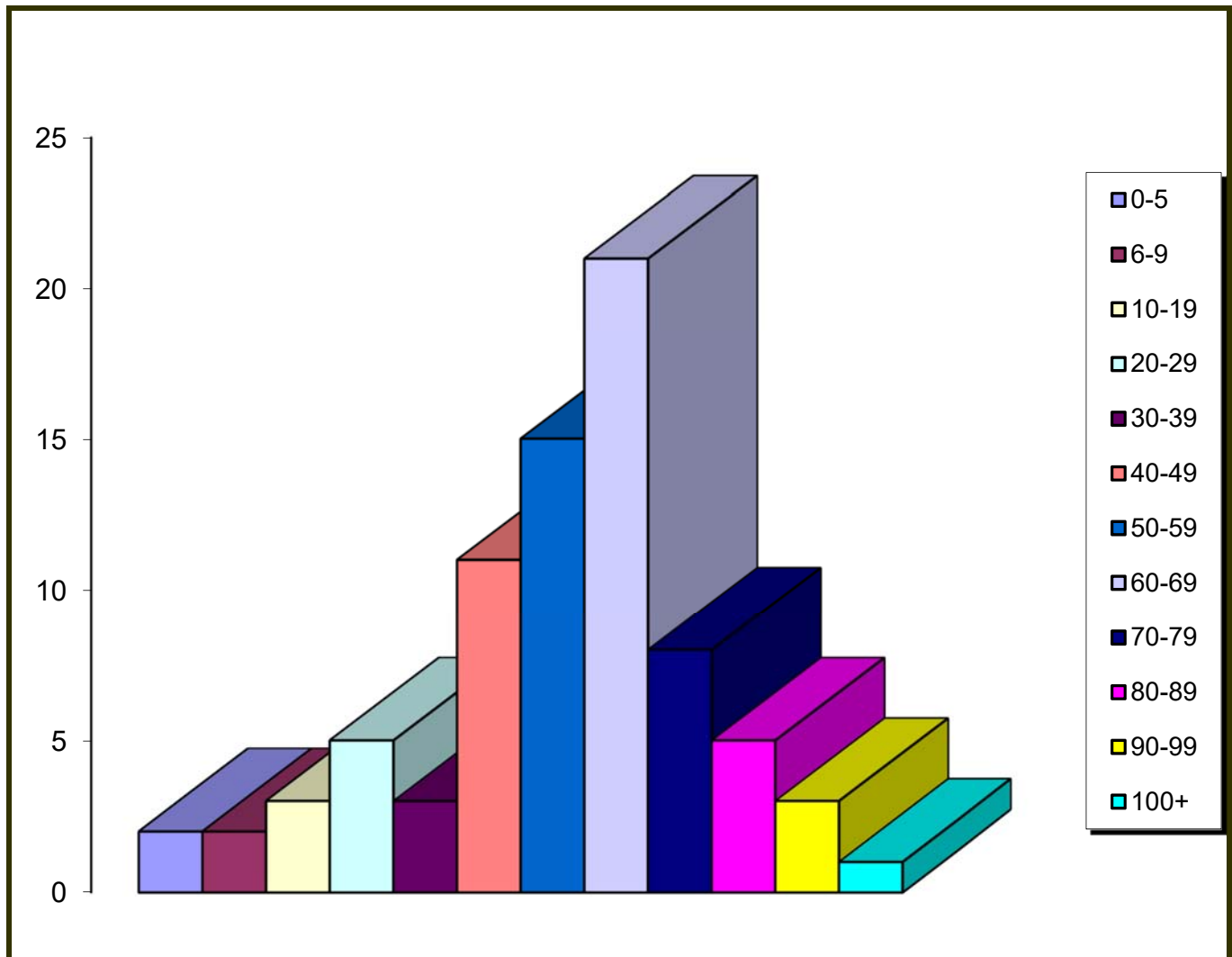
Fatalities by Race



Fatalities by Gender



Fatalities by Age



The fire-related fatalities are broken down into age groups in the graph above. The exact fatalities per age group are as follows:

Age	Number	Age	Number
0 – 5	2	60 – 69	21
6 – 9	2	70 – 79	8
10 – 19	3	80 – 89	5
20 – 29	5	90 – 99	3
30 – 39	3	100+	1
40 – 49	11		
50 – 59	15	Total	79

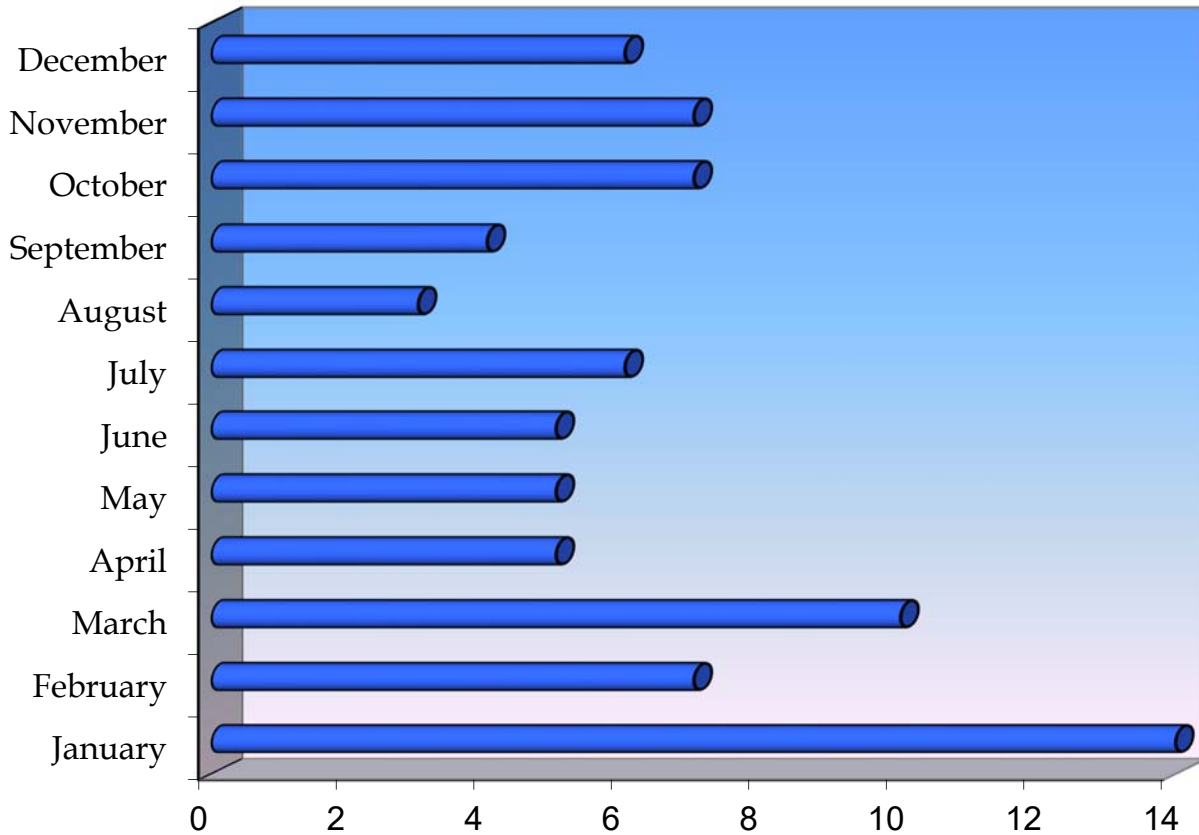
FIRE FATALITY CAUSES

ARSON BY FIRE	6
MURDER BY FIRE	1
SUICIDE BY FIRE	2
LIGHTNING	1
ELECTRICAL SYSTEM - WIRING - PERMANENT - INTERIOR	3
EQUIPMENT/APPLIANCE - TEMPORARY - INTERIOR	3
ELECTRIC-PORTABLE HEATERS	3
WOOD HEATER	1
MISUSE OF SMOKING MATERIALS	6
ELECTRIC-STOVE/OVEN- LEFT UNATTENDED	7
EXPOSURE FIRE	1
COMBUSTIBLE TOO CLOSE TO L.P. GAS	1
UNDETERMINED - NOT SUSPICIOUS	1
UNDETERMINED	42
NOT OTHERWISE CLASSIFIED	1
TOTAL	79

Fatalities by County

AUTAUGA	-	JACKSON	2
BALDWIN	1	JEFFERSON	10
BARBOUR	1	LAMAR	-
BIBB	-	LAUDERDALE	1
BLOUNT	1	LAWRENCE	3
BULLOCK	-	LEE	4
BUTLER	-	LIMESTONE	2
CALHOUN	2	LOWNDES	-
CHAMBERS	1	MACON	-
CHEROKEE	-	MADISON	4
CHILTON	1	MARENGO	2
CHOCTAW	-	MARION	1
CLARKE	2	MARSHALL	2
CLAY	-	MOBILE	6
CLEBURNE	-	MONROE	-
COFFEE	-	MONTGOMERY	1
COLBERT	-	MORGAN	2
CONECUH	-	PERRY	-
COOSA	-	PICKENS	-
COVINGTON	1	PIKE	1
CRENSHAW	-	RANDOLPH	1
CULLMAN	4	RUSSELL	1
DALE	-	SHELBY	-
DALLAS	2	ST. CLAIR	1
DEKALB	1	SUMTER	1
ELMORE	-	TALLADEGA	1
ESCAMBIA	2	TALLAPOOSA	2
ETOWAH	-	TUSCALOOSA	1
FAYETTE	-	WALKER	5
FRANKLIN	-	WASHINGTON	2
GENEVA	2	WILCOX	2
GREENE	-	WINSTON	-
HALE	-		
HENRY	-		
HOUSTON	-	TOTAL	79

Fatalities by Month



The fire-related fatalities are broken down by months in the graph above.
The exact fatalities per month are as follows:

January	14	July	6
February	7	August	3
March	10	September	4
April	5	October	7
May	5	November	7
June	5	December	6

Total Fatalities – 79

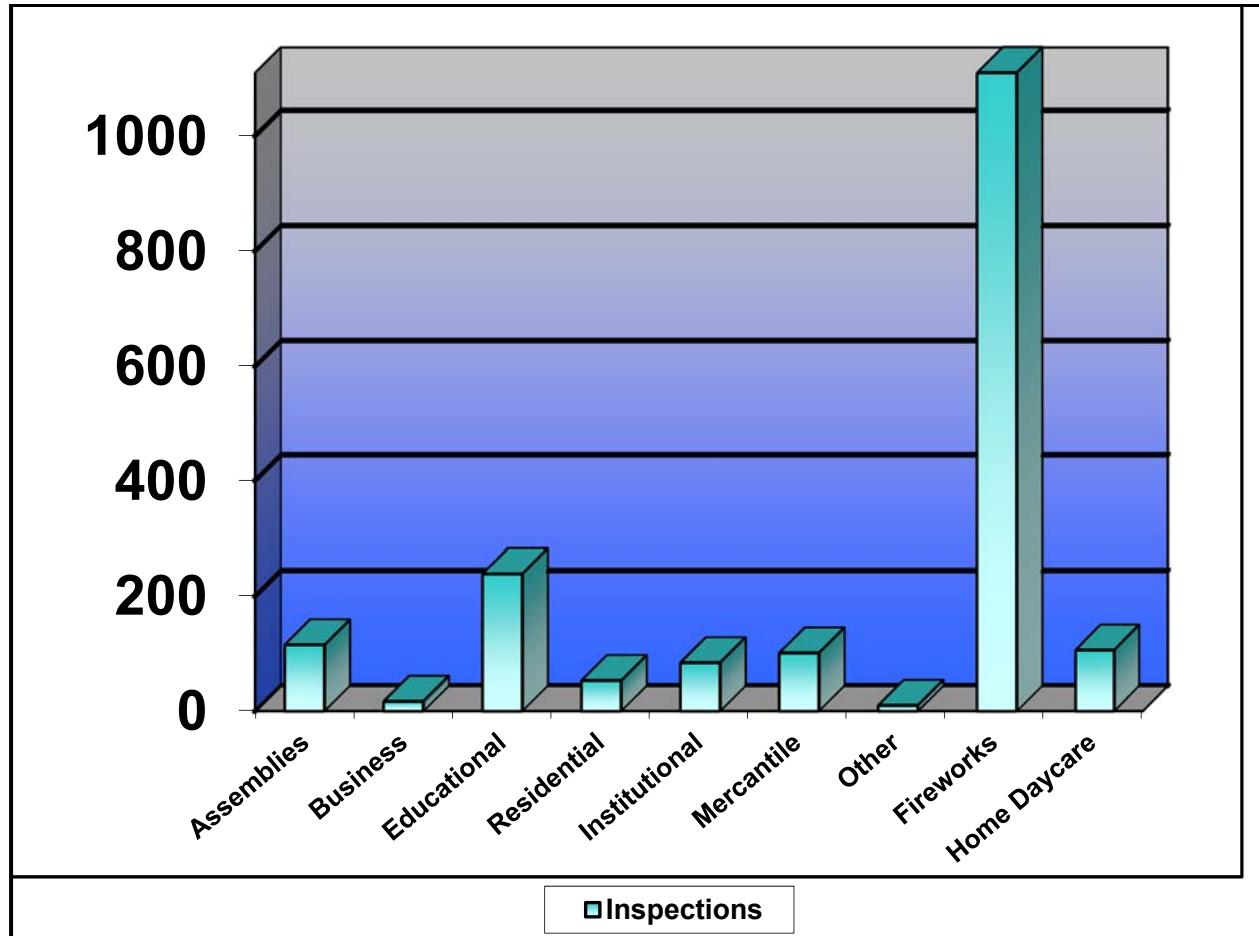
Inspections by County

AUTAUGA	9	JACKSON	5
BALDWIN	27	JEFFERSON	34
BARBOUR	7	LAMAR	4
BIBB	4	LAUDERDALE	21
BLOUNT	10	LAWRENCE	19
BULLOCK	8	LEE	3
BUTLER	9	LIMESTONE	13
CALHOUN	11	LOWNDES	4
CHAMBERS	9	MACON	1
CHEROKEE	7	MADISON	4
CHILTON	5	MARENGO	4
CHOCTAW	2	MARION	4
CLARKE	10	MARSHALL	14
CLAY	3	MOBILE	25
CLEBURNE	9	MONROE	5
COFFEE	13	MONTGOMERY	13
COLBERT	21	MORGAN	22
CONECUH	10	PERRY	2
COOSA	4	PICKENS	3
COVINGTON	19	PIKE	10
CRENSHAW	11	RANDOLPH	14
CULLMAN	26	RUSSELL	6
DALE	28	SHELBY	14
DALLAS	8	ST. CLAIR	7
DEKALB	11	SUMTER	1
ELMORE	6	TALLADEGA	73
ESCAMBIA	13	TALLAPOOSA	3
ETOWAH	4	TUSCALOOSA	11
FAYETTE	4	WALKER	8
FRANKLIN	25	WASHINGTON	4
GENEVA	9	WILCOX	1
GREENE	2	WINSTON	9
HALE	4		
HENRY	4		
HOUSTON	11	TOTAL	724

Fireworks Inspections by County

AUTAUGA	5	JACKSON	10
BALDWIN	72	JEFFERSON	156
BARBOUR	4	LAMAR	2
BIBB	4	LAUDERDALE	31
BLOUNT	19	LAWRENCE	13
BULLOCK	1	LEE	17
BUTLER	5	LIMESTONE	13
CALHOUN	20	LOWNDES	1
CHAMBERS	3	MACON	2
CHEROKEE	15	MADISON	48
CHILTON	18	MARENGO	7
CHOCTAW	4	MARION	8
CLARKE	8	MARSHALL	17
CLAY	5	MOBILE	70
CLEBURNE	8	MONROE	10
COFFEE	6	MONTGOMERY	36
COLBERT	18	MORGAN	24
CONECUH	4	PERRY	-
COOSA	-	PICKENS	4
COVINGTON	16	PIKE	13
CRENSHAW	4	RANDOLPH	7
CULLMAN	35	RUSSELL	5
DALE	9	SHELBY	40
DALLAS	5	ST. CLAIR	29
DEKALB	21	SUMTER	4
ELMORE	31	TALLADEGA	20
ESCAMBIA	9	TALLAPOOSA	16
ETOWAH	23	TUSCALOOSA	47
FAYETTE	5	WALKER	20
FRANKLIN	10	WASHINGTON	4
GENEVA	10	WILCOX	1
GREENE	1	WINSTON	13
HALE	2		
HENRY	2		
HOUSTON	19	TOTAL	1,109

Inspections



CLASSIFICATION	INSPECTIONS
Assembly	115
Business	17
Educational	238
Residential	53
Institutional	84
Mercantile	101
Other	10
Fireworks	1,109
Home Daycare	106
TOTAL	1,833

FIRE PREVENTION / PUBLIC EDUCATION



INSURANCE FRAUD



FRAUD INVESTIGATION



INSURANCE FRAUDS

REPORT INSURANCE FRAUD



ifb
Insurance Fraud Bureau

ALDOI CRIMINAL FRAUD BUREAU

OUR MISSION...

The Fraud Unit 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.

Recent Fraud Cases

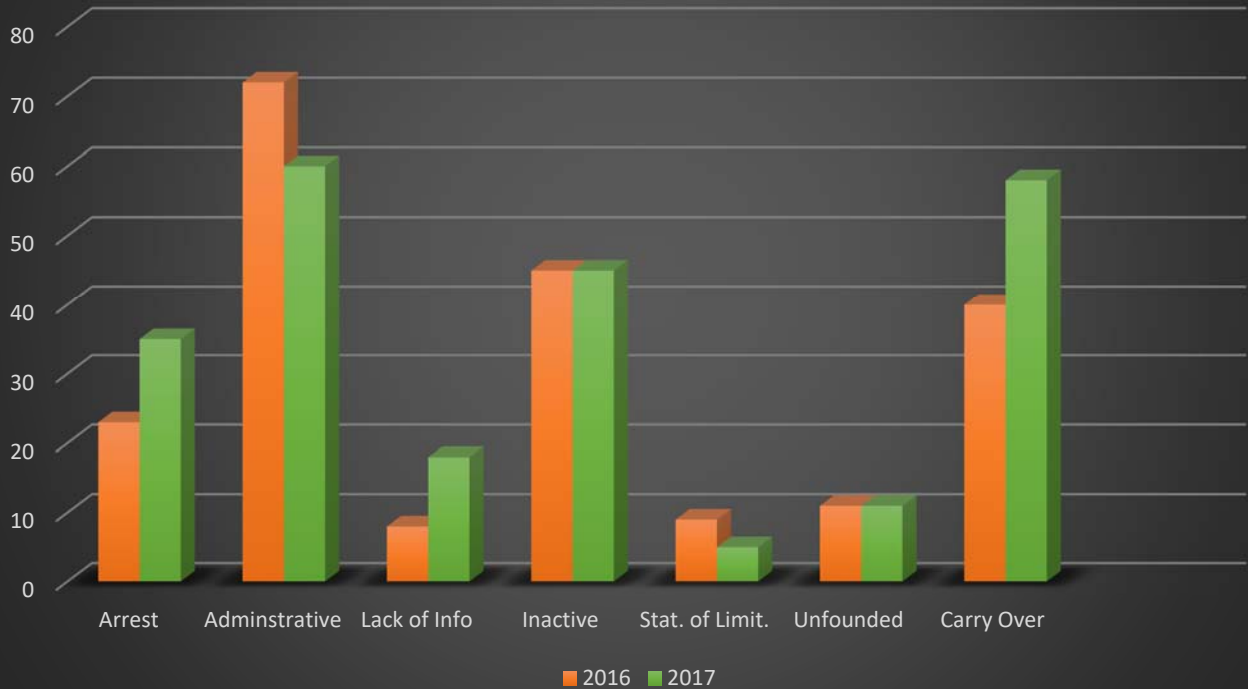
- North Alabama; an insurance agent was arrested for creating altered and forged annuities using elderly clients identity and stealing large amounts of money. Cases in several counties are pending in court.
- The Bureau assisted the FBI with investigating a third employee from a husband & wife insurance company in Monroe County who were recently charged and convicted of insurance fraud, stealing several million. The husband and wife had already been sentenced to federal prison; now a 3rd employee of agencies is being charged.
- A South Alabama construction company was forging certificates of liability, avoiding paying the insurance premium, enabling them to gaining an edge on competitors for bidding jobs. Case is pending trial.
- Convenience store owner in Houston County reported a legitimate burglary loss; however claimed extensive list of items not actually stolen. Owner was arrested and is pending trial.
- Shelby County woman filed a claim for loss of \$15,000 in jewelry. One month later, filed another claim with a different insurance company, using the same photos. It was later discovered the jewelry was never lost, in fact never owned by the claimant. The suspect was arrested and her case is pending trial.
- A Tusculmbia resident sold an ATV to an acquaintance for drugs, then reported the ATV stolen, filed an insurance claim and attempted to collect. The suspect was arrested and charged and is pending trial.
- Mobile ex-insurance agent previously charged with insurance fraud was caught selling insurance and committing insurance fraud again. She has been charged again, and is awaiting trial.

2017 Fraud Bureau Activity

- February 1, 2017, the Fraud Bureau expanded from three investigators, one analyst and one supervisor to seven investigators, one analyst, one intake clerk and one supervisor.
- The Fraud Bureau meets regularly with the Alabama Chapter of International Association of Special Investigators and other members of the insurance industry to discuss trends and conduct training.
- In 2017, the Fraud Bureau began assisting the Department of Insurance, Strengthen Alabama Homes Program with fraud prevention training for new applicants, evaluators and contractors.
- Fraud Bureau also assisted the Alabama Home Builders Association with contractor license checks along the gulf coast region and has planned future joint operations state wide.
- In October 2017, the Fraud Bureau added the capability of Forensic Computer and Electronic Analysis to the Bureau's functions. One fraud investigator received training from federal law enforcement agencies in the forensic analysis of electronic data, specifically, cell phones, computers and other loose media. In three months, between October and December, 2017, forensic analysis included 11 computers, six cell phones and 28 loose media items totaling more than eight TB of data. The bureau also assists other local, state and federal law enforcement agencies with these requests.
- December 2017, the Fraud Bureau attended a dialog meeting with NICB (National Insurance Crime Bureau), and the Florida Department of Insurance, Insurance Fraud Bureau to discuss and share common investigative trends, training needs and growth issues of new fraud investigative units. Arrangements are being made for future ongoing training and information sharing.

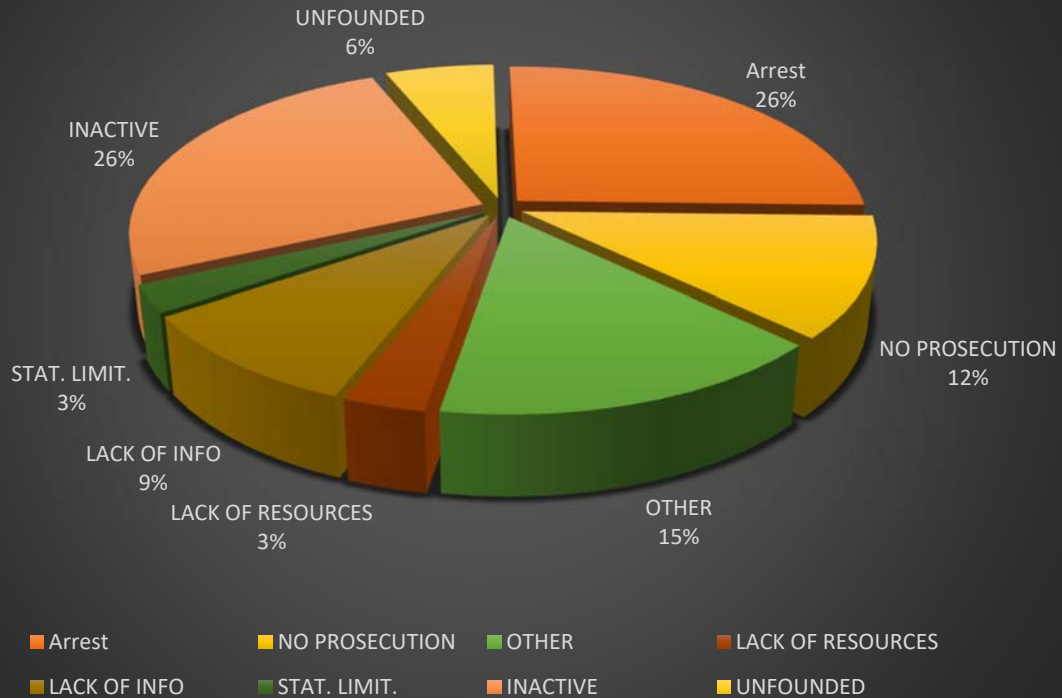
Insurance Fraud Investigations

Case Outcomes
2016 - 2017 Comparison

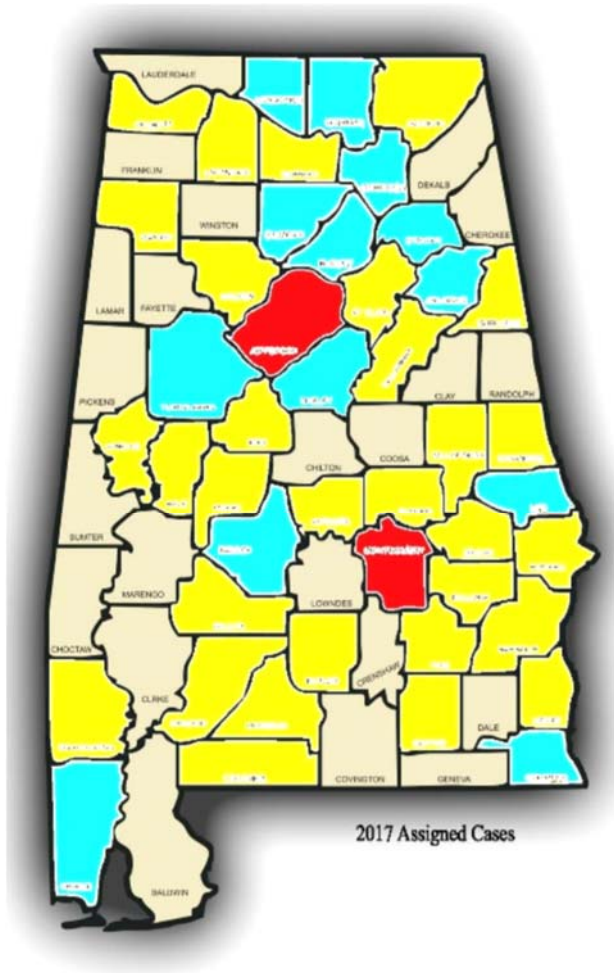
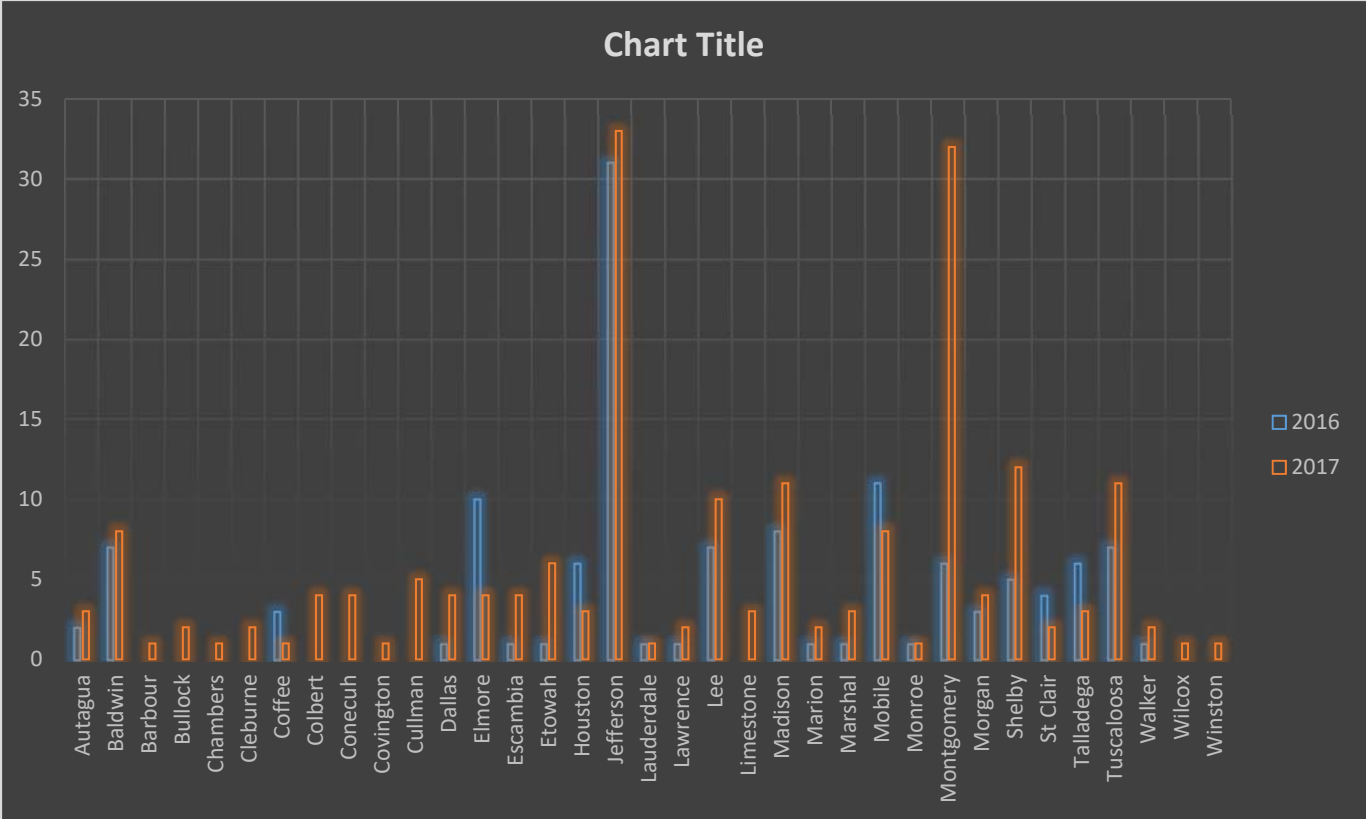


	<u>2017</u>	<u>2016</u>
Total Investigations:	223	185
New Cases Received:	165	145
Investigations Closed:	168	145
• Closed by Arrest:	35	23
• Closed Administratively:	60	72
• Cases Closed for Lack of information:	18	8
• Cases Closed / Inactive:	48	45
• Cases Expired Statute of Limitations:	5	9
• Cases worked that were Unfounded:	11	11
 Investigations Carried Over From 2016 to 2017:	 40	
Investigations Carried Over From 2017 to 2018:	58	

2017 INVESTIGATION CASES



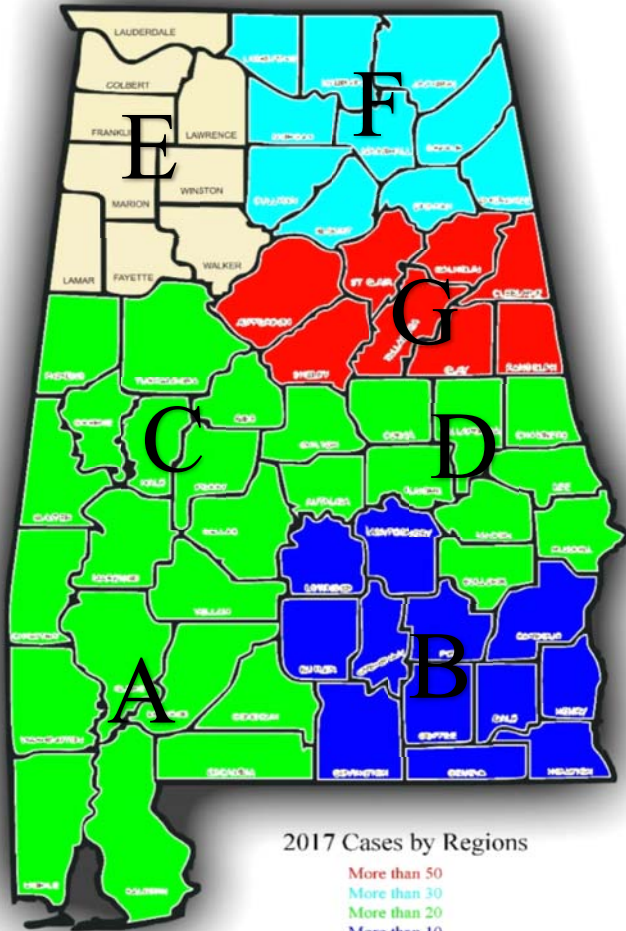
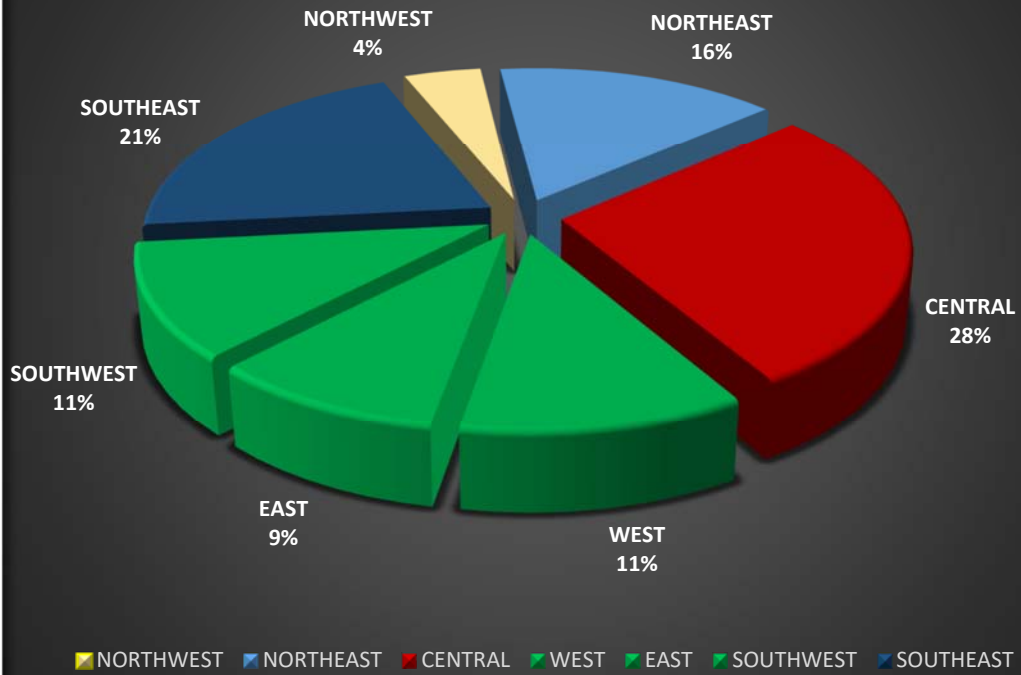
- **ARREST:** Cases that have been submitted to the criminal courts for prosecutions. These cases are closed.
- **NO PROSECUTION:** Cases that were submitted for prosecution but declined by prosecutors.
- **OTHER:** Cases that confirm that fraud occurred but the outcome ended in other than arrest by the Fraud Bureau; i.e., , submitted for civil penalties for violations of market conduct regulations under the state law, or were prosecuted by other agencies, local, state or federal; these cases are closed.
- **LACK OF INFO:** Cases lacking sufficient information for neither follow-up nor further investigation; allegations cannot be confirmed nor denied; these cases can be re-opened with new information.
- **LACK OF RESOURCES:** Reported suspected fraud that based on provided information does not display an efficient allocation of resources to assign for investigation. (i.e., cases that show the resources and effort outweighs a positive outcome.)
- **STATUTE OF LIMITATIONS:** These are cases in which charges could not or were not filed within two-years after the date of the discovery of the fraud, as authorized by law.
- **INACTIVE:** The complaint was thoroughly investigated with legitimate information and probable cause that something happened, however progress ceases with no further follow-up information; these cases can be re-opened upon receipt of new information.
- **UNFOUNDED:** These cases were investigated and proven that the allegations were false or the act was not illegal. The complaint was false.



2017 Assigned Cases

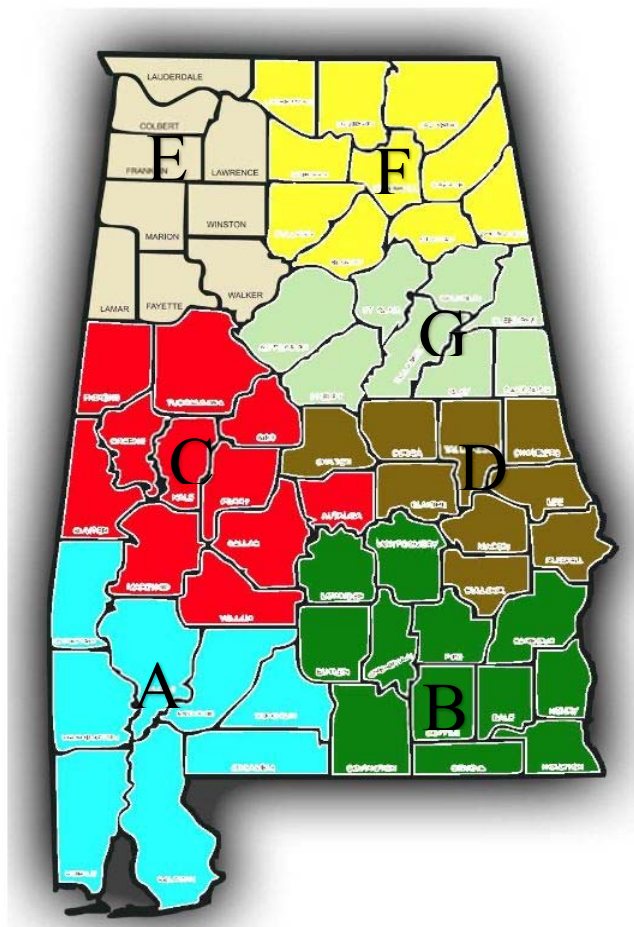
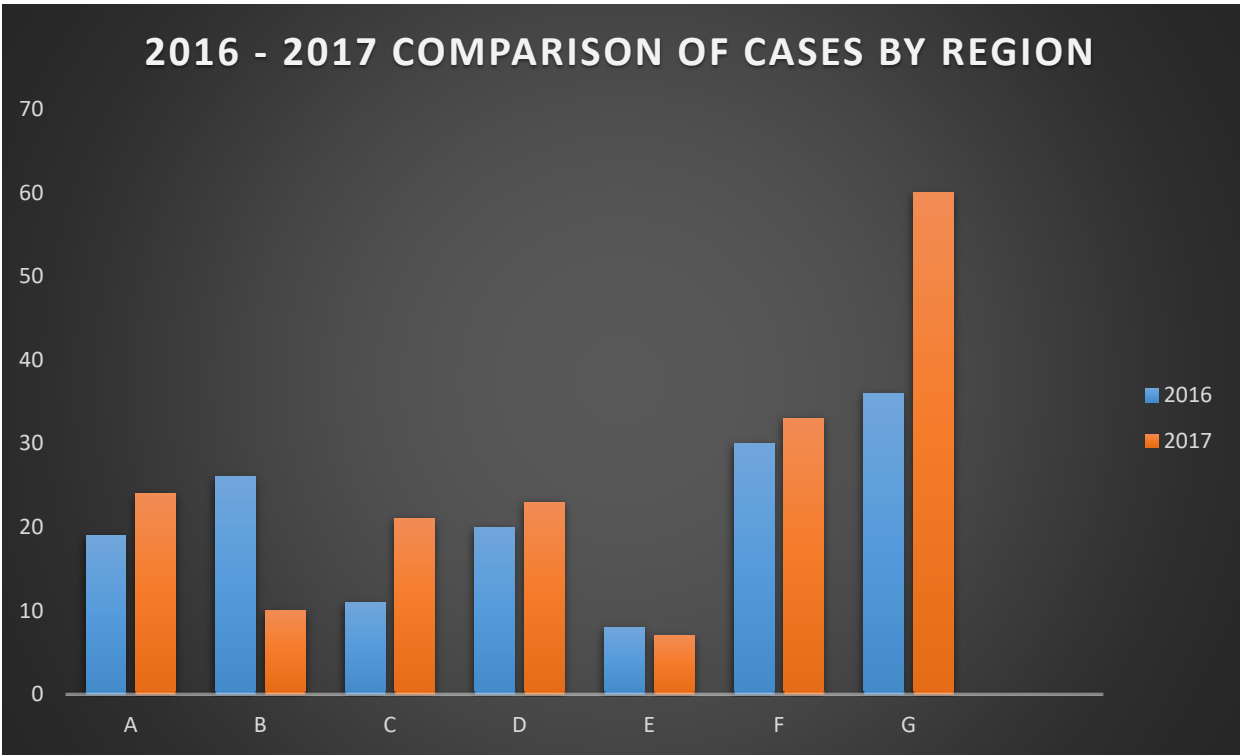
- More than 25
- Less than 10
- Less than 5
- None

2017 CASES BY STATE REGION



2017 Cases by Region

- More than 50 cases
- More than 30 cases
- More than 20 cases
- More than 10 Cases
- Less Than 10



Screening Cases for an Efficient Outcome

In 2016, due to the high volume of fraud complaints, the Alabama Fraud Bureau adjusted the complaint screening process to improve the efficient use of resources and increase positive case outcomes. The “Efficient Outcome” of a case is defined as resources well spent, in consideration of the allegations, time spent and results of the investigation. Three categories are calculated to measure the efficient outcome of complaint screening. They are, **ARRESTS**, (which confirm the allegations and enforce the law), **ADMINISTRATIVE**, (i.e., resulting in market conduct enforcement or being in the best interest of victim, witnesses, complainants and investigating agency), and **UNFOUNDED**, (proving that allegations were false, which is in the best interest of everyone, most importantly the falsely accused.)

Because of the complex nature of insurance fraud investigations and the elements required for successful criminal prosecution, less than 20% of all complaints ultimately get assigned for investigation. The average investigators case load, worked efficiently and successfully by the investigator is found to be 10 – 15. Each investigation averages approximately seven months to reach conclusion. On the average, an investigator will work 40 to 60 cases per year. The current insurance fraud criminal statute only allows a two year statutory limitations for prosecution. Unfortunately, complaints are received by the department of insurance months after the suspected fraud is discovered; leaving limited time for investigation. Case screening management for efficiency is therefore, very important.

