



**OFFICE OF INSPECTOR GENERAL
CITY OF JACKSONVILLE**

**REPORT OF INVESTIGATION
CASE NUMBER: 2017-0012
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*"Enhancing Public Trust in Government Through Independent
and Responsible Oversight"*

FORMER COJ EMPLOYEE PLED GUILTY TO ORGANIZED FRAUD

EXECUTIVE SUMMARY

On July 5, 2017, the Florida Department of Financial Services, Division of Investigative and Forensic Services, Bureau of Insurance Fraud (BIF), contacted the Office of Inspector General (OIG) regarding James Ross, Jr., All Lines Claims Adjuster, Risk Management, Finance and Administration, City of Jacksonville (COJ). According to the BIF, Ross was the subject of a fraudulent claims scheme investigation related to Ross' previous employment. Based on this information, the OIG initiated an administrative investigation to review actions taken by Ross during his employment with the COJ.

On August 8, 2017, the OIG met with the General Liability Claims Manager (Manager), Risk Management, Finance and Administration. The Manager was able to confirm that Ross, while employed with the COJ, had not processed any claims related to the other individuals under investigation by the BIF.

On August 29, 2017, the BIF arrested Ross pursuant to a warrant for two counts of Florida Statute (F.S.) § 817.234 Filing False Insurance Claims, and one count of F.S. § 817.034(4) (a), Scheme to Defraud. The Chief of Risk Management, Finance and Administration, terminated Ross on September 22, 2017. However, according to COJ personnel records, Ross' last day of work with the COJ was August 24, 2017.

On January 22, 2018, Ross pled guilty to one count of F.S. § 817.034(4) (a), Organized Fraud, and was sentenced to 18 months of probation. As a special condition of his probation, Ross had to serve 60 days jail-time and pay \$2,400 in restitution jointly with one of his co-defendants.

Based on the joint BIF and OIG investigation, there was no evidence of fraudulent claims against the COJ during Ross' employment with the COJ.

INVESTIGATIVE REPORT

ALLEGATION

James Ross, Jr., All Lines Claims Adjuster, Risk Management, Finance and Administration, City of Jacksonville (COJ), perpetuated a scheme to defraud by submitting and/or approving fraudulent claims.

GOVERNING DIRECTIVES

Florida Statutes (F.S.):

- § 817.034, Florida Communications Fraud Act, specifically (4)(a) Organized Fraud
- § 817.234, False Insurance Claims

INVESTIGATIVE FINDINGS

OIG Records Review

The OIG reviewed the applicable state and municipal statutes and found the following:

F.S. § 817.034, Florida Communications Fraud Act, specifically (4) (a) Organized Fraud

The above states in part:

(3) *DEFINITIONS.—As used in this section, the term:*

(d) *“Scheme to defraud” means a systematic, ongoing course of conduct with intent to defraud one or more persons, or with intent to obtain property from one or more persons by false or fraudulent pretenses, representations, or promises or willful misrepresentations of a future act.*

(4) *OFFENSES.—*

(a) *Any person who engages in a scheme to defraud and obtains property thereby is guilty of organized fraud, punishable as follows:*

3. *If the amount of property obtained has an aggregate value of less than \$20,000, the violator is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s.775.084.*

Florida Statute § 817.234, False Insurance Claims

The above states in part:

(1)(a) A person commits insurance fraud punishable as provided in subsection (11) if that person, with the intent to injure, defraud, or deceive any insurer:

1. Presents or causes to be presented any written or oral statement as part of, or in support of, a claim for payment or other benefit pursuant to an insurance policy or a health maintenance organization subscriber or provider contract, knowing that such statement contains any false, incomplete, or misleading information concerning any fact or thing material to such claim.

COJ Records

The BIF provided the OIG with the names of several individuals suspected of participating with Ross. On August 8, 2017, the OIG met with the Risk Management Division to review claims processed and approved by Ross. None of the names provided by the BIF had filed claims with the COJ during Ross' employment with the COJ. During the claims review with the Risk Management Division, the Manager explained COJ adjusters had the authority to settle claims below a certain threshold; however, these claims were subject to a random review.

Per COJ personnel records, Ross began employment with COJ as an All Lines Claims Adjuster (an appointed position) on March 13, 2017. The Chief of Risk Management terminated Ross on September 22, 2017. However, COJ records reflected Ross' last day of work was August 24, 2017.

BIF Investigative Report

According to the BIF, Ross was the subject of a fraudulent claims scheme investigation related to Ross' previous employment. The BIF Investigative Report concerned five individuals identified as having submitted fraudulent medical invoices for "slip and fall" accidents at several Jacksonville-area grocery stores. During the course of the BIF investigation, two of the five individuals admitted to submitting fraudulent medical invoices. Both of these individuals alleged Ross had initially approached them and subsequently provided assistance with their fraudulent claims.

One of the two individuals received an \$8,000 settlement, of which she provided \$4,300 to Ross and kept the remaining \$3,700. The other individual failed to follow through with the false claim.

On August 29, 2017, Ross was arrested pursuant to a warrant for two counts of F.S. § 817.234, Filing False Insurance Claims, and one count of F.S. § 817.034(4) (a), Scheme to Defraud.

Duval County Court Records

On January 22, 2018, Ross pled guilty to one count of F.S. § 817.034(4) (a), Organized Fraud, and was sentenced to 18 months' probation, which included serving 60 days jail-time and paying \$2,400 restitution jointly with one of his co-defendants.

CONCLUSION

Through the collaborative efforts of the BIF and the OIG, no evidence was discovered that Ross had defrauded the COJ. The Chief of Risk Management swiftly removed Ross from his position after his arrest. The OIG has no recommendations for corrective actions related to this matter.

IDENTIFIED, QUESTIONED, AND AVOIDABLE COSTS

Identified Costs/Recoverable Funds: Not Applicable

ROSS' RESPONSE

On June 6, 2018, the OIG forwarded via certified mail a copy of the draft Report of Investigation to Ross' residence. Ross was provided the opportunity to submit a written explanation or rebuttal to the findings in the draft Report of Investigation due on or before June 15, 2018. No response was received from Ross.

MANAGEMENT COMMENTS AND CORRECTIVE ACTIONS

On June 6, 2018, the Chief Administrative Officer, Office of Mayor Curry, City of Jacksonville, Florida, was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Report of Investigation, due on or before June 15, 2018. On June 11, 2018, after reviewing this report, the Office of Mayor Curry advised they had no comments.

cc: IG Distribution A

This investigation has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles & Quality Standards for Investigations.