



Insurance and Safety Fire Commissioner

NEWS RELEASE

Ralph Hudgens
Commissioner of Insurance
Safety Fire Commissioner
Industrial Loan Commissioner
Twitter: @GA_DOI
Facebook: @georgiadoi

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Contact: Glenn Allen
Office: 404-463-0729

DUO ARRESTED IN SMARTPHONE INSURANCE SCHEME

Atlanta, GA - Insurance Commissioner Ralph Hudgens said Fraud Investigators with his office arrested a Stewart County woman and Muscogee County teenager this morning on felony counts related to an insurance fraud scheme of more than \$300,000. The suspects are accused of filing multiple fraudulent insurance claims with Asurion Insurance Services for alleged damaged or undelivered smartphones and tablets.

Rita Geddis McKay, 48, of Richland, Ga., and a 17-year-old male, of Columbus, Ga., are each charged with two counts of insurance fraud and two count of theft by receiving stolen property. The investigation revealed that between January 2015 and October 2017 both McKay and the teenager used multiple identities to establish accounts with Verizon Wireless to steal and resale iPads and iPhones. Records from Asurion indicates, the duo combined to file 371 fraudulently claims and illegally obtained approximately \$331,021.30 in replacement merchandise.

“Many of the claims filed by these individuals allege similar damage or mishaps to their wireless device,” Hudgens said. “Asurion alerted us that there appeared to be a pattern of fraud with these claims, and our investigation revealed that was indeed the case.”

State Fraud Investigators discovered that once the suspects' accounts were activated with Verizon, they would add fictitious or non-working iPhones and iPads to the accounts, place insurance on them with Asurion, then file theft and damage claims on the device. Asurion would ship a replacement device, but the perpetrators would claim the merchandise was never delivered or arrived damaged. None of the alleged damaged smartphones or tablets were returned as required. Investigators have determined suspects ultimately sold the merchandise on secondary markets.

McKay is currently being held in the Stewart County Jail, and the 17-year-old male is in the Muscogee County Jail. Insurance fraud is a felony and carries a penalty of two to 10 years in prison or a fine of up to \$10,000.

Anyone with any information about this case or any suspicious insurance scheme should call Hudgens' Office at 1-800-656-2298.