

Travelers Insurance and Alan Schnitzer, CEO, be advised that as a publicly traded insurance company using a fraudulent expert witness report to deny an injury claim could face serious **Pennsylvania state felony charges** and potential **federal criminal violations**, as it constitutes a deliberate deception to obtain an illegitimate gain.

### **Pennsylvania State Criminal Violations**

The primary state statute violated is likely the Pennsylvania Insurance Fraud statute, found at **Title 18, Section 4117 of the Pennsylvania Crimes Code**.

Specific violations can include:

- **Knowingly making a false statement:** Presenting a statement (the expert report) forming a part of, or in support of, a claim that contains false, incomplete, or misleading information with intent to defraud.
- **Concealment of material fact:** Intentionally concealing information for the purpose of misleading concerning any fact material to the claim.
- **Conspiracy:** Conspiring with the expert witness or others to commit the fraudulent act.

Offenses under Section 4117(a) are generally graded as **felonies of the third degree**, punishable by up to 7 years in jail and fines of up to \$15,000, with potential for higher fines and restitution orders.

### **Federal Criminal Violations**

Federal jurisdiction comes into play when the fraudulent activities affect interstate commerce, which is almost always the case with publicly traded insurance companies operating across state lines. Potential federal charges include:

- **Federal Insurance Fraud:** The law covers a wide range of fraudulent activities where false statements or misrepresentations in insurance documents cross state lines.
- **Mail Fraud and Wire Fraud:** Using mail, phone calls, or electronic communications (email, company systems) to further the scheme to defraud can lead to severe penalties, including fines and imprisonment of up to 10 years (or up to 15 years if the scheme jeopardizes the insurer's financial condition).

- **Securities Fraud:** If the company's actions (e.g., hiding the fraudulent practices) lead to false statements or omissions of material facts that affect its stock prices or investor decisions, it could face securities fraud charges.
- **Racketeer Influenced and Corrupt Organizations Act (RICO) actions:** If the scheme is part of an ongoing, organized pattern of fraudulent activity, it could potentially lead to RICO charges.