



CHIEF FINANCIAL OFFICER  
**JIMMY PATRONIS'**

# WEEKLY RUNDOWN

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

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## Floridians,

The Securities and Exchange Commission (SEC) recently appointed Valerie Szczepanik as its new “cryptocurrency chief,” a first-of-its kind position and one that is much needed. I’ve directed my staff to set up a call with her to discuss how we can continue to protect consumers from being taken advantage of in our state.

Cryptocurrency is growing in Florida. The Seminole County Tax Collector now accepts bitcoin and bitcoin cash to pay for property taxes, driver license and ID card fees, tags and titles; Tampa/St. Petersburg was [ranked seventh](#) in the top 10 bitcoin-friendly cities in 2016 and Miami/Ft. Lauderdale was ranked eighth; there are more than [160 Bitcoin ATMs](#) across Florida; and an entirely [Bitcoin real estate transaction](#) in Miami took place in December 2017.

It’s important for Floridians to fully understand what they are getting into before they make any investment, and that includes cryptocurrency. Always do your homework before making an investment; understand that cryptocurrency values can be unstable; cryptocurrency can be stolen; and cryptocurrency transactions can be taxed.

I encourage everyone to do some research on what exactly cryptocurrency is and how it is being used in the world today. With new technology come new ways for you to be defrauded and it’s my goal to ensure you’re protected.

Sincerely,

**Stay Connected**



Jimmy Patronis  
Chief Financial Officer  
State of Florida



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## News of Interest

Florida Politics: [Jimmy Patronis announces efficiency savings in workers' comp oversight efforts](#)

Sunshine State News: [Lobbyists face new requirements at Citizens](#)

WTVT Fox Tampa: [CFO Jimmy Patronis on Hurricane Season and Insurance Prep](#)

Daytona Beach News-Journal: [Hurricane repairs contractor accused of bilking homeowners](#)

Capital Soup: [CFO Jimmy Patronis: SEC Right to Appoint Cryptocurrency Chief](#)

Orlando Sentinel: [New hurricane insurance covers more costs](#)

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# CFO Jimmy Patronis Announces Additional Workers' Comp Cost Reductions for Florida Businesses

Florida Chief Financial Officer (CFO) Jimmy Patronis announced on Wednesday additional workers' compensation cost reductions that will save carriers an estimated nearly \$20 million in 2019, allowing carriers to help further alleviate costs on Florida businesses. These reductions are a direct result of the sound financial management of the Workers' Compensation Administration Trust Fund (WCATF) and the Special Disability Trust Fund (SDTF), two funds that workers' compensation carriers contribute to.

CFO Patronis said, "Just last month, we **announced** that a 1.8 percent decrease in workers' compensation rates could mean a \$79.5 million savings for Florida businesses. Reducing the cost of doing business for workers' compensation carriers by \$20 million means additional savings could be passed on to Florida businesses, easing financial burdens. Anytime we can reduce the cost of doing business we should. Doing so supports our neighborhood businesses and ultimately, both our local and state economy."

**Background:** Legislative changes in 1997 resulted in the SDTF being prospectively abolished and statutorily prohibited from accepting any new claims for dates of accident after December 31, 1997.

However, in accordance with Florida law, insurers and individual self-insured employers continue to be assessed to fund a small number of older claims. Further, fiscally responsible management of the WCATF has allowed for assessment rates to be reduced.

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## \$140,000 AOB Fraud Scheme Across Eight Florida Counties Lands Contractor with Grand Theft and Racketeering Charges

Chief Financial Officer (CFO) Jimmy Patronis announced the arrest of Timothy Matthew Cox, owner of Nationwide Catastrophe Services, Inc. and Restoration Response Services, Inc., for an alleged Assignment of Benefits (AOB) fraud scheme that impacted 19 homeowners in eight Florida counties and one Texas county. Cox stole nearly \$140,000 for home repairs related to damages from tropical weather events that he never provided. As a result of Cox's alleged activity, the victims' homes sustained additional damage from significant weather events, including Hurricane Irma.

CFO Jimmy Patronis said, "Criminals who prey on Florida families after a hurricane or tropical storm are some of the worst we see. This type of fraud has skyrocketed and impacts all Florida consumers. One of my first actions I took as your CFO was to create Florida's Disaster Fraud Action Strike Team to go after this type of fraud. With more than 100 ongoing investigations statewide, we are coming for anyone who takes advantage of our residents during vulnerable times."

**CFO Patronis' Bureau of Insurance Fraud** found that Cox and his team targeted Brevard, Clay, Escambia, Flagler, Orange, Osceola, Seminole and Volusia Counties and Tarrant County, Texas. These areas were impacted by tropical storms and hurricanes, and Cox pressured homeowners to sign an AOB contract to have damages repaired. Cox received \$139,444.97 from the 19 victims and their insurance carriers. After receiving the insurance payments, Cox's team never started any of the work they were contracted to perform on the 19 homes. The payments made to Nationwide Catastrophe Services, Inc. and Restoration Response Services, Inc. were deposited into bank accounts controlled by Cox, who used the money for personal use.

Cox was arrested and booked into the Polk County Jail June 5, 2018. He faces multiple counts of grand theft and racketeering and could face up to 30 years in jail. The case is being prosecuted by the Attorney General's Office of Statewide Prosecution.

When consumers sign an AOB they are granting their contractor or restoration specialist with the right to negotiate the insurance claim directly with their insurance carriers. This allows the contractor or restoration specialist to receive the consumer's insurance benefits directly from the insurance carrier. Consumers who have experienced or witnessed this type of activity are encouraged to reach out to CFO Patronis' Fraud Tip Hotline by calling 1-800-378-0445. Callers can choose to remain anonymous.

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## \$1 Million in Grants Awarded for Fire Safety Equipment

# Supports Florida Firefighters

In his continued efforts to support Florida's fire service community, [CFO and State Fire Marshal Jimmy Patronis](#), in conjunction with Hendry County, presented more than \$1 million in financial support to members of the Felda Volunteer Fire Department, Montura Volunteer Fire Department, Pioneer Plantation Volunteer Fire Department and the City of LaBelle. The grant funds were awarded from Florida's Firefighter Grant Assistance Program and will be used to purchase fire safety equipment and update existing facilities.

"More than 20 million residents across our state depend on the services and protection provided by our firefighters," said State Fire Marshal Jimmy Patronis. "These grants will support our firefighters, improve their emergency response, and help them do their jobs safely and efficiently. No matter the size of the community, fire service needs for families remain the same. Florida's firefighters put their lives on the line every day to protect our friends and family, and we must do everything to support their heroic efforts."

The grant funds were awarded from Florida's Firefighter Grant Assistance Program to Felda Volunteer Fire Department, Montura Volunteer Fire Department and Pioneer Plantation Volunteer Fire Department in the amounts of \$55,414.60. These funds will be used for the purchase of fire safety equipment.

In addition, the City of LaBelle received funding for needed renovations to the LaBelle Fire Station in the amount of \$318,000 and the purchase of a fire engine and other fire safety equipment in the amount of \$525,000.

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## Florida Economic Briefs

### **A health-care headache as air-ambulances leave massive bills behind**

Prices for emergency medical flights have increased significantly as air-ambulance operators expanded their networks and responded to a wider set of emergencies. The median charge to Medicare for a medical helicopter flight more than doubled to almost \$30,000 in 2014, up from \$14,000 in 2010, according to a 2017 report. Air-ambulance operators' special legal status has helped them oppose efforts to control their rates. At the heart of the dispute is a gap between what insurance will pay for the flight and what air-ambulance operators say must be charged to keep flying.

Source: **U.S. Government Accountability Office**

### **Florida's economy by Real Gross State Product outpacing U.S. growth**

The latest forecast shows Florida's economy, as measured by Real Gross State Product, outpacing U.S. growth over the next four years. The forecast, authored by economist Sean Snaithe, foresees expansion at an average annual rate of 3.6 percent from 2018 to 2021. Real Gross State Product is additionally projected to expand by 3.7 percent this year and 4.3 percent in 2019 before easing to 3.5 percent in 2020 and 2.8 percent in 2021.

Source: **UCF Institute of Economic Competitiveness**