

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
MAY 09 2014
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D.
DOAK, Insurance Commissioner,

Petitioner,

v.

JANICE L. STEPHENSON, a licensed
customer service representative,

Respondent.

Case No. 13-1326-DIS

FINAL ADMINISTRATIVE ORDER

COMES NOW the State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, by and through his attorney, Barron B. Brown, and alleges and states as follows:

JURISDICTION

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq.

2. Respondent was licensed by the State of Oklahoma as a customer service representative licensee holding license number 156979. Her address of record with the Oklahoma Insurance Department is [REDACTED]

3. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Oklahoma Producer Licensing Act and/or may levy a fine up to \$1,000.00 for each occurrence of a violation of the Oklahoma Insurance Code, 36 O.S. § 1435.13(A) and (D).

4. The Insurance Commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by the Oklahoma Producer Licensing Act and

Title 36 of the Oklahoma Statutes against any person who is under investigation for or charged with a violation of the Oklahoma Producer Licensing Act and Title 36 of the Oklahoma Statutes even if the person's license or registration has been surrendered or has lapsed by operation of law. 36 O.S. § 1435.13(F).

5. If the Insurance Commissioner finds that the public health, safety or welfare imperatively requires emergency action, and incorporates a finding to the effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other action. 75 O.S. §§ 314(C)(2), 314.1, OAC 365:1-7-9(a).

FINDINGS OF FACT

1. The Anti-Fraud Division of the OID received a complaint from Ericka McPherson, General Counsel for Oklahoma Farm Bureau Mutual Insurance Company ("OFB"), on July 19, 2013. Ms. McPherson's complaint reported an investigation of Respondent, a former employee of OFB, who had been working for the OFB office in Grove, Oklahoma until she was fired for embezzling customer payments.

2. In the complaint, OFB states that it became aware of a problem with Respondent on July 8, 2013 when a customer, Jim Bauer ("Bauer"), came into the OFB office to ask why he had not received a renewal bill for his commercial automobile policy. OFB records showed that Bauer's annual membership dues (\$35.00) had not been paid, which would keep his policy from renewing. Bauer then produced a receipt from OFB dated May 21, 2013 showing that his dues had been paid. The receipt was signed by Respondent. The OFB mail log was checked to determine when Bauer's dues were sent to the OFB office in Jay, Oklahoma and no record could be found. Additionally, the OFB business check book was then reviewed for a record of deposit for Bauer's dues and nothing was found.

3. Respondent was questioned by licensed producer Robert Hokit ("Hokit") about Bauer's missing dues. Respondent told Hokit that she had "just missed or overlooked them and wrote a check from the business account," which she stated was sent to the OFB office in Jay. Hokit asked Respondent what the current balance of the business account was and Respondent reportedly got very defensive. Hokit pointed out to Respondent that the cash drawer would have been in excess of \$35.00 for two months and informed Respondent that such an excess would have been hard to overlook. Hokit then transferred deposit duties to another former employee of Respondent and gave Respondent until July 12, 2013 to balance the account. On that date, Respondent turned over the business check book with listed deposits but told Hokit that she had lost the receipt book. Hokit then stated that he would request an audit.

4. After review of the deposits, OFB employees found that several major deposits were short on cash and there was a delayed deposit of membership dues that should have been forwarded the day following their receipt to the office in Jay.

5. On July 18, 2013, Respondent went to Hokit's office and confessed that she had been taking money and using other policyholders' premium payments to cover it up. Respondent told Hokit that she "had some money in my car" and that she "wanted to try and make it right." Thereafter, OFB set up a recording device and made Respondent aware that her conversation with OFB agency manager Greg Golden ("Golden") and OFB board president Gene Allen ("Allen") was going to be recorded. In that conversation, Respondent stated that she had taken membership money as well as premium money from OFB and wanted to "fix it."

6. After the conversation with Golden and Allen, Respondent retrieved \$2,900.12 in cash from her vehicle and turned it over to OFB, stating that it needed to be put in the sweep account to prevent it from overdrawing. In addition, Respondent made a handwritten statement,

which she both dated and signed, stating that she was paying back money for two OFB policies. Respondent's handwritten statement indicates that \$1,946.00 was being repaid for a policy owned by customer Jerry Guinn ("Guinn") and \$966.00 for a policy owned by Harold Henne ("Henne") (a copy of Respondent's handwritten statement is attached as Petitioner's Exhibit A).

7. After the July 18th conversation, the police department in Grove, Oklahoma was notified and a report was completed by Officer Jeff Glenn ("Glenn"). This report was referred to the Ottawa/Delaware County District Attorney's office on October 22, 2013 for a determination as to whether to prosecute Respondent for her actions.

CONCLUSIONS OF LAW

1. Respondent violated 36 O.S. § 1435.13(A)(4); improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business.

2. Respondent violated 36 O.S. § 1435.13(A)(8); using fraudulent, coercive or dishonest practices and by demonstrating incompetence, untrustworthiness and financial irresponsibility in the conduct of business in this state.

3. Respondent violated 36 O.S. § 1435.13(A)(C); no insurance producer licensee under this article shall commingle premiums belonging to insurers and returned premiums belonging to insureds with the personal funds of the insurance producer licensee or with any other funds except those directly connected with the producer licensee's insurance business.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that the **Emergency Order of Suspension Instante**r entered in this matter on February 18, 2014 is a **FINAL ADMINISTRATIVE ORDER**, that no hearing was requested

and Respondent's license is hereby **REVOKED**. The **FINE** imposed in the **Administrative Order of Suspension Instante** **REMAINS DUE AND OWING** in the amount of **TWO THOUSAND DOLLARS (\$2,000.00)**.

WITNESS My Hand and Official Seal this 8th day of May 2014.



A handwritten signature in black ink, reading "James A. Mills". The signature is fluid and cursive, with a long horizontal stroke at the end.

JAMES A. MILLS
CHIEF OF STAFF
STATE OF OKLAHOMA

CERTIFICATE OF MAILING

I, Barron B. Brown, hereby certify that a true and correct copy of the above and foregoing Final Administrative Order was mailed via certified mail with postage prepaid and return receipt requested on this 9th day of May 2014, to:

Janice L. Stephenson


CERTIFIED MAIL NO: 7001 0320 0004 4248 4191

and that notification was sent to:

NAIC/RIRS

and to all appointing insurers

and that a copy was delivered to:

Licensing Division


Barron B. Brown