

**BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA**

FILED

MAY 17 2017

INSURANCE COMMISSIONER
OKLAHOMA

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

Petitioner,

v.

Case No. 17-0253-DIS

CHARLES GLENN ERWIN, a formerly
licensed insurance producer in the State of
Oklahoma,

Respondent.

**CONDITIONAL ADMINISTRATIVE ORDER
AND NOTICE OF RIGHT TO BE HEARD**

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., including the Oklahoma Producer Licensing Act (the "Act"), 36 O.S. §§ 1435.1 through 1435.41.

2. Charles Glenn Erwin ("Respondent") was previously licensed as an insurance producer in the State of Oklahoma holding license number 0000138641. Respondent's license expired on January 31, 2017. Respondent's last known address is

[REDACTED]

3. Pursuant to 36 O.S. § 1435.13(F), "[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 or Title 36 of the Oklahoma Statutes even if the person's license or registration has been surrendered or has lapsed by operation of law."

4. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the 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).

ALLEGATIONS OF FACT

1. In May 2016, the Oklahoma Insurance Department's ("OID") Anti-Fraud Unit received a complaint from American National License Insurance Company ("ANLIC") against Respondent, a former employee of ANLIC. In the complaint, ANLIC alleged that Respondent had not properly deposited life insurance premium monies owed to ANLIC on policies sold by Respondent.

2. On December 12, 2016, Anti-Fraud Unit Investigator Stephen Colburn ("Colburn") met with Respondent's former supervisor at ANLIC, Michael Coco ("Coco"). Coco informed Colburn that Respondent had previously submitted a letter to him, in which Respondent admitted that he had failed to remit premium monies to ANLIC on eleven (11) policies totaling One Thousand Seven Hundred Eighty-Seven Dollars and Fifteen Cents (\$1,787.15). A copy of this letter is attached as Petitioner's Exhibit A.

3. Coco further stated that, after reconciling Respondent's book of business, ANLIC found that the actual amount of premium monies not properly remitted to ANLIC

by Respondent totaled Two Thousand Eight Hundred Eighty-Eight Dollars and Fifty-Three Cents (\$2,883.53).

4. In a phone interview with Colburn on December 12, 2016, Respondent stated that he did, in fact, submit the letter referenced in Allegations of Fact #3 to Coco and admitted to not remitting premium monies owed to ANLIC.

5. As of the date of this Order, Respondent still owes Two Thousand Three Hundred Ninety Dollars and Thirty-Nine Cents (\$2,390.39) to ANLIC.

6. Based upon the OID Anti-Fraud Unit's investigation, the Oklahoma Attorney General filed a criminal felony charge of embezzlement against Respondent on or about May 4, 2017 (Muskogee County, Case No. CF-2017-00520). A copy of the Information and Affidavit of Probable Cause are attached as Petitioner's Exhibit B.

ALLEGED VIOLATIONS OF LAW

1. Respondent violated 36 O.S. § 1435.13(A)(4) by 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) by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner that Respondent is **CENSURED** and **FINED ONE THOUSAND DOLLARS (\$1,000.00)** for a violation of 36 O.S. §§ 1435.13(A)(4) and (8). **The \$1,000.00 fine is to be paid within thirty (30) days** made payable to the Oklahoma Insurance Department. The

\$1,000.00 civil fine shall be paid by money order or cashier's check. Failure to pay the civil fine or request a hearing within thirty (30) days may result in further administrative action.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless the Respondent requests a hearing with respect to the Allegations of Fact set forth above within thirty (30) days of the date of mailing of this Order, this Order and the penalties set forth above shall become a Final Order on the thirty-first day following the date of mailing this Order. A request for hearing should be in writing addressed to Barron B. Brown, Oklahoma Insurance Department, Legal Division, 3625 NW 56th St., Suite 100, Oklahoma City, Oklahoma 73112. The request for hearing must state the grounds for the request to set aside or modify the Order.

Any such hearing shall be conducted according to the procedures for contested cases under the Oklahoma Insurance Code (36 O.S. §§ 101 et seq.) and the Oklahoma Administrative Procedures Act (75 O.S. §§ 308a et seq.). If the Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order shall act as notice of the matters to be reviewed at the hearing, and the Allegations of Fact, Alleged Violations of Law, and penalties imposed in this Conditional Order shall be considered withdrawn, pending final resolution at the hearing.

WITNESS My Hand and Official Seal this 17th day of May, 2017.



JOHN D. DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

A handwritten signature in black ink, appearing to read "Barron B. Brown".

Barron B. Brown

Assistant General Counsel
Oklahoma Insurance Department
3625 NW 56th St., Suite 100
Oklahoma City, OK 73112
(405) 521-2746

CERTIFICATE OF MAILING


I, Barron B. Brown, hereby certify that a true and correct copy of the above and foregoing *Conditional Administrative Order and Notice of Right to be Heard* was mailed by certified mail, with postage prepaid and return receipt requested, on this 17th day of May, 2017, to:

Charles Glenn Erwin


CERTIFIED MAIL NO. 7016 0910 0000 8401 4489

and a copy was delivered to:

Licensing Division
Anti-Fraud Unit



Barron B. Brown
Assistant General Counsel

PETITIONER'S
EXHIBIT

A

Mr. Coco,

The following cases are "short" even though they do not have receipts to verify.

Name	Account	Premium	Amount Short	Date Collected	# of months short	Agree I Agree
Joe Wilson	2060	168 ⁹⁷	337 ⁹⁴ . NK		2	CE
Trene White	2630	27 ⁷⁹	55 ⁵⁸ . NK		2	CE
Trene White	2640	48 ²²	96 ⁴⁴ . NK		2	CE
Portia Read	3305	138.88	138.88 . NK		1	CE
Pat Rucker	3990 2580	75 ⁸⁰	75 ⁸⁰ . NK		1	CE
Tracy Whistan	4270	83 ³⁷	166 ⁷⁴ . NK		2	CE
Keosha Duncan	4271	53 ⁵⁰	107 ⁰⁰ . NK		2	CE
Loretta Rucker	4380	257 ¹⁰	514 ²⁰ . NK		2	CE
Opal Clark	4400	109 ⁴⁵	109 ⁴⁵ . NK		1	CE
Stacy Houston	4452	50 ⁵⁰	101 ⁰⁰ . NK		2	CE
Ruby Johns	3640	84 ¹²	84 ¹² . NK		1	CE

I, Charles Erwin, acknowledge that I collected the premium and failed to remit the money to the company.

Signature:

Charles E.

Date:

3/31/16

AKN
12-13-16

IN THE DISTRICT COURT OF MUSKOGEE COUNTY
STATE OF OKLAHOMA

2017 MAY 14 PM 2:34

THE STATE OF OKLAHOMA,

Plaintiff,

vs.

CHARLES G. ERWIN,

DOB: [REDACTED]

SS#: [REDACTED]

Defendant.

Case No. CF-17-520

INFORMATION

In the name and by the authority of the State of Oklahoma comes now MIKE HUNTER, Duly appointed Attorney General of Oklahoma, in and for the State and County aforesaid, gives the court to know and be informed as follows:

COUNT I

CHARLES ERWIN, in MUSKOGEE County, State of Oklahoma, on or about March 31, 2016, at and within said County and State aforesaid did then and there unlawfully, willfully, intentionally, knowingly, and feloniously commit the crime of **EMBEZZLEMENT**, in violation of Title 21 O.S. §1451, by fraudulently appropriating money belonging to American National Insurance in the amount of \$2,390.39 for his personal use where the property was legally obtained, all of which is contrary to the law and the statutes, and the peace and dignity of the State of Oklahoma.

MIKE HUNTER
ATTORNEY GENERAL OF OKLAHOMA

By:

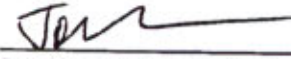
Joy Pittman

Joy Pittman Mohorovicic, OBA #19545
Assistant Attorney General
15 West 6th Street
Tulsa, OK 74119
(918) 581-2885

STATE OF OKLAHOMA)
)
COUNTY OF MUSKOGEE)

ss.

I do solemnly swear that the statements and allegations set forth in the within information are true and correct to the best of my information and belief.


Joy Pittman Mohorovicic
Assistant Attorney General

Signed and sworn to before me on the 25th day of April, 2017, by Joy Pittman Mohorovicic

(SEAL)



TARA SHIELDS
Notary Public
State of Oklahoma

Commission # 14001921 Expires 02/28/18

My Commission Expires: 2/28/17


Notary Public

I have examined the facts in this case and recommend that a warrant do issue.

MIKE HUNTER
ATTORNEY GENERAL OF OKLAHOMA

By:


Joy Pittman Mohorovicic
Assistant Attorney General

Penalty:

O.S. §1451- Punishable by imprisonment in the State Penitentiary not exceeding three (5) years, or by a fine not exceeding five thousand dollars (\$5,000.00).

Witnesses:

Stephen Colburn, Agent
Oklahoma Insurance Department
7645 East 63rd Street, Suite 102
Tulsa, Oklahoma 74133

Sandra Cotton
American National
CSSD-FO 16th Floor
One Moody Plaza
Galveston, Texas 77550-296

Michael Coco
American National Insurance
3723 South Lamar Avenue
Paris, Texas 7560

Records Custodian for American National
Insurance

IN THE DISTRICT COURT WITHIN AND FOR MUSKOGEE COUNTY
STATE OF OKLAHOMA

STATE OF OKLAHOMA
COUNTY OF MUSKOGEE
FILED

STATE OF OKLAHOMA,)
Plaintiff,)
)
vs.)
)
Charles G. Erwin)
Defendant.)

2017 MAY -4 PM 2:34

COURT CLERK

AFFIDAVIT OF PROBABLE CAUSE

FOR THE ARREST WARRANT FOR
Embezzlement
TITLE 21, SECTION 1451

State of Oklahoma) ss.

I, Stephen Colburn, after having been first duly sworn and upon this oath, state as follows:

*That I am a State Certified Peace Officer assigned to the Oklahoma Insurance Department as an Anti-Fraud Investigator.

*That in May of 2016 I was informed of Insurance Company named American National Insurance out of Galveston Texas that was missing Insurance premiums in the amount of \$2358.77.

*That it according to Sandra Cotton of American National Insurance they had an agent named Charles Erwin who was legally contracted to collect premiums for American National Insurance from insureds that lived in and around Muskogee Oklahoma, all collections were in the State of Oklahoma.

*That Investigator Colburn received documents from Ms. Cotton showing after a final audit of Mr. Erwin's book of business, that Mr. Erwin had actually not deposited \$2,883.53 in premiums collected, and that American National then held a paycheck of Erwin's for \$493.14

*That on 3-31-2016 Michael Coco, Charles Erwin's direct supervisor at American National Insurance, spoke to Mr. Erwin about the shortage, and Mr. Erwin wrote Mr. Coco a shortage list with 11 names on it, totaling \$1,787.15 in shortages from accounts he collected money from. Coco went on to state Mr. Erwin promised to pay the money back.

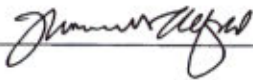
*That investigator Colburn interviewed Mr. Erwin on the phone and via email and that Erwin admitted to shortages in the deposits but states he actually used money he collect to pay other accounts that were behind. Erwin admitted to not paying back any of the money.

*That when Investigator Colburn told Mr. Coco Mr. Erwin's explanation of what he did with the money, Mr. Coco stated that was the first he heard of that. Mr. Coco then contacted the insureds that Erwin claimed he paid their premiums for, and they disputed that claim.

*That according to audits done at American National Insurance suspect Charles Erwin still owes \$2,390.39. Your affiant can describe the suspect further as: Charles G. Erwin, DOB 01/09/1967, Soc. # 460-41-3020, and Address of: 310 Mallory Street, Lindale TX., 75771.

WHEREFORE, affiant pray this Honorable Court to issue a warrant for the arrest of the within named Defendant, that she may be brought before a Magistrate and held to answer for Embezzlement (in the amount of \$2,883.53) T21, Section 1451.

Judge



AFFIANT



Subscribed and sworn to before me this 11th day of April, 2017.

Notary Public  My Commission Expires: 6-5-19 #15004157