

2. Respondent Tricia Carpenter ("Carpenter"), holding license number 118394, is licensed by the State of Oklahoma as a resident insurance producer as defined and required by *36 O.S. § 1435.2(7)*. Her address of record is 201 W. Hall of Fame Avenue, Stillwater, Oklahoma.

3. Respondent Julie Hamill ("Hamill"), holding license number 40037595, is licensed by the State of Oklahoma as a resident insurance producer as defined and required by *36 O.S. § 1435.2(7)*. Her address of record is 201 W. Hall of Fame Avenue, Stillwater, Oklahoma.

4. Respondent Jessica Sand ("Sand"), holding Oklahoma license number 100175882, is licensed by the State of Oklahoma as a resident insurance producer as defined and required by *36 O.S. § 1435.2(7)*. Her address of record is 201 W. Hall of Fame Avenue, Stillwater, Oklahoma.

5. The Tricia Carpenter Insurance Agency ("Agency") is a resident insurance agency holding Oklahoma license number 13924. Its address of record is 201 W. Hall of Fame Avenue, Stillwater, Oklahoma. The designated responsible licensed producer is Carpenter. *36 O.S. § 1435.7(B)* requires business entity producers to maintain an insurance producer license.

6. Informal disposition of this matter may be made by consent order pursuant to *75 O.S. § 309(E)*.

STIPULATIONS OF FACT

1. On or about May 9, 2017, Farmers Insurance ("Farmers") discovered, through an internal audit, irregularities with policies issued by the Agency. The individuals at issue working at the Agency were Carpenter, Hamill, and Sand

(collectively referred to as "Respondents"). The irregularities led to a review of Carpenter's book of business and resulted in an investigation by Farmers.

Falsified Invoices for New Roof Discounts

2. The investigation by Investigator Michael Vidal of Farmers and Investigator Rick Koch of the Oklahoma Insurance Department revealed that 34 New Roof premium discounts were identified as having the discount applied with falsified or inaccurate documents between the years 2011 and 2017. New Roof discounts are applied to policy premium upon proof of a new roof on a residence.

3. The investigation revealed that:

- a. all 34 invoices contained identical formatting and fonts, but were issued by 9 separate construction firms;
- b. 20 of the 34 documents were supported by an invoice listing the Agency's address as the address for the construction company, Respondents submit that this is inconsequential in that the construction company operated out of the same address as the Tricia Carpenter Insurance Agency ;
- c. 8 of the 34 invoices were supported by invoice #3650, which were issued by 4 separate construction companies;
- d. 2 of the 34 invoices were supported by invoice #1280, which were issued by the same construction company;
- e. 2 of the 34 documents were supported by invoice #7650, which were issued by separate construction companies.

4. Of the above referenced 34 invoices, 17 of the falsified or inaccurate new roof invoices used for premium discount are attributable to Sand, 7 of the falsified or

inaccurate new roof invoices used for premium discount are attributable to Carpenter, and 7 of the falsified or inaccurate new roof invoices used for premium discount are attributable to Hamill. Three of the policies which had New Roof discounts applied were added prior to specific user identifications being recorded by Farmers, but the policies were issued out of the Agency.

5. Hamill admitted to generating 7 fraudulent new roof construction invoices.

6. Sand admitted to generating 13 fraudulent new roof construction invoices and stated it was at the instruction of Carpenter.

7. Carpenter stated she trusted the client and delegated to her staff to confirm the new roof on client's residence.

8. As a result of Respondents generating the 34 fraudulent roofing invoices, it resulted in \$21,734.00 in unpaid premium to Farmers.

9. Respondents submit that although these falsified or inaccurate invoices were submitted, the accuracy of the roofs ages were correct. Accordingly, there was no economic loss to Farmers.

Affinity Discounts

10. Farmers offers affinity discounts to individuals who have obtained a college degree. The investigation revealed that Respondents forged college diplomas to obtain affinity discounts for their clients. Collectively, Respondents forged 41 college diplomas, submitted those forged diplomas to Farmers, and obtained the premium discount for their clients.

11. Investigator Koch and Investigator Vidal reported that of the policies in which individuals received affinity discounts based on forged college diplomas that:

- a. Hamill forged 22 college diplomas, and
- b. Sand forged 18 college diplomas.
- c. Another college diploma was forged and was submitted through the computer portal/password of Tricia Carpenter; however, this was submitted by Hamill or Sand. Hamill and Sand attest that Carpenter had no knowledge of the diplomas.

12. Both Hamill and Sand admit to forging the diplomas for the purpose of obtaining the affinity discount for the clients.

13. Carpenter admits the one diploma attributed to her is a forged document.

14. The forged diplomas supporting the affinity discounts resulted in a loss of \$3,915.00 to Farmers.

Voided Receipts

15. Investigator Vidal and Investigator Koch reported that between June 2016 to April 2017 there were a total of 83 receipts that were voided by the Agency. During the investigation of the voided receipts it was discovered that Carpenter voided 26 receipts, Hamill voided 28 receipts, Sand voided 9, and the remaining receipts were voided by a former employee of the Agency. Respondents submit that only 31 of the receipts were outside of Farmers premium collection policy. A review of the 83 policies associated with the voided receipts revealed 31 of the voided receipts were for new business. The Agency would process fictitious payment for the required amount to issue the policy then subsequently void the payment. Payment was eventually received 3 to 131 days after the policy was in place. The majority premium payments were paid few days after the policy was in place.

16. Both Carpenter and Hamill admit to voiding the receipts to allow the customer to have insurance in place before proper payment was made.

17. Carpenter is the Designated Licensed Producer for the Agency and the owner of the Agency.

18. Pursuant to the provisions of *36 O.S. § 1435.13*:

a. 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 or may levy a civil penalty in accordance with subsection D of this section or any combination of actions, for any one or more of the following causes:

i. Having admitted or been found to have committed any insurance unfair trade practice or fraud;

ii. Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;

b. In addition to or in lieu of any applicable denial, probation, censure, suspension or revocation of a license, a person may, after opportunity for hearing, be subject to a civil fine of not less than One Hundred Dollars (\$100.00) nor more than One Thousand Dollars (\$1,000.00) for each occurrence. Said penalty may be enforced in the same manner in which civil judgments may be enforced.

c. The license of a business entity may be suspended, revoked or refused if the Insurance Commissioner finds that an individual licensee's violation was

known or should have been known by one or more of the partners, officers or managers acting on its behalf and if the violation was neither reported to the Insurance Commissioner nor corrective action taken.

CONCLUSIONS OF LAW

1. Carpenter violated *36 O.S. § 1435.13(A)(7)* by submitting fraudulent invoices 5 times which indicate new roofs were placed on the insured properties resulting in premium discounts from Farmers.

2. Hamill violated *36 O.S. § 1435.13(A)(7)* by submitting fraudulent invoices 7 times which indicate new roofs were placed on the insured properties resulting in premium discounts from Farmers, and by submitting fraudulent college diplomas in order to obtain affinity discounts from Farmers.

3. Sand violated *36 O.S. § 1435.13(A)(7)* by submitting fraudulent invoices 17 times which indicate new roofs were placed on the insured properties resulting in premium discounts from Farmers, and by submitting fraudulent college diplomas in order to obtain affinity discounts from Farmers.

4. Carpenter 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 by:

- a. By submitting fraudulent new roof invoices to Farmers to obtain premium discounts.
- b. By issuing policies and showing the proper amount of premium paid in order to coerce Farmers into issuing an insurance policy

only to later void the payment resulting in the client having insurance without proper payment.

5. Hamill 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 by:

- a. Forging college diplomas to obtain affinity premium discounts.
- b. By submitting fraudulent new roof invoices to Farmers to obtain premium discounts.
- c. By issuing policies and showing the proper amount of premium paid in order to coerce Farmers into issuing an insurance policy only to later void the payment resulting in the client having insurance without proper payment.

6. Sand 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 by:

- a. Forging college diplomas to obtain affinity premium discounts.
- b. By submitting fraudulent new roof invoices to Farmers to obtain premium discounts.
- c. By issuing policies and showing the proper amount of premium paid in order to coerce Farmers into issuing an insurance policy only to later void the payment resulting in the client having insurance without proper payment.

7. The Agency, being solely owned by Carpenter was aware of the Respondents' violations listed above which are in violation of Producer Licensing Action and did not report those violations as required by 36 O.S. 1432.13(D). Carpenter herself committed the above referenced acts and directed, at least in part, Sand and Hamill to do the same.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner and **CONSENTED** to by the Respondents that their respective producer licenses are hereby **SUSPENDED FOR 3 MONTHS**. The 3 month suspension will begin the date this Consent Order is signed by the hearing examiner.

IT IS FURTHER ORDERED by the Insurance Commissioner that each Respondent is **FINED** in the amount of \$1,500.00 each for a total of \$6,000.00. The fines are to be paid within 30 days of the hearing examiner signing this Consent Order.

WITNESS My Hand and Official Seal this 8th day of November 2018.



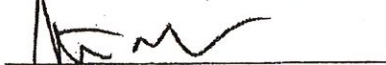
Stephen S Mathis

STEPHAN MATHIS
HEARING EXAMINER

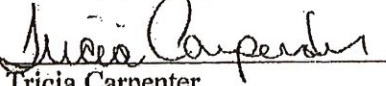
AGREED:


Sara A. Worten

Assistant General Counsel
Oklahoma Insurance Department



Stephen L. McCaleb
Attorney for Respondents



Tricia Carpenter
Individually and as owner of
Tricia Carpenter Agency, Inc.



Jessica Sand
Respondent



Julie Hamill
Respondent

CERTIFICATE OF MAILING

I, Sara A. Worten, hereby certify that a true and correct copy of the above and foregoing Consent Order was mailed by first class U.S. Mail and by certified mail with postage prepaid and return receipt requested on this 11th day of November, 2018 to:

Stephen L. McCaleb
4800 N. Lincoln Boulevard
Oklahoma City, OK 73105
Attorney for Respondents

CERTIFIED MAIL NO.
9214 8902 0982 7500 0144 25

Tricia Carpenter Insurance
Agency, Inc.
201 W. Hall of Fame Avenue
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CERTIFIED MAIL NO.
9214 8902 0982 7500 0144 32

Tricia Carpenter
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Julie Hamill
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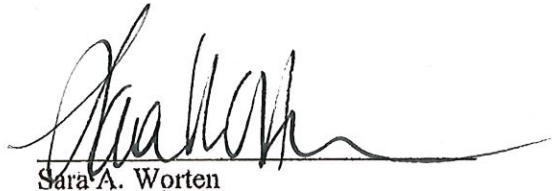
CERTIFIED MAIL NO.
9214 8902 0982 7500 0144 56

Jessica Sand
201 W. Hall of Fame Avenue
Stillwater, OK 74075

CERTIFIED MAIL NO.
9214 8902 0982 7500 0144 63

and that a copy was delivered to:

Courtney Phillips/Producer Licensing Division
Rick Koch/ Anti-Fraud Team



Sara A. Worten