

No. 2020-6596

**Official Order  
of the  
Texas Commissioner of Insurance**

**Date:** 12/10/2020

**Subject Considered:**

Jose Edward Ortega  
[REDACTED]  
Garland, Texas 75040-8439

Default Order  
SOAH Docket No. 454-21-0496  
TDI Enforcement File No. 15916

**General remarks and official action taken:**

The subject of this default order is whether an adjuster all lines license should be issued to Jose Edward Ortega (Respondent). Respondent did not respond to a Notice of Hearing filed by the Texas Department of Insurance. This order denies Respondent's license application.

The following findings of fact and conclusions of law are adopted:

**Findings of Fact**

Failure to Respond to Notice of Hearing

1. On October 28, 2020, the department filed a Notice of Hearing, attached as Exhibit A, and an Original Petition, attached as Exhibit B, with the State Office of Administrative Hearings.
2. The department's factual allegations set out in the attached Notice of Hearing and Original Petition are incorporated in this order as findings of fact.
3. The department sent the Notice of Hearing and Original Petition to Respondent's last known address provided in writing to the department, [REDACTED]

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Commissioner's Order

Jose Edward Ortega

SOAH Docket No. 454-21-0496

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Garland, Texas 75040. The Notice of Hearing and Original Petition were also sent by electronic mail and to two additional addresses associated with Respondent: [REDACTED], Plano, Texas 75075 and [REDACTED] Garland, Texas 75041.

4. Respondent failed to file a written response to the Notice of Hearing within 20 days of the date the Notice of Hearing and Original Petition were mailed.

### Conclusions of Law

1. The commissioner has jurisdiction pursuant to Texas law, including TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4005.101, 4005.102, and 4101.051, and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to dispose of this case informally pursuant to TEX. GOV'T CODE § 2001.056; TEX. INS. CODE § 82.055; and 28 TEX. ADMIN. CODE §§ 1.47, 1.88, and 1.89.
3. The department provided proper notice of the hearing pursuant to TEX. GOV'T CODE §§ 2001.051, 2001.052, and 2001.054, and 28 TEX. ADMIN. CODE §§ 1.28, 1.88, 1.89, and 19.906.
4. Based on Respondent's failure to file a written response to the Notice of Hearing, the department is entitled to disposition by default pursuant to 28 TEX. ADMIN. CODE §§ 1.88 and 1.89.
5. The department's factual and legal allegations set out in the attached Notice of Hearing and Original Petition are incorporated in this order and deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.

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Commissioner's Order

Jose Edward Ortega

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## Order

It is ordered that Jose Edward Ortega's application for an adjuster all lines license is denied. A copy of this order will be provided to law enforcement and/or other appropriate administrative agencies for further investigation as may be warranted.

Commissioner of Insurance

DocuSigned by:  
By:  \_\_\_\_\_  
C77A87C8C21B435...

Doug Slape  
Chief Deputy Commissioner  
TEX. GOV'T CODE § 601.002  
Commissioner's Order No. 2018-5528

Prepared and reviewed by:



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Anna Kalapach, Staff Attorney  
Enforcement Division

# 2020-6596

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Jose Edward Ortega  
SOAH Docket No. 454-21-0496  
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## Affidavit

**STATE OF TEXAS** §

§

**COUNTY OF TRAVIS** §

Before me, the undersigned authority, personally appeared David Moreno, who, being by me duly sworn, deposed as follows:

"My name is David Moreno and I am employed by the Texas Department of Insurance. I am of sound mind, capable of making this affidavit, and have personal knowledge of these facts which are true and correct.

I have reviewed TDI's records concerning Jose Edward Ortega. I have confirmed that:

- a. The last mailing address provided to the department in writing by Jose Edward Ortega is [REDACTED], Garland, Texas 75040.
- b. The file maintained by the Enforcement Division contains a Notice of Hearing and Original Petition dated October 28, 2020, which were filed with the State Office of Administrative Hearings.
- c. On October 28, 2020, the Notice of Hearing and Original Petition addressed to Jose Edward Ortega were mailed certified, return receipt requested, to his last known address and two additional addresses: [REDACTED] Plano, Texas 75075 and [REDACTED] Garland, Texas 75041.

A copy of the certified mail log maintained by the Enforcement Division is attached as Exhibit C."

DocuSigned by:

*David Moreno*

597125A582E1405...

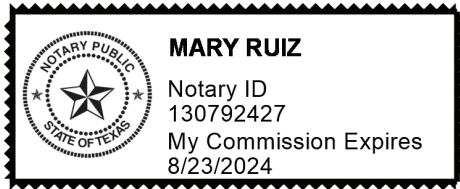
Affiant

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SWORN TO AND SUBSCRIBED before me by means of an interactive two-way audio and video communication on 12/1/2020. This notarial act was an online notarization.

## Notary Seal



## Digital Certificate

DocuSigned by:  
*Mary Ruiz*  
795DC4D59167489...  
Notary Public State of Texas

**2020-6596**

ACCEPTED  
454-21-0496  
10/28/2020 11:24 AM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Jodi Brown, CLERK

FILED  
454-21-0496  
10/28/2020 10:40 AM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Jodi Brown, CLERK

**SOAH DOCKET NO. 454-21-0496  
TDI ENFORCEMENT FILE NO. 15916**

**TEXAS DEPARTMENT OF INSURANCE,**

**Petitioner**

**v.**

**JOSE EDWARD ORTEGA,**

**Respondent**

**BEFORE THE STATE OFFICE**

**OF**

**ADMINISTRATIVE HEARINGS**

**NOTICE OF HEARING**

The Texas Department of Insurance seeks to deny your license application. This Notice of Hearing and the Original Petition, which is attached and incorporated for all purposes, states the allegations against you and the relief sought by the Department.

A public hearing will be held before an Administrative Law Judge on **Tuesday, February 16, 2021, at 9:00 a.m.** The hearing will take place via videoconference using a videoconference platform controlled by the State Office of Administrative Hearings, unless otherwise ordered to proceed in another manner by the Administrative Law Judge.

The hearing shall be conducted pursuant to TEX. GOV'T CODE, ch. 2001 and 1 TEX. ADMIN. CODE, ch. 155. Unless otherwise directed by the Administrative Law Judge, the hearing shall continue from day to day in the offices of the State Office of Administrative Hearings until concluded. You have the right to appear at this hearing and to be represented by an attorney.

**Parties that are not represented by an attorney may obtain information regarding contested case hearings on the public website of the State Office of Administrative Hearings at [www.soah.texas.gov](http://www.soah.texas.gov), or in printed format upon request to SOAH.**

**YOU MUST FILE A WRITTEN RESPONSE TO THE NOTICE OF HEARING WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS WITHIN 20 DAYS OF THE DATE THE NOTICE OF HEARING WAS MAILED. FAILURE TO FILE A WRITTEN RESPONSE BY THIS DEADLINE SHALL ENTITLE TDI TO SEEK DISPOSITION BY DEFAULT PURSUANT TO 1 TEX. ADMIN. CODE § 155.501 AND 28 TEX. ADMIN. CODE §§ 1.88 AND 1.89.**

**Exhibit  
A**

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Notice of Hearing

Jose Edward Ortega

SOAH Docket No. 454-21-0496

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**IF YOU FAIL TO FILE A WRITTEN RESPONSE, THE SCHEDULED HEARING CAN BE CANCELED AND WITHOUT FURTHER NOTICE TO YOU THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING DENIAL OF YOUR LICENSE APPLICATION, IS GRANTED BY DEFAULT.**

**IF YOU FILE A WRITTEN RESPONSE BUT THEN FAIL TO APPEAR ON THE DAY AND TIME SET FOR HEARING, WITHOUT FURTHER NOTICE TO YOU, THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING DENIAL OF YOUR LICENSE APPLICATION, IS GRANTED BY DEFAULT.**

In accord with 28 TEX. ADMIN. CODE § 1.90(e) and 1 TEX. ADMIN. CODE §§ 155.101 and 155.103, you should send copies of your written response to:

- (1) Docketing Division  
State Office of Administrative Hearings  
300 West 15th Street, Room 504  
P.O. Box 13025  
Austin, Texas 78711-3025  
(512) 322-2061 (Fax);
  
- (2) Chief Clerk  
Texas Department of Insurance  
P.O. Box 149104, MC112-2A  
Austin, Texas 78714-9104  
(512) 490-1064 (Fax)  
chiefclerk@tdi.texas.gov; and

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Notice of Hearing

Jose Edward Ortega

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- (3) Anna Kalapach, Staff Attorney  
Texas Department of Insurance  
Enforcement Division, MC110-1A  
P.O. Box 149104  
Austin, Texas 78714-9104  
(512) 490-1020 (Fax)  
anna.kalapach@tdi.texas.gov

### Receiving Documents

The State Office of Administrative Hearings (SOAH) offers you the ability to receive service of orders and other documents issued by SOAH through email instead of by mail or fax. If you want to receive SOAH-issued documents by email, go to SOAH's website, [www.soah.texas.gov](http://www.soah.texas.gov), click on the "E-Services" tab, then click the hyperlink "Request Service by Email (only for use by self-represented litigants)," and follow the instructions.

NOTE: A request to receive SOAH-issued documents by email does not change the procedures you must follow to file documents with SOAH. The rules for filing documents and providing copies to all other parties in the case are described in SOAH's Procedural Rules, which are available on SOAH's website. Click the "Agency" tab, then click "Administrative Rules and Laws" to view SOAH's Procedural Rules.

### Important Security Notice

**ALL VISITORS TO THE WILLIAM P. CLEMENTS BUILDING WITHOUT AN AGENCY OR DPS ISSUED ID CARD MUST PROVIDE THE BUILDING SECURITY OFFICER WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS DOCKET NUMBER AND RECEIVE A VISITOR'S PASS IN ORDER TO BE ALLOWED ACCESS TO THE HEARING ROOM. INDIVIDUALS SHOULD ALLOW ADDITIONAL TIME TO GO THROUGH THE SECURITY PROCESS.**



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Notice of Hearing

Jose Edward Ortega

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If you have any questions, please contact me at the address or telephone number shown below.

Respectfully Submitted,



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Anna Kalapach  
State Bar No. 24083290  
Texas Department of Insurance  
Enforcement Division, MC110-1A  
P.O. Box 149104  
Austin, Texas 78714-9104  
(512) 676-6326 (Direct)  
(512) 490-1020 (Fax)  
anna.kalapach@tdi.texas.gov

ATTORNEY FOR THE PETITIONER  
TEXAS DEPARTMENT OF INSURANCE

Enclosure: Original Petition

cc: Leah Gillum, Deputy Commissioner, Enforcement Division, MC-110-1A  
Rachel Cloyd, Litigation Director, Enforcement Division, MC-110-1A  
Administrative Review, MC107-1A

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Notice of Hearing  
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**CERTIFICATE OF SERVICE**

I, Anna Kalapach, certify that a true and correct copy of the *Notice of Hearing and the Original Petition* were sent by the following methods, on this 28th day of October, 2020 to:

Jose Edward Ortega

[REDACTED]  
Garland, TX 75040  
*Respondent Pro Se*

CM/RRR: 9214 8901 9403 8323 8530 95  
and *Via Email at:*

[REDACTED]

Jose Edward Ortega

[REDACTED]  
Plano, TX 75075

CM/RRR: 9214 8901 9403 8323 8532 24

Jose Edward Ortega

[REDACTED]  
Garland, TX 75041

CM/RRR: 9214 8901 9403 8323 8533 85



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Anna Kalapach

**TEXAS DEPARTMENT OF INSURANCE,**

**Petitioner**

**v.**

**JOSE EDWARD ORTEGA,**

**Respondent**

**BEFORE THE STATE OFFICE**

**OF**

**ADMINISTRATIVE HEARINGS**

**ORIGINAL PETITION**

The Texas Department of Insurance seeks to deny Jose Edward Ortega’s license application. In support of this petition, the department makes the following allegations upon information and belief:

**Jurisdiction**

The Commissioner of Insurance has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4005.101, 4005.102, and 4101.051, and TEX. GOV’T CODE §§ 2001.051-2001.178.

**Factual Allegations**

Prior Licensure

1. Under individual identification number 1369801, Jose Edward Ortega (Ortega) previously held personal lines property and casualty agent license issued by the department on August 15, 2014.
2. Ortega’s license expired on September 28, 2016. Ortega did not renew his license.

License Application

3. On December 1, 2017, Ortega submitted an application to the department for an adjuster all lines license.

**Exhibit  
B**

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Original Petition  
Jose Edward Ortega  
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4. The department proposed to deny Ortega's application on March 14, 2018, because he may have committed an act for which a license may be denied under TEX. INS. CODE § 4005.101. Ortega appealed that decision and made a written request for a hearing.

### Misconduct During Previous Licensure

5. Between August 27, 2014, and May 21, 2015, Ortega was appointed with seven GEICO affiliated insurance companies.
6. GEICO cancelled Ortega's appointments for cause effective March 4, 2016, alleging that Ortega issued falsified policies.
7. During an investigation, GEICO found that Ortega falsified 75 insurance policies using data from actual customers.
8. Ortega used the routing and account number of his personal bank account as the payment method for many of the falsified policies. He also used customer banking information acquired from prior customer transactions to issue falsified policies.
9. Ortega would request cancellation of the falsified policies before any payments were withdrawn from his personal bank account or the customer's banking account.
10. During GEICO's internal investigation, Ortega admitted his actions.
11. In 2016, the department investigated Ortega's conduct based on GEICO's allegations.
12. During that investigation, Ortega's license expired and as a result, the department closed its investigation.

### Attempted to Obtain a License by Misrepresentation

13. The application Ortega submitted to the department on December 1, 2017, asked, "Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of a limited liability company, ever had an

insurance agency contract or any other business relationship with an insurance company terminated for any alleged misconduct?"

14. Ortega answered "no," which was a false answer because he had been cancelled for cause by multiple GEICO companies in 2016.

### **Legal Allegations**

1. Ortega has committed acts for which the department may deny a license application pursuant to TEX. INS. CODE §§ 4005.101 and 4005.102 because he:
  - a. Intentionally made a material misstatement in his licensing application, in violation of TEX. INS. CODE § 4005.101(b)(2).
  - b. Attempted to obtain a license by fraud or misrepresentation, in violation of TEX. INS. CODE § 4005.101(b)(3).
  - c. Engaged in fraudulent or dishonest acts or practices, in violation of TEX. INS. CODE § 4005.101(b)(5).

### **Relief Sought**

If one or more of the above allegations is found to be true, the department asks the Administrative Law Judge to enter a Proposal for Decision recommending that the Commissioner of Insurance issue an order:

1. denying Jose Edward Ortega's license application and
2. imposing any other just and appropriate relief to which the department may be entitled to by law.

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Original Petition  
Jose Edward Ortega  
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Respectfully Submitted,

A handwritten signature in black ink, appearing to read "A Kalapach", with a long horizontal flourish extending to the right.

---

Anna Kalapach  
State Bar No. 24083290  
Texas Department of Insurance  
Enforcement Division, MC110-1A  
P.O. Box 149104  
Austin, Texas 78714-9104  
(512) 676-6326 (Direct)  
(512) 490-1020 (Fax)  
anna.kalapach@tdi.texas.gov

ATTORNEY FOR THE PETITIONER  
TEXAS DEPARTMENT OF INSURANCE



Firm Mailing Book For Accountant

Name and Address of Sender  
 MC 110-1A D Moreno  
 Texas Department of Insurance  
 333 Guadalupe St  
 Austin TX 78701

- Check type of mail or service
- Adult Signature Required
  - Adult Signature Restricted Delivery
  - Certified Mail
  - Certified Mail Restricted Delivery
  - Collect on Delivery (COD)
  - Insured Mail
  - Priority Mail
  - Priority Mail Express
  - Registered Mail
  - Return Receipt for Merchandise
  - Signature Confirmation
  - Signature Confirmation Restricted Delivery

Affix Stamp Here  
 (for additional copies of this receipt).  
 Postmark with Date of Receipt.

**Exhibit C**

USPS Tracking/Article Number	Addresssee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1. 9214 8901 9403 8323 8530 95	JOSE EDWARD ORTEGA GARLAND, TX 75040	1.40	3.55								1.70			
2. 9214 8901 9403 8323 8532 24	JOSE EDWARD ORTEGA PLANO, TX 75075	1.40	3.55								1.70			
3. 9214 8901 9403 8323 8533 85	JOSE EDWARD ORTEGA GARLAND, TX 75041	1.40	3.55								1.70			
Handling Charge - if Registered and over \$50,000 in value														

**RECEIVED**  
 NOV 02 2020  
 TDI - ENFORCEMENT

NOV 28 2020  
 GARLAND, TX 75041  
 G.M.F. WINSTON

2020-6596

Total Number of Pieces Listed by Sender: 3  
 Total Number of Pieces Received at Post Office: 3

Postmaster: Per (Name of receiving employee)  
 Complete In Ink

PS Form 3877, January 2017 (Page 1 of 1)  
 PSN 7530-02-000-9098  
 Jobid: 2343391  
 Privacy Notice: For more information on USPS privacy policies, visit [usps.com/privacypolicy](http://usps.com/privacypolicy).

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# Shipment Confirmation Acceptance Notice

## A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 10/28/2020

Shipped From:

Name: MC 110-1A D MORENO

Address: 333 GUADALUPE ST

City: AUSTIN

State: TX ZIP+4® 78701

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	3
Total	3

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

## B. USPS Action

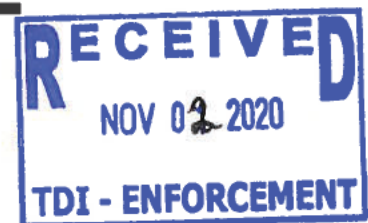
- Note to RSS Clerk:
1. Home screen > Mailing/Shipping > More
  2. Select Shipment Confirm
  3. Scan or enter the barcode/label number from PS Form 5630
  4. Confirm the volume count message by selecting Yes or No
  5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0024 9830 67



kalapach/15916