

No. 2017- 5166

**OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE**

Date: JUL 3 1 2017

Subject Considered:

JACQUELINE SOTO
259 Bost Rd
Howe, Texas 75459

DEFAULT ORDER
DOCKET NO. 454-17-4389.C
TDI CASE NO. 12283

General remarks and official action taken:

This order is in consideration of whether disciplinary action should be taken against Jacqueline Soto.

FINDINGS OF FACT

1. Jacqueline Soto, individual identification number 1383893, holds a general lines agent license with a property and casualty qualification that the department issued on May 7, 2015.
2. On June 5, 2017, the department sent a notice of hearing to Soto's last known address provided in writing to the department: 259 Bost Rd, Howe, Texas 75459, and five additional addresses: 123 E. Lamar St, Sherman, Texas 75090; 1001 E Epstein St, Sherman, Texas 75090; 3230 Rex Cruse Dr C, Sherman, Texas 75092-3834; 3114 Rex Cruse Dr #C, Sherman, Texas 75092-3811; and 1201 Park Pl Apt 2219, Sherman, Texas 75092-3326.
3. Soto failed to file a written response to the notice of hearing within 20 days of the date the notice of hearing was mailed.

Background

4. Soto worked for a Farmers Insurance Agent, Diana Salas. Soto's duties included (1) collecting premium payments; (2) recording the payment in the Agent's Credit Advice (ACA) system, which is the system that logs all payments received; (3) issuing a receipt, either electronically generated or manually written, to the insured; and (4)

depositing the premium payment in a designated Farmers insurance bank account (premium account).

Misappropriation/Conversion

5. From July 19, 2016, to August 22, 2016, Soto pocketed at least thirty-three customer premium payments totaling \$5,005.02. To do this without raising suspicion, Soto changed the premium account's notifications so that all email notifications from the account would go to Salas's spam folder. This allowed Soto to hide email notices sent to Salas that identified premiums Soto recorded in the ACA system but did not deposit in the premium account. In addition, Soto entered the payments in the ACA system so insureds were not aware their premiums were not remitted to Farmers Insurance because doing so kept the insureds' policies active, even without payment.
6. Salas discovered the missing premiums and immediately terminated Soto. She also filed a report with the Sherman, Texas police.
7. On August 29, 2016, Salas called Farmers Insurance's fraud hotline to tell them about the missing premiums. Farmers Insurance's Internal Audit Division conducted an internal investigation.
8. Customers subsequently complained to Salas that Soto provided false premium receipts. Salas identified 25 false premium receipts obtained from nine different customers. Soto issued the false premium receipts—meaning the payment was never entered into the ACA—so she could pocket the premium payments.
9. Internal Audit also found that Soto had provided four customers with valid ACA-generated receipts but then voided those receipts and pocketed the premium payments.
10. In addition, Internal Audit discovered that Soto manipulated customer billing accounts by entering a payment from an invalid bank account to keep the policy in force. By keeping the policy in force, insureds did not immediately know their policy premium was not paid. This allowed Soto to continue pocketing premium payments.
11. Internal Audit also found that Soto created a false Farmers Insurance billing memorandum to send to a customer who questioned her about the premium amount due on the customer's policy. Again, this deceptive act allowed Soto to continue pocketing premiums.
12. Overall, Soto stole \$10,288.16 in premium payments.

CONCLUSIONS OF LAW

1. 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 4051.051, and TEX. GOV'T CODE §§ 2001.051–2001.178.
2. The commissioner has the 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. Based on 28 TEX. ADMIN. CODE § 19.906, Soto's last known address is presumed to be 259 Bost Rd, Howe, Texas 75459.
4. The department sent a notice of hearing to Soto's last known address, as required by 28 TEX. ADMIN. CODE §§ 1.28(c) and 1.88(c), 1 TEX. ADMIN. CODE § 155.401, and TEX. GOV'T CODE Ch. 2001.
5. The allegations in the notice of hearing, set out herein as findings of fact nos. 1 and 4–12, are deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.
6. Soto has committed acts for which a license holder may be disciplined under TEX. INS. CODE § 4005.101, as contemplated in TEX. INS. CODE § 4005.102.
7. Soto has willfully violated an insurance law of this state, pursuant to TEX. INS. CODE § 4005.101(b)(1).
8. Soto misappropriated, converted to her own use, or illegally withheld money belonging to an insured, insurer, or beneficiary, as contemplated by TEX. INS. CODE § 4005.101(b)(4).
9. Soto engaged in fraudulent or dishonest acts or practices, as contemplated by TEX. INS. CODE § 4005.101(b)(5).

It is ordered that Jacqueline Soto's general lines agent license with a property and casualty qualification is revoked.


Kevin Brady
Deputy Commissioner For Agency Affairs
Texas Department of Insurance
Delegation Order 4506

Name and Address of Sender
 Texas Dept of Insurance
 Mail Code 110-1A
 333 Guadalupe St
 Austin TX 78701
 June 5, 2017
 Judy Lopez

Check type of mail or service

Adult Signature Required	Priority Mail Express
Adult Signature Restricted Delivery	Registered Mail
Certified Mail	Return Receipt for Merchandise
Certified Mail Restricted	Signature Confirmation
Collection Delivery (COD)	Signature Confirmation Restricted
Insured Mail	
Priority Mail	

Affix Stamp Here
 (If issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt

USPS Tracking/Article Number	Address (Name, Street, City, State, & Zip Code)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Dom Sender # COD	ASR Fee	ASRD Fee	RO Fee	RR Fee	SC Fee	SCRD Fee	OR Fee
7017 0530 0000 6601 0567	Jacqueline Soto 259 Bost Rd Howe, Texas 75459	46	335											
Ecase #12283 - Notice of Hearing	Jacqueline Soto 123 E. Laniar St. Sherman, Texas 75090													
7017 0530 0000 6601 0574	Jacqueline Soto 1001 E Epstein St Sherman, Texas 75090													
Ecase #12283 - Notice of Hearing	Jacqueline Soto 3230 Rex Cruse Dr C Sherman, Texas 75092-3834													
7017 0530 0000 6601 0581	Jacqueline Soto 3114 Rex Cruse Dr #C Sherman, Texas 75092 3811													
Ecase #12283 - Notice of Hearing	Jacqueline Soto 1201 Park Pl Apt 2219 Sherman, Texas 75092-3326													
7017 0530 0000 6601 0598														
Ecase #12283 - Notice of Hearing														
7017 0530 0000 6601 0604														
Ecase #12283 - Notice of Hearing														
7017 0530 0000 6601 0611														
Ecase #12283 - Notice of Hearing														

Handling Charge-If Registered and over \$50,000 in value

Adult Signature Required

Adult Signature Restricted Delivery

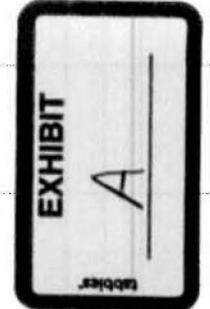
Restricted Delivery

Return Receipt

Signature Confirmation

Signature Confirmation Restricted Delivery

Special Handling



2017-5166

Name and Address of Sender
 Texas Dept of Insurance
 Mail Code 110 1A
 133 Guadalupe St
 Austin, TX 78701
 June 5, 2017
 Judy Lopez

Check type of mail or service

Adult Signature Required	Priority Mail Express
Adult Signature Restricted Delivery	Registered Mail
Certified Mail	Return Receipt for Merchandise
Certified Mail Restricted	Signature Confirmation
Collect on Delivery (COD)	Signature Confirmation Restricted Delivery
Insured Mail	
Priority Mail	

Affix Stamp Here
 (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt

USPS Tracking/Article Number	Address (Name, Street, City, State, & Zip Code)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRC Fee	Signature Confirmation Fee	Signature Confirmation Restricted Delivery Fee	Signature Confirmation Restricted Delivery Fee
Wills	Jacqueline Soto 259 Bost Rd Howe, Texas 75459	96										
Ecase #12283 - Notice of Hearing	Jacqueline Soto 123 E. Lamar St. Sherman, Texas 75090	96										
Wills	Jacqueline Soto 1001 E Epstein St Sherman, Texas 75090	96										
Ecase #12283 - Notice of Hearing	Jacqueline Soto 3230 Rex Cruse Dr C Sherman, Texas 75092-3834	96										
Wills	Jacqueline Soto 3114 Rex Cruse Dr #C Sherman, Texas 75092 3811	96										
Ecase #12283 - Notice of Hearing	Jacqueline Soto 1201 Park Pl Apt 2219 Sherman, Texas 75092-3326	96										
Wills												
Ecase #12283 - Notice of Hearing												

\$50,000 in value

Handling

Adult Signature Required
 Adult Signature Restricted Delivery
 Restricted Delivery
 Return Receipt
 Signature Confirmation
 Signature Confirmation Restricted Delivery
 Signature Confirmation Restricted Delivery



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