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.

[Signature]
Kevin Brady
Deputy Commissioner For Agency Affairs
Texas Department of Insurance
Delegation Order 4506
AFFIDAVIT

STATE OF TEXAS

COUNTY OF TRAVIS

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

“My name is Judy Lopez, 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 Jacqueline Soto. I have confirmed that:

a. The last mailing address provided to the department by Jacqueline Soto is 259 Bost Rd, Howe, Texas 75459.

b. The file maintained by the Enforcement Section contains a notice of hearing dated June 5, 2017, filed with the State Office of Administrative Hearings.

c. On June 5, 2017, certified letters, return receipt requested, and first class mailings, each containing a notice of hearing were sent to Jacqueline Soto’s last known address at 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.

Copies of the certified mail and first class mail logs maintained by the Enforcement Section are attached as Exhibit A and Exhibit B.”

Affiant

SWORN TO AND SUBSCRIBED before me on July 10, 2017.

Signature of Notary Public
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**Firm Mailing Book For Accountable Mail**

**Affix Stamp Here**

(if issued as an international certificate of mailing or for additional copies of this receipt, postmark with)

Date of Receipt

**Name and Address of Sender**

Texas Dept of Insurance

Mail Code: 116-14

333 Guadalupe St

Austin, TX 78701

June 5, 2011

Judy Lopez
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