

No. 2018 - 5561

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

Date: JUL 03 2018

Subject Considered:

JOSHUA JAMES CERNA
443 E Gerald
San Antonio, Texas 78214

DEFAULT ORDER
SOAH DOCKET NO. 454-18-3406.C
TDI ENFORCEMENT FILE NO. 15901

The subject of this order is whether disciplinary action should be taken against Joshua James Cerna (Cerna).

FINDINGS OF FACT

Licensure

1. Cerna holds a general lines agent license with a life, accident, and health qualification issued by the Texas Department of Insurance on December 15, 2005.

Employment

2. Cerna was employed by Mullen Pension & Benefits GP Inc. (the Mullen Group) as Vice President of Strategic Markets.
3. Through his position, Cerna sought insurance business for various companies with whom the Mullen Group had a financial interest.

Fraudulent and Unlawful Conduct

4. Pursuant to the Information filed against Cerna in the United States District Court, Western District of Texas, San Antonio Division in case number 5:16-cr-00354-XR-1, from on or about March 20, 2007, through on or about June 30, 2014, Cerna knowingly, intentionally, and unlawfully combined, conspired, confederated, and agreed with others to commit an offense against the United States.
5. Cerna devised and executed a scheme and artifice to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises that defrauded and deprived citizens and multiple school districts of their right to the honest and faithful

service of a contracted individual through bribery, kickbacks, and concealment of material information.

6. In order to direct the purchase of insurance policies from companies working with the Mullen Group and to enrich himself by secretly obtaining favorable outcomes, Cerna sought to corruptly influence school districts by bribing a contracted individual.
7. Through bribery, kickbacks, and concealment of material information, Cerna was provided with the content of contract bids submitted by competing companies and other information or matters that were not available to those competing with the Mullen Group or its clients.
8. Through his actions, Cerna caused the purchase of insurance products from companies with whom the Mullen Group had a financial interest.
9. Through Cerna's company, the Mullen Group, at least \$83,532.79 was paid in bribes and compensation to secure contracts for companies in which the Mullen Group had a financial interest and which resulted in a personal profit to Cerna through the commissions associated with the receipt of those insurance contracts.

Criminal History

10. Cerna has pled guilty to Conspiracy to Commit Honest Services Wire Fraud in the United States District Court, Western District of Texas, San Antonio Division in case number 5:16-cr-00354-XR-1.

Failure to Respond to Notice of Hearing

11. On May 1, 2018, the department sent a notice of hearing to Cerna's last known address provided in writing to the department, 443 E Gerald, San Antonio, Texas 78214.
12. Cerna failed to file a written response to the notice of hearing within 20 days of the date the notice of hearing was mailed.

Failure to Appear at Hearing on the Merits

13. After receiving proper notice of the date, time, and location of the hearing on the merits, Cerna failed to appear for the hearing on May 30, 2018.

CONCLUSIONS OF LAW

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4005.101-4005.105, and 4054.051; TEX. OCC. CODE §§ 53.021-53.023; 28 TEX. ADMIN. CODE § 1.502; 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. Pursuant to 28 TEX. ADMIN. CODE § 19.906, Cerna's last known address is presumed to be 443 E Gerald, San Antonio, Texas 78214.
4. The department sent a notice of hearing to Cerna'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. Cerna received 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, and 1.89.
6. Based on Cerna's failure to file a written response to the notice of hearing and failure to appear in person or by legal representative at the hearing, the department is entitled to disposition by default pursuant to 28 TEX. ADMIN. CODE §§ 1.88 and 1.89.
7. The department's allegations in the notice of hearing, set out herein as findings of fact nos. 1-10, are deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.
8. Cerna has willfully violated an insurance law of this state, as contemplated by TEX. INS. CODE § 4005.101(b)(1).
9. Cerna has engaged in fraudulent or dishonest acts or practices, as contemplated by TEX. INS. CODE § 4005.101(b)(5).
10. Cerna has been convicted of a felony, as contemplated by TEX. INS. CODE § 4005.101(b)(8).

It is ordered that Joshua James Cerna's general lines agent license with a life, accident, and health qualification is revoked.



Kent C. Sullivan
Commissioner of Insurance

2018- 5561



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: 05/01/2018

Shipped From:

Name: MC 110-1A M RUIZ

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	2
Total	2

*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



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