

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of )  
Banking and Insurance, State of New )  
Jersey, to fine, suspend and/or )  
revoke the insurance producer )  
license of Thomas O'Leary, )  
Reference No. 9590636 )

CONSENT  
ORDER

TO: Thomas J. O'Leary  
13 Blue Herun Drive  
South Amboy, New Jersey 08879

-and-

Thomas J. O'Leary  
FCI Morgantown  
Federal Correctional Institution  
P.O. Box 2000  
Morgantown, West Virginia 26507

THIS MATTER, having been opened to the Commissioner of  
Banking and Insurance ("Commissioner"), State of New  
Jersey, upon information that Thomas J. O'Leary  
("Respondent") may have violated various provisions of the  
insurance laws of the State of New Jersey; and

WHEREAS, Respondent was licensed as a resident  
insurance producer, pursuant to N.J.S.A 17:22A-32, until it  
expired on July 31, 2011; and

WHEREAS, the Respondent is subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001 ("Producer Act"), N.J.S.A. 17:22A-26 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance law, regulation, subpoena or order of the Commissioner; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(6), an insurance producer shall not be convicted of a felony or crime of the fourth degree or higher; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(8), an insurance producer shall not use fraudulent, coercive or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of the insurance business; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(14), an insurance producer shall not fail to pay his income taxes; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(16), an insurance producer shall not commit any fraudulent act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(18), an insurance producer shall notify the Commissioner of his indictment and/or conviction of any crime within 30 days; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47b, an insurance producer shall report a criminal prosecution of the producer to the Commissioner within thirty (30) days of the pretrial hearing date; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.10, an insurance producer acts in a fiduciary capacity in the conduct of his or her business; and

WHEREAS, pursuant to 18 U.S.C. §1033(e)(1)(A) & 1033(e)(2), a person who has been convicted of any criminal felony involving dishonesty may engage or participate in the business of insurance only if he or she obtains the written consent of the Commissioner; and

WHEREAS, pursuant to N.J.A.C. 11:17E-1.3(a), no person having been convicted of a felony involving, among other things, dishonesty shall be employed in the business of insurance in this State in any capacity without having obtained a waiver from the Commissioner in accordance with 18 U.S.C. § 1033(e)(2); and

WHEREAS, pursuant to N.J.S.A. 17:22A-40d, the Commissioner retains authority to take action against any person or entity with an expired license; and

IT APPEARING that the Commissioner issued Order to Show Cause No. E14-85 on August 6, 2014, alleging

violations of the New Jersey insurance laws by Respondent Thomas J. O'Leary, as follows:

COUNT 1

IT APPEARING THAT, at all relevant times, Respondent sold, solicited or negotiated insurance to the City of Perth Amboy and the Perth Amboy Board of Education; and

IT FURTHER APPEARING THAT on May 19, 2011, Respondent was criminally indicted in the United State District Court of New Jersey under case number 11-336 for among other things, conspiracy to violate Federal Election Campaign laws; and

IT FURTHER APPEARING THAT, on March 2, 2012, Respondent pled guilty to criminal conspiracy to defraud the Federal Election Committee, a felony, admitting that he engaged in a conspiracy to unlawfully donate \$10,000 to a federal campaign using at least five contributors; and

IT FURTHER APPEARING THAT Respondent also admitted that he bribed a government official to maintain the insurance contracts that he and others had sold, solicited or negotiated with the City of Perth Amboy and the Perth Amboy Board of Education; and

IT FURTHER APPEARING THAT Respondent's scheme to violate federal election laws by donating money to a government official in order to maintain insurance contracts that he sold, solicited or negotiated to the City of Perth Amboy, constitutes violations of N.J.S.A. 17:22A-40a(2), (6), (7), (8), (16), and (17); and

COUNT 2

IT FURTHER APPEARING THAT Respondent failed to notify the Department of his indictment in case number 11-336 within thirty (30) days, in violation of N.J.S.A. 17:22A-40a(2), (8), and (18) and N.J.S.A. 17:22A-47b; and

COUNT 3

IT FURTHER APPEARING THAT Respondent failed to report his criminal conviction to the Commissioner, in violation of N.J.S.A. 17:22A-40a(2), (8), and (18), N.J.S.A. 17:22A-47b and N.J.A.C. 11:17B-1.3(a); and

COUNT 4

IT FURTHER APPEARING THAT, on March 2, 2012, Respondent was charged with Tax Evasion under Title 26, United States Code, Section 7201 in a four (4) count Information in the United State District Court of New Jersey under case number 12-162. Specifically, the Information charged Respondent with evading his federal income taxes by concealing income and other income he was paid for selling, soliciting and negotiating insurance business with the City of Perth Amboy; and

IT FURTHER APPEARING THAT, on March 2, 2012, Respondent pled guilty to accepting income and other income of over \$200,000.00 in 2006 which he failed to report to the Internal Revenue Service ("IRS") in order to avoid paying federal income taxes, a felony, in violation of N.J.S.A. 17:22A-40a(2), (6), (7), (8) and (14); and

IT FURTHER APPEARING that on October 2, 2014, Respondent Thomas J. O'Leary answered the charges of the Order to Show Cause; and

IT FURTHER APPEARING that Respondent Thomas O'Leary admits and agrees to take responsibility for the violations contained in Count 1, Count 2, Count 3 and Count 4 in the Order to Show Cause; and

IT FURTHER APPEARING that Respondent Thomas O'Leary has waived his right to a hearing on the aforementioned violations and consents to the payment of a fine to the Commissioner in the amount of \$5,000.00 and revocation of his expired insurance producer license; and

IT FURTHER APPEARING that this matter should be resolved upon the consent of the parties without resort to a formal hearing.

NOW, THEREFORE, IT IS on this <sup>7<sup>th</sup></sup> day of <sup>January</sup>,  
2014, <sup>2015</sup>

ORDERED AND AGREED that the charges contained in Count 1, Count 2, Count 3 and Count 4 in Order to Show Cause No. E14-85 are admitted by Respondent Thomas O'Leary; and

IT IS FURTHER ORDERED AND AGREED that, pursuant to N.J.S.A. 17:22A-40, the expired resident insurance producer license of Respondent Thomas O'Leary is hereby REVOKED effective upon the execution of this Consent Order by the Commissioner or his designee; and

IT IS FURTHER ORDERED AND AGREED that, pursuant to N.J.S.A. 17:22A-45c, Respondent Thomas O'Leary shall pay a fine of \$5,000.00 to the Commissioner for violations admitted herein and described in the Order to Show Cause No. E14-85; and

IT IS FURTHER ORDERED AND AGREED that said fine shall be paid by certified check, cashier's check, money order or other certified funds made payable to the "State of New Jersey - General Treasury," due and payable in full immediately upon execution of this Consent Order by Respondent Thomas O'Leary; and

IT IS FURTHER ORDERED AND AGREED that the signed Consent Order together with the fine of \$5,000.00 shall be remitted to:

Carl M. Bornmann, Deputy Attorney General  
State of New Jersey, Division of Law  
R.J. Hughes Justice Complex  
25 Market Street  
P.O. Box 117  
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED that the provisions of this Consent Order represent a final agency decision and constitute final resolution of only the violations contained in Order to Show Cause No. E14-85 related to Respondent Thomas O'Leary; and

IT IS FURTHER ORDERED AND AGREED that Respondent Thomas O'Leary shall cease and desist from engaging in the conduct that gave rise to this Consent Order.

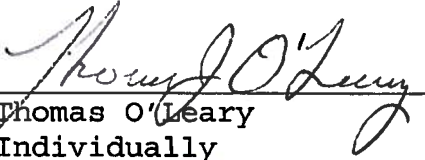


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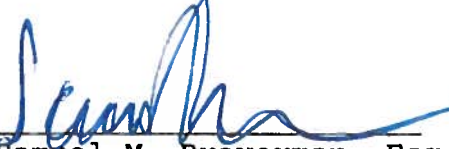
PETER L. HARTT  
Director of Insurance



Consented to as to Form,  
Content and Entry:


  
Thomas O'Leary  
Individually

Date: 12/4/14

  
Samuel M. Braverman, Esq.  
Attorney for Respondent  
Thomas O'Leary

Date: 11/25/14

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY

  
By: Carl M. Bornmann  
Deputy Attorney General  
Attorney for the New Jersey  
Dept. of Banking and Insurance

Date: 12/16/14