

ORDER TO SHOW CAUSE NO. E16-11

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

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Proceedings by the Commissioner)  
of Banking and Insurance, State)  
of New Jersey, to fine, suspend,)  
and/or revoke the Insurance)  
Producer Licenses of Alicia M.)  
Jones, Reference No. 9465325,)  
\_\_\_\_\_)

ORDER TO SHOW CAUSE

TO: Alicia M. Jones  
59 Brookdale Avenue  
Newark, NJ 07106

This matter, having been opened to the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Alicia M. Jones ("Respondent") may have violated various provisions of the insurance laws of the State of New Jersey; and

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

WHEREAS, Respondent is currently licensed as a resident individual insurance producer in the State of New Jersey, pursuant to N.J.S.A. 17:22A-32; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(1), an insurance producer shall not provide incorrect, misleading, incomplete, or materially untrue information on an insurance producer's license application; 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(15), an insurance producer shall not intentionally withhold material information or make a material misstatement in an application for an insurance producer's license; 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 not fail to notify the Commissioner within 30 days of his conviction of any crime, indictment or the filing of any formal criminal charges; and

WHEREAS, pursuant to 18 U.S.C. 1033(e) and N.J.A.C. 11:17E-1.3, no person who has been convicted of a felony involving dishonesty or breach of trust shall engage in the business of insurance without the written consent of the Commissioner; and

**FACTS RELATIVE TO ALL COUNTS**

IT APPEARING, that on or about April 24, 1995, Jones entered into Consent Order No. 95-99 with the New Jersey Department of Banking and Insurance which states that in 1993, Jones "submitted an application for an insurance producer license on which she answered 'No' to a question regarding whether she had ever been convicted of a crime, misdemeanor or disorderly person's offense in this State, or any other state or by the federal government when, in fact, she had been convicted in 1987, 1989 and 1993 of either a crime, misdemeanor or disorderly person's offense, in violation of N.J.S.A. 17:22A-17a(2) and (20)"; and

IT FURTHER APPEARING, that in Consent Order No. 95-99, Jones admitted responsibility for the aforementioned violation; and

IT FURTHER APPEARING, that consent Order No. 95-99 suspended the insurance producer license of Jones for a period of 90 days and ordered the payment of a \$1,000.00 fine; and

IT FURTHER APPEARING, that on or about February 14, 2013, Jones was indicted in the United States District Court, District of New Jersey, charging her with 25 Counts of Aiding and Assisting in the Preparation of False Tax Returns, 26 U.S.C. 7206(2); and

IT FURTHER APPEARING, that the February 14, 2013 indictment alleged that Jones, through Right Choice Financial, "prepared false and fraudulent U.S. tax returns for taxpayers by, amongst other things, fabricating and inflating Schedule A itemized deductions and education expenses, and including false taxpayer filing statuses, in order to obtain refunds for those taxpayers in amounts greater than those to which they were entitled"; and

IT FURTHER APPEARING, that on or about October 7, 2013, Jones pleaded guilty to Count 1 of the indictment charging her with one violation of 26 U.S.C. 7206(2); and

IT FURTHER APPEARING, that on or about January 27, 2014, Jones was sentenced to, among other things, three years probation and ordered to pay restitution in the amount of \$39,185.00 to the U.S. Treasury; and

IT FURTHER APPEARING, that Jones never notified the Department of her February 14, 2013 indictment or her January 27, 2014 conviction.

IT FURTHER APPEARING, that on or about August 8, 2013, Jones completed and submitted to the Department a Licensee Background Questionnaire as part of her insurance producer license Renewal Application; and

IT FURTHER APPEARING, that on the Renewal Application Jones stated "No" in response to the application question "have you been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime, which has not been previously reported to this insurance department?"; and

IT FURTHER APPEARING, that based upon Jones' answers on the Renewal Application, the Department renewed Jones' resident insurance producer license; and

IT FURTHER APPEARING, that the Department first became aware of Jones' conviction on September 4, 2015 when it received notification and a copy of a press release from the United States Attorney's Office, District of New Jersey, revealing the February 14, 2013 indictment; and

IT FURTHER APPEARING, that Jones has not applied for, or received a written waiver to engage in the business of insurance as required by 18 U.S.C. 1033 and N.J.A.C. 11:17E; and

COUNT 1

IT FURTHER APPEARING, that Respondent was convicted of a felony for acts constituting fraudulent conduct, in violation of N.J.S.A. 17:22A-40a(2), (6), and (16); and

COUNT 2

IT FURTHER APPEARING, that Respondent failed to notify the Commissioner of her February 14, 2013 indictment, in violation of N.J.S.A. 17:22A-40a(18); and

COUNT 3

IT FURTHER APPEARING, that Respondent failed to notify the Commissioner of her January 27, 2014 conviction, in violation of N.J.S.A. 17:22A-40a(18); and

COUNT 4

IT FURTHER APPEARING, that Respondent made material misrepresentations on her August 8, 2013 insurance producer's license Renewal Application, in violation of N.J.S.A. 17:22A-40a(2), (15), and (16); and

COUNT 5

IT FURTHER APPEARING, that after being convicted of a felony involving breach of trust or dishonesty, Respondent is currently employed in the business of insurance in this State without having obtained a waiver from the Commissioner in accordance with the

provisions of 18 U.S.C. 1033(e)(2), in violation of N.J.A.C. 11:17E-1.3(a); and

NOW, THEREFORE, IT IS on this 27<sup>TH</sup> day of May, 2016

ORDERED, that pursuant to the provisions of N.J.S.A. 17:22A-40a, Respondent shall appear and show cause why her insurance producer license shall not be revoked by the Commissioner; and

IT IS FURTHER ORDERED, that Respondent shall appear and show cause why the Commissioner should not assess fines up to \$5,000.00

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for the first violation and not exceeding \$10,000.00 for each subsequent violation, pursuant to the provisions of N.J.S.A. 17:22A-45c, due to Respondent's failure to comply with New Jersey's insurance laws; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45c, Respondent shall appear and show cause why she should not be subject to additional penalties, including restitution to her victims and reimbursement of the costs of investigation and prosecution by the Department of Banking and Insurance; and


IT IS PROVIDED, that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at her own expense, to take testimony, to call or cross-examine witnesses, to have subpoena and subpoena

duces tecum issued and to present evidence or argument if a hearing is requested; and

IT IS FURTHER PROVIDED, that unless a request for a hearing is received within twenty (20) days of the service of this Order to Show Cause, the right to a hearing in this matter shall be deemed to have been waived by the Respondent and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Virgil Downtin, Chief of Investigations, New Jersey Department of Banking and Insurance,

P.O. Box 329, Trenton, N.J. 08625 or by faxing the request to the Department at (609) 292-5337. The request shall contain:

- (A) The licensee's name, address, and daytime telephone number;
- (B) A statement referring to each charge alleged in this Order to Show Cause and identifying any defense intended to be asserted in response to each charge. Where the defense relies on facts not contained in the Order to Show Cause, those specific facts must be stated;
- (C) A specific admission or denial of each fact alleged in this Order to Show Cause. Where the Respondents have no specific knowledge regarding a fact alleged in this Order to Show Cause, a statement to that effect must be contained in the hearing request. Allegations of this Order to Show Cause not answered in the manner set forth above shall be deemed to have been admitted; and
- (D) A statement requesting a hearing.

  
Peter L. Hartt  
Director of Insurance