

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

| | | |
|------------------------------|---|---------|
| Proceedings by the |) | |
| Commissioner of Banking and |) | FIRST |
| Insurance, State of New |) | AMENDED |
| Jersey, to fine, suspend |) | ORDER |
| and/or revoke the insurance |) | TO |
| producer license of Carle A. |) | SHOW |
| D'Angelo, Reference No. |) | CAUSE |
| 1117803 and to fine Veronica |) | |
| Villa, unlicensed. |) | |

TO: Carle A. D'Angelo
1024 August Street
No. 2
Elizabeth, NJ 07201

Veronica Villa
139 Grove Street
Apartment 1R
Elizabeth, NJ 07202-1195

Carle A. D'Angelo
139 Grove Street
Apartment 1R
Elizabeth, NJ 07202-1195

This matter, having been opened to the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Respondent Carle A. D'Angelo, currently licensed as a resident insurance producer, pursuant to N.J.S.A. 17:22A-33, and Veronica Villa, unlicensed, may have violated various provisions of the insurance laws of the State of New Jersey; and

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

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), the Commissioner may suspend or revoke the license of a producer if the licensee has violated any insurance law; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(4), the Commissioner may suspend or revoke the license of a producer if the licensee has improperly withheld, misappropriated, or converted any monies or properties received in the course of doing insurance business; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(8), the Commissioner may suspend or revoke the license of a producer if the licensee uses fraudulent, coercive, or dishonest practices; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(16), the Commissioner may suspend or revoke the license of a producer if the licensee commits any fraudulent act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(17), the Commissioner may suspend or revoke the license of a producer if the licensee knowingly facilitates or assists another person in violating any insurance laws; and

WHEREAS, Respondents are subject to the New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-1 et seq. ("Fraud Act"); and

WHEREAS, pursuant to N.J.S.A. 17:33A-5a(2), whenever the Commissioner determines that a person has violated any provision of

the Fraud Act, the Commissioner may levy a civil administrative penalty, in accordance with N.J.S.A. 17:33A-5b; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4a(4)(b), a person violates the Fraud Act if he prepares or makes any written or oral statement, intended to be presented to any insurance company or producer for the purpose of obtaining an insurance policy, knowing that the statement contains any false or misleading information concerning any fact or thing material to an insurance application or contract; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4a(5), a person violates the Fraud Act if he conceals or knowingly fails to disclose any evidence, written or oral, which may be relevant to a finding that a violation of the provisions of N.J.S.A. 17:33A-4a(4); and

WHEREAS, pursuant to N.J.S.A. 17:33A-4b a person or practitioner violates the Fraud Act if he knowingly assists, conspires with, or urges any person or practitioner to violate any of the provisions of the Fraud Act; and

WHEREAS, on May 28, 2014, the Commissioner issued a four (4) count Order to Show Cause, Order to Show Cause No. E14-65, against Respondents D'Angelo and Villa; and

WHEREAS, on July 1, 2014, Respondent D'Angelo answered Order to Show Cause No. E14-65; and

WHEREAS, on July 28, 2014, Respondent Villa answered Order to Show Cause No. E14-65; and

WHEREAS, subsequent to the issuance of Order to Show Cause No. E14-65, the Department became aware of additional allegations against Respondent D'Angelo, as set forth in Amended Counts 5 and 6; and

COUNT 1 (Producer Act - Respondent D'Angelo)

IT APPEARING that, at all times relevant to Counts 1 through 6, D'Angelo was licensed as a resident insurance producer; and

IT FURTHER APPEARING THAT, at all times relevant hereto, D'Angelo was an employee of North East Risk Management Agency, LLC ("North East"); and

IT FURTHER APPEARING that, at all times relevant hereto, D'Angelo resided at 139 Grove Street, 1st Floor Right, Elizabeth, New Jersey 07202 ("Elizabeth Apartment"); and

IT FURTHER APPEARING that, at all times relevant hereto, Villa resided with D'Angelo at the Elizabeth Apartment; and

IT FURTHER APPEARING that, on or about November 16, 2011, Elizabeth police officers responded to a report of a burglary at the Elizabeth Apartment; and

IT FURTHER APPEARING that, upon arriving at the Elizabeth Apartment, Elizabeth police officers interviewed D'Angelo regarding the alleged burglary; and

IT FURTHER APPEARING that, during this interview, D'Angelo stated that he resided at the Elizabeth Apartment; and

IT FURTHER APPEARING that, in the Investigation Report, Elizabeth police officers listed the Victim's Name as "CARLE A DANGELO"; and

IT FURTHER APPEARING that, on or about December 2, 2011, Elizabeth police officers returned to the Elizabeth Apartment to gather additional evidence; and

IT FURTHER APPEARING that, at that time, D'Angelo was again present at, and allowed the police into, the Elizabeth Apartment; and

IT FURTHER APPEARING that, on November 18, 2011, D'Angelo, in his role as an insurance producer for North East, submitted an application for a Philadelphia Contributionship homeowners insurance policy ("Application") on behalf of Villa; and

IT FURTHER APPEARING that, on the Application, Respondents listed the property location as "139 GROVE ST APT 1R ELIZABETH, NJ 07202-1195"; and

IT FURTHER APPEARING that, on the Application, in response to were there "[a]ny losses at this location in the last 3 years", Respondents answered "No"; and

IT FURTHER APPEARING that, above the signature line, the Application states "Insured Statement: I have read the information in this application and attachments. I declare that the information is true, complete and correct"; and

IT FURTHER APPEARING that, below the signature line, the Application states "Any person who includes any false or misleading information [on] any application for any insurance policy is subject to civil and criminal penalties"; and

IT FURTHER APPEARING that, the Application was signed and "Accepted By" Veronica Villa; and

IT FURTHER APPEARING that, despite submitting the Application on November 18, 2011, Respondents listed an effective date of November 14, 2011, two days prior to the alleged burglary; and

IT FURTHER APPEARING that, at the time he submitted the Application, D'Angelo stated to Philadelphia Contributionship that backdating the policy's effective date was necessary because his "heavy work load" had delayed the application's submission until November 18, 2011; and

IT FURTHER APPEARING that, in fact, Respondents did not attempt to purchase homeowners insurance prior to the November 16, 2011 burglary; and

IT FURTHER APPEARING that, on or about November 30, 2011, D'Angelo emailed Villa, stating "Babe, call [Philadelphia Contributionship's customer hotline] and report this claim to the insurance company. Ask to speak to the claims department and say this to them. Do not mention my name... just ask for claims and tell them the following. Also, ask them for [their] fax number so you can fax over a written statement. Copy and paste the info below WITHOUT my name and fax it to them"; and

IT FURTHER APPEARING that D'Angelo's November 30, 2011 email provided a letter for Villa to submit in her own name that described the alleged November 16, 2011 burglary, the value of the stolen items, and the subsequent precautions taken; and

IT FURTHER APPEARING that, on or about November 30, 2011, Villa emailed D'Angelo, stating "So when they ask why it took so long to report it and on what date I did it... please!!! Tell me all the facts. With who did I do my ins[urance] with. I need all the details and facts"; and

IT FURTHER APPEARING that, on or about November 30, 2011, Villa faxed the letter drafted by D'Angelo to Philadelphia Contributionship; and

IT FURTHER APPEARING that, by failing to disclose the existence of the November 16, 2011 burglary to Philadelphia Contributionship at the time of the Application, D'Angelo used fraudulent, coercive, or dishonest practices, in violation of N.J.S.A. 17:22A-40a(2), (8), and (16); and

IT FURTHER APPEARING that, by failing to disclose that he resided at the Elizabeth Address, D'Angelo used fraudulent, coercive, or dishonest practices, and committed a fraudulent act, in violation of N.J.S.A. 17:22A-40a(2), (8), and (16); and

IT FURTHER APPEARING that, by misrepresenting his "heavy work load" necessitated backdating the policy's' effective start date to November 14, 2011, D'Angelo used fraudulent, coercive, or dishonest practices, and committed a fraudulent act, in violation of N.J.S.A. 17:22A-40a(2), (8), and (16); and

IT FURTHER APPEARING that, by coaching Villa on how to submit an insurance claim without raising suspicion of insurance fraud, D'Angelo used fraudulent, coercive, or dishonest practices, and committed a fraudulent act, in violation of N.J.S.A. 17:22A-40a(2), (8), and (16);

IT FURTHER APPEARING that, by coaching Villa on how to submit an insurance claim without raising suspicion of insurance fraud, D'Angelo knowingly facilitated or assisted another person in

violating an insurance law, in violation of N.J.S.A. 17:22A-40a(17); and

IT FURTHER APPEARING that, on December 11, 2012, in response to an inquiry by the Department regarding these events, D'Angelo stated that Villa was not his girlfriend at the time of the burglary; and

IT FURTHER APPEARING that, on or about December 11, 2012, in response to an inquiry by the Department regarding these events, D'Angelo stated that he did not live with Villa; and

IT FURTHER APPEARING that, on or about December 11, 2012, in response to an inquiry by the Department regarding these events, D'Angelo stated that he did not reside at the Elizabeth Apartment at the time of the burglary; and

IT FURTHER APPEARING that, on or about December 11, 2012, in response to an inquiry by the Department regarding these events, D'Angelo stated that he did not 'coach' Villa on how to submit an insurance claim in order to avoid raising suspicion; and

IT FURTHER APPEARING that, by making false statements to the Department on or about December 11, 2012, D'Angelo used fraudulent, coercive, or dishonest practices, and committed a fraudulent act, in violation of N.J.S.A. 17:22A-40a(2), (8), and (16); and

COUNT 2 (Fraud Act - Respondent D'Angelo)

IT FURTHER APPEARING that, as D'Angelo was present shortly after the burglary, and gave a report to the police regarding the burglary, D'Angelo was aware that a loss had occurred at the location in the last three (3) years; and

IT FURTHER APPEARING that, by failing to disclose the existence of the November 16, 2011 burglary to Philadelphia Contributionship at the time of the Application, D'Angelo prepared or made a written statement, intended to be presented to an insurance company for the purpose of obtaining an insurance policy, knowing that the statement contained false or misleading information concerning any fact or thing material to an insurance application or contract, in violation of N.J.S.A. 17:33A-4a(4)(b); and

IT FURTHER APPEARING that, by failing to disclose that he lived at the Elizabeth Address, D'Angelo prepared or made a written statement, intended to be presented to an insurance company for the purpose of obtaining an insurance policy, knowing that the statement contained false or misleading information concerning any fact or thing material to an insurance application or contract, in violation of N.J.S.A. 17:33A-4a(4)(b); and

IT FURTHER APPEARING that, by misrepresenting that his "heavy work load" necessitated backdating the policy's effective

start date to November 14, 2011, D'Angelo made a written or oral statement, intended to be presented to an insurance company for the purpose of obtaining an insurance policy, knowing that the statement contained false or misleading information concerning facts or things material to an insurance application or contract, in violation of N.J.S.A. 17:33A-4a(4) (b); and

IT FURTHER APPEARING that, by drafting a letter to submit to Philadelphia Contributionship designed to avoid arousing suspicion as to the claim, D'Angelo prepared or made a written statement that was intended to be presented to an insurance company, knowing that the statement contained false or misleading information concerning any fact or thing material to the claim, in violation of N.J.S.A. 17:33A-4(a) (2); and

IT FURTHER APPEARING that, on December 11, 2012, in response to an inquiry by the Department regarding these events, D'Angelo stated that Villa was not his girlfriend at the time of the burglary ; and

IT FURTHER APPEARING that, on December 11, 2012, in response to an inquiry by the Department regarding these events, D'Angelo stated that he did not live with Villa; and

IT FURTHER APPEARING that, on December 11, 2012, in response to an inquiry by the Department regarding these events,

D'Angelo stated that he did not reside at the Elizabeth Apartment at the time of the burglary ; and

IT FURTHER APPEARING that, on December 11, 2012, in response to an inquiry by the Department regarding these events, D'Angelo stated that he did not coach Villa on how to submit an insurance claim in order to avoid raising suspicion; and

IT FURTHER APPEARING that, by making false statements to the Department on or about December 11, 2012, D'Angelo concealed or knowingly failed to disclose evidence, written or oral, which may have been relevant to a finding that a violation of the provisions of N.J.S.A. 17:33A-4a(4) has or has not occurred, in violation of N.J.S.A. 17:33A-4a(5); and

COUNT 3 (Fraud Act - Respondent Villa)

IT FURTHER APPEARING that, as Villa was present shortly after the burglary, and gave a report to the police regarding the burglary, Villa was aware that a loss had occurred at the location in the last three (3) years; and

IT FURTHER APPEARING that, by failing to disclose the existence of the November 16, 2011 burglary to Philadelphia Contributionship at the time of the Application, Villa prepared or made a written statement, intended to be presented to an insurance company for the purpose of obtaining an insurance policy, knowing that the statement contained false or misleading information

concerning any fact or thing material to an insurance application or contract, in violation of N.J.S.A. 17:33A-4a(4)(b); and

IT FURTHER APPEARING that, by submitting the letter drafted by D'Angelo to Philadelphia Contributionship, in her own name, Villa presented or caused to be presented a written statement as part of, or in support of, a claim for payment pursuant to an insurance policy, knowing that the statement contained false or misleading information concerning any fact or thing material to the claim, in violation of N.J.S.A. 17:33A-4a(1); and

COUNT 4 (Conspiracy - Respondents D'Angelo and Villa)

IT FURTHER APPEARING that D'Angelo knowingly assisted, conspired with, or urged Villa to violate provisions of the Fraud Act, in violation of N.J.S.A. 17:33A-4b; and

IT FURTHER APPEARING that, Villa knowingly assisted, conspired with, or urged D'Angelo to violate provisions of the Fraud Act, in violation of N.J.S.A. 17:33A-4b; and

AMENDED COUNT 5 (Producer Act - Respondent D'Angelo)

IT FURTHER APPEARING THAT, on or about February 25, 2013, M.I. met with D'Angelo in order to make a premium payment on his policy; and

IT FURTHER APPEARING THAT, on or about February 25, 2013, M.I. signed check no. 1596, in the amount of \$1,156.09; and

IT FURTHER APPEARING THAT, on or about February 25, 2013, M.I. left the "Pay to the order of" section blank; and

IT FURTHER APPEARING THAT, on or about February 25, 2013, D'Angelo advised M.I. that he would complete the "Pay to the order of" section with the appropriate insurance carrier's name; and

IT FURTHER APPEARING THAT, on or about February 25, 2013, D'Angelo put his own name in the "Pay to the order of" section of check no. 1596; and

IT FURTHER APPEARING THAT, on or about February 25, 2013, D'Angelo endorsed the check and wrote his driver's license number, ending in 06822, on the back of the check; and

IT FURTHER APPEARING THAT D'Angelo did not remit any of the insurance premiums to a carrier; and

IT FURTHER APPEARING THAT D'Angelo used the funds from check no. 1596 for his own personal use; and

IT FURTHER APPEARING THAT, to date, D'Angelo has not refunded the \$1,156.09 to M.I.; and

IT FURTHER APPEARING THAT, by representing to M.I. that he would fill in the insurance carrier's name on check no. 1596 and, instead, writing his own name in the "Pay to the order of" section, D'Angelo used fraudulent, coercive, or dishonest practices, and demonstrated his incompetence, untrustworthiness, or

financial irresponsibility in the conduct of insurance business in this State, in violation of N.J.S.A. 17:22A-40a(8); and

IT FURTHER APPEARING THAT, by failing to remit M.I.'s \$1,156.09 in insurance premiums to an insurance carrier, and by taking the money for his own personal use, D'Angelo improperly withheld, misappropriated, or converted money received in the course of doing insurance business, in violation of N.J.S.A. 17:22A-40a(2), (4), and (16); and

AMENDED COUNT 6 (Producer Act - Respondent D'Angelo)

IT FURTHER APPEARING THAT, on or about March 18, 2013, D'Angelo began working at Otterstedt Insurance Agency ("Otterstedt") as an Account Executive Assistant; and

IT FURTHER APPEARING THAT between March 18, 2013 and August 21, 2014, D'Angelo misappropriated at least \$12,800 in insurance premiums from Otterstedt and its clients; and

IT FURTHER APPEARING THAT, by misappropriating insurance premiums for his own personal use, D'Angelo improperly withheld, misappropriated, or converted money received in the course of doing insurance business, demonstrating dishonest practices and untrustworthy conduct, in violation of N.J.S.A. 17:22A-40a(2), (4), (8) and (16); and

NOW, THEREFORE, IT IS on this 8th day of -

APRIL, 2015

ORDERED that D'Angelo appear and show cause why the New Jersey insurance producer license issued to him should not be suspended or revoked by the Commissioner and why he should not be fined up to \$5,000.00 for the first violation of the Insurance Producer Act and not more than \$10,000.00 for the second and each subsequent offense, pursuant to N.J.S.A. 17:22A-40 and N.J.S.A. 17:22A-45c; and

IT IS FURTHER ORDERED that D'Angelo appear and show cause why he should not be subject to additional penalties including restitution of moneys owed any person, reimbursement of the costs of investigation, and prosecution pursuant to N.J.S.A. 17:22A-45c; and

IT IS FURTHER ORDERED that Respondents D'Angelo and Villa appear and show cause why they should not be fined up to \$5,000.00 for the first violation of the Fraud Act, \$10,000.00 for the second violation, and \$15,000.00 for each subsequent violation; and

IT IS FURTHER ORDERED that Respondents D'Angelo and Villa appear and show cause why they should not be subject to a surcharge in the amount of \$1,000.00, pursuant to N.J.S.A. 17:33A-5.1; and

IT IS PROVIDED that Respondents have the right to request an administrative hearing, to be represented by counsel or other qualified representative, at their own expense, to take testimony,

to call or cross-examine witnesses, to have subpoenas 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 and the Commissioner shall dispose of this matter in accordance with the law. A hearing may be requested by mailing the request to Virgil Downtin, Chief of Investigations, Department of Banking and Insurance, P.O. Box 329, Trenton, New Jersey 08625, or by faxing the hearing request to the Department at (609) 292-5337. The request shall contain the following:

- (a) Respondent'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 respondent has no specific knowledge regarding a fact alleged in the 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 the hearing.



PETER L. HARTT
Director of Insurance