

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 103107
)	
CURSTA WILLIAMS,)	DEFAULT ORDER, FINDINGS OF
NPN 17316674,)	FACT, CONCLUSIONS OF LAW
DOB 03/27/XXXX,)	AND ORDER
)	
Respondent.)	

The Commissioner called up this matter on October 29, 2019, for the prehearing conference. The Iowa Insurance Division (“Division”) appeared by Compliance Attorney Lanny Zieman and the Respondent Cursta Williams failed to appear. The Commissioner took up for consideration the Division’s motion for default. Evidence was received and the motion for default order was sustained.

NOW THEREFORE, Douglas Ommen, Iowa Insurance Commissioner, being fully informed of the matter, issues the following findings of facts, conclusions of law, and orders:

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces Iowa Code chapter 522B—Licensing of Insurance Producers pursuant to Iowa Code § 505.8.
2. Cursta Williams (“Williams”) is an individual with a last known address of 2617 North Gayman Avenue, Davenport, Iowa 52804.
3. Williams is and has been licensed in the state of Iowa as a resident insurance producer since July 11, 2014. She is licensed under National Producer Number 17316674.

4. Pursuant to Iowa Code § 505.28, Williams has consented to the jurisdiction of the Commissioner of Insurance (“Commissioner”) by committing acts governed by Iowa Code chapter 522B.

5. Between August 30, 2018 and August 26, 2019, Williams engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, or revocation of her insurance producer license; cease and desist orders; and civil penalties or other relief under Iowa Code chapter 522B and the rules adopted pursuant to this chapter.

II. FINDINGS OF FACT

6. On July 10, 2014, Williams applied for a resident insurance producer license with the Division by submitting through the National Insurance Producer Registry a Uniform Application for Individual Producer License (“Uniform Application”). In submitting the Uniform Application, Williams designated the Commissioner as an agent for service of process.

7. The Division issued Williams a license as an insurance producer on July 11, 2014 and assigned her National Producer Number 17316674.

Consumer S

8. On August 30, 2018, Consumer S, electronically signed an Individual Life Insurance Application from United of Omaha Life Insurance Company (“UOL”).

9. On September 12, 2018, Williams contacted UOL on her personal cellular phone representing that she was Consumer S and completed the required underwriting health interview with a UOL service center employee.

10. On September 19, 2018, Consumer S called UOL from the phone number she provided on her application to complete the required underwriting health interview related to the individual life insurance policy she applied for on August 30, 2018.

11. On the September 19, 2018 phone call, the UOL service center employee indicated Consumer S had already completed the interview, but then asked Consumer S “did you ever call in and do an interview by phone?” Consumer S responded “no.”

12. On October 3, 2018, UOL Corporate Investigations Department opened an investigation of Williams.

13. On October 22, 2018, the Division received notice from UOL that it had terminated Williams for cause effective October 15, 2018.

Division’s Investigation

14. On June 19, 2019, the Division’s investigator sent a letter to Williams requesting an interview.

15. On June 20, 2019, the Division’s investigator received a call from Williams’ criminal defense attorney who advised that he had told Williams not to speak with or provide information to the Division’s investigator.

16. On July 3, 2019, the Division issued an administrative subpoena to Williams commanding her to provide phone records from the month of September, 2018 and to appear for an interview at a specified time.

17. Williams has not provided her phone records nor did she appear for an interview.

Criminal Prosecution

18. On May 23, 2019, the Iowa Insurance Fraud Bureau filed a criminal complaint in Scott County Iowa District Court alleging that Williams violated Iowa Code § 706.3(2) Conspiracy to Commit Non-Forcible Felony—Insurance Fraud.

19. The affidavit in support of the criminal complaint states, “[i]n the month of September 2018, Insurance Agent Cursta Williams called the United of Omaha Life Insurance Company

and posed as a client/consumer in a phone interview with the insurer to complete an insurance policy application process. Williams did this without the consumer[']s knowledge or permission.”

20. On June 24, 2019, an assistant Scott County Attorney filed trial information under case number FECR401631 alleging at Count 6 that Williams feloniously conspired with Jonathan Schlue to commit insurance fraud in violation of Iowa Code § 706.3(2). (Exhibit 13)

21. On July 12, 2019, Williams’ pre-trial conference was held in case number FECR401631.

22. On August 13, 2019, Williams pled guilty to Count 6 Conspiracy to Commit Non-Forcible Felony—Insurance Fraud. Both Williams and her criminal defense attorney, Eric Syverud, signed the Memorandum of Plea Agreement. (Exhibit 16)

23. On August 13, 2019, the Court accepted Williams’ guilty plea. (Exhibit 16)

24. Williams did not report her criminal prosecution to the Division within thirty days of her pre-trial conference nor has she reported it as of the date of this filing.

Kansas Insurance Department Administrative Action

25. On July 11, 2019, the Kansas Insurance Department issued a summary order suspending Williams’ non-resident insurance agent license until resolution of her criminal case in Iowa. Williams did not request a hearing and the order became final on July 26, 2019.

26. Williams did not report the Kansas administrative action to the Division within thirty days of the final order.

Respondent’s Default

27. The Division filed a statement of charges against Williams on September 6, 2019 alleging violations of law and grounds for license discipline under Iowa Code chapter 522B.

28. A notice of hearing was issued by the Commissioner on September 6, 2019.

29. On September 9, 2019, in accordance with Iowa Administrative Code rule 191—3.5, the statement of charges and notice of hearing were sent via restricted certified mail and regular mail to Williams at the address the Division had on file, 2617 N Gaymen Avenue, Davenport, IA 52804. The certified restricted mailing was returned to the Division as “Return to Sender – Unclaimed – Unable to Forward.” The regular mail has not been returned to the Division.

30. On September 23, 2019, Williams’ criminal defense attorney contacted the Division’s enforcement clerk and inquired what remedy the Division sought with its administrative action.

31. The Division has not received any other communications from Williams or her criminal defense attorney.

32. To date Williams has not filed an answer to the statement of charges and thus failed to participate in a contested case proceeding as required by Iowa Administrative Code rule 191—3.5(3).

33. Williams did not request, nor did the Division consent to, Williams filing an answer beyond the twenty days of the service of the statement of charges and notice of hearing.

34. The Division filed a motion for default order on October 14, 2019. The motion for default was sent via First Class Mail to Williams last known mailing address 2617 North Gayman Avenue, Davenport, Iowa 52804 on October 15, 2019.

35. Williams was additionally notified of the statement of charges, notice of hearing, and motion for default via email to Williams at her last known email address, redalasia@gmail.com, at 9:50 a.m. on October 28, 2019. The Division received no response to this email.

36. Williams failed to respond to the Division’s motion for default order within ten days as required by Iowa Administrative Code rule 191—3.15(2).

III. CONCLUSIONS OF LAW

37. Pursuant to Iowa Administrative Code rule 191—3.15(2), a motion may be considered unresisted if no response is timely filed. Williams has not filed a timely written response to the Division’s motion for default order. The motion is unresisted.

38. Pursuant to Iowa Administrative Code rule 191—3.22(2), a party to a contested case action may move for a default against a party when the party fails to file a required pleading or has failed to appear after proper service and notification. Williams has not filed an answer to the statement of charges and has not timely filed a response to the Division’s motion for default Order.

39. On September 9, 2019, Williams was sent the notice of hearing and a copy of the statement of charges by certified restricted mail and regular mail. The certified mailing was returned to the Division as “Return to Sender – Unclaimed- Unable to Forward.” The notice of hearing and statement of charges sent by regular mail was not returned to the Division. This, coupled with the fact her criminal defense attorney contacted the Division asking what remedy the Division was seeking with its administrative action, establishes Williams was notified of the the notice of hearing and the statement of charges and.

40. Williams was sent the motion for default order by regular mail on October 15, 2019. The Motion for Default has not been returned to the Division. Williams was properly notified as required by Iowa Administrative Code rule 191—3.5(1).

41. The Division’s motion for default is granted.

COUNT I
Fraudulent Practice in the Conduct of Business

42. Under Iowa Code § 522B.11(1)(h), a license may be subject to probation, suspension, or revocation and civil penalties may be levied, as provided in Iowa Code § 522B.17, for using fraudulent practices in the conduct of business in this state.

43. Williams committed a fraudulent practice by calling UOL representing to be Consumer S and completing Consumer S's health interview without her knowledge or permission.

44. Williams' acts and practices have been in violation of Iowa Code § 522B.11(1)(h) subjecting Williams to probation, suspension, or revocation of Williams' insurance producer license, the imposition of a civil penalty, an order requiring Williams to cease and desist from engaging in such acts or practices, the imposition of costs of the investigation and prosecution of the matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 507B.7, 522B.11, 522B.17, and 505.8.

COUNT II
Failure to Report Criminal Prosecution

45. Under Iowa Code § 522B.11(1)(b), a license may be subject to probation, suspension, or revocation and civil penalties may be levied, as provided in Iowa Code § 522B.17, for violating any insurance laws, or violating any regulation, subpoena, or order of the Commissioner.

46. Iowa Code § 522B.16(2) provides:

Within thirty days of the initial pretrial hearing date, an insurance producer shall report to the commissioner any criminal prosecution of the insurance producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.

47. Williams failed to report her criminal prosecution to the Commissioner within thirty days of her pretrial hearing in Scott County District Court thereby violating Iowa insurance law.

48. Williams' acts and practices have been in violation of Iowa Code § 522B.16(2) subjecting Williams to probation, suspension, or revocation of Williams' insurance producer license, the imposition of a civil penalty, an order requiring Williams to cease and desist from engaging in such acts or practices, the imposition of costs of the investigation and prosecution of the matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 522B.11, 522B.17, 505.8 and Iowa Administrative Rule 191—10.20(4)(b).

COUNT III
Failure to Report Administrative Actions

49. Iowa Code § 522B.16(1) provides:

An insurance producer shall report to the commissioner any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent to the order, and other relevant legal documents.

50. Williams failed to report the administrative action taken against her by the Kansas Insurance Department within thirty days of the final disposition of the matter.

51. Williams' acts and practices have been in violation of Iowa Code § 522B.16(1) subjecting Williams to probation, suspension, or revocation of Williams' insurance producer license, the imposition of a civil penalty, an order requiring Williams to cease and desist from engaging in such acts or practices, the imposition of costs of the investigation and prosecution of the matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 522B.11, 522B.17, 505.8 and Iowa Administrative Rule 191—10.20(4)(b).

COUNT IV
Failure to Cooperate

52. Iowa Code § 522B.11(1)(p) states that an insurance producer's license may be placed on probation, suspended, or revoked or civil penalties may be levied as provided in Iowa Code § 522B.17 for refusing or failing to cooperate in an investigation by the Commissioner.

53. The Division's investigator sent Williams a letter requesting an interview and a subpoena ordering her to provide phone records and appear for an interview.

54. Williams did not provide the phone records, nor has she responded to the Division's request and subpoena for an interview.

55. Williams' acts and practices have been in violation of Iowa Code § 522B.11(1)(p) subjecting Williams to probation, suspension, or revocation of Williams' insurance producer license, the imposition of a civil penalty, an order requiring Williams to cease and desist from engaging in such acts or practices, the imposition of costs of the investigation and prosecution of the matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 522B.11, 522B.17, and 505.8.

IV. ORDERS

IT IS HEREBY ORDERED that Cursta Williams is in default pursuant to Iowa Administrative Code rule 191—3.22.


IT IS FURTHER ORDERED that Cursta Williams' Iowa resident insurance producer license shall be revoked 15 days from the date of this order pursuant to Iowa Code §§ 522B.17 and 522B.11.

IT IS FURTHER ORDERED that Cursta Williams shall, within forty-five (45) days of this Order, pay the amount of \$500.00 for costs of investigation and prosecution pursuant to

Iowa Code § 505.8. Payment shall be made payable to the Iowa Insurance Division, to be credited to the Iowa Enforcement Fund to provide funds for insurance enforcement and education.

IT IS FURTHER ORDERED that Cursta Williams shall cease and desist from engaging in any of the acts, methods, or practices determined as violations herein pursuant to Iowa Code §§ 522B.17 and 522B.11.

SO ORDERED on this 30th day of October, 2019.



Douglas Ommen
Iowa Insurance Commissioner

Copies of this order shall be sent by both certified and first class mail to:

Cursta Williams
2617 N. Gayman Ave
Davenport, IA 52804

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause, or their attorney, at their respective addresses disclosed on the pleadings on October 30, 2019.

By: First Class Mail () Personal Service
 Restricted certified mail, return receipt () Email, by consent
 Certified mail, return receipt () _____

Signature: Hilary Foster
Hilary Foster

NOTICE OF FINAL ORDER

A default decision becomes final agency action 15 days from the date of the decision was mailed unless a motion to vacate the default decision is filed within that time period. 191 IAC 3.22(3). A motion to vacate must state all the facts upon which the moving party relies to establish good cause for failure to appear or participate at the contested case proceeding. Each fact must be substantiated by at least one affidavit by a person with personal knowledge of the fact, and the affidavit must be attached to the motion.

NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER

YOU ARE NOTIFIED that acting as an insurance producer, as defined in Iowa Code Chapter 522B, in violation of this Order, is a felony under Iowa Code § 507A.10, subjecting you to punishment of imprisonment, jail, fines, or any combination of custody and fines.

YOU ARE ALSO NOTIFIED that if you violate this Order, you may be subject to administrative and civil penalties pursuant to Iowa Code § 522B.17(3). The Commissioner may petition the district court to hold a hearing to enforce the order as certified by the Commissioner. The district court may assess a civil penalty against you in an amount not less than three thousand dollars but not greater than ten thousand dollars for each violation, and may issue further orders as it deems appropriate.

NOTICE REGARDING REISSUANCE

When this Order becomes final, your insurance producer license will become inactive due to revocation. While your license is inactive, you are prohibited from conducting the business of insurance. Your license will not be active until the Division makes the determination to reissue your insurance producer license by order pursuant to Iowa Administrative Code 191—10.10.

Reissuance of your insurance producer license is subject to the discretion of the Commissioner. Additionally, it will not be granted unless and until you have complied with the terms of this Order, made the appropriate Application for Reissuance with the Division, and paid all applicable fees. If applicable, you may also be required to apply for licensure through the National Insurance Producer Registry (NIPR) and pay all applicable fees.

NOTICE OF FINAL ORDER IMPACT

A final order of license probation, suspension, or revocation or a cease and desist order may adversely affect other existing business or professional licenses and may result in license revocation or disciplinary action.

A final order in an administrative action does not resolve any potential criminal or civil violations or causes of action that might arise from the same or similar conduct that is the subject of this order. It may result in criminal law enforcement authorities, including the fraud bureau of the Iowa Insurance Division, pursuing a criminal investigation or prosecution of potential criminal law violations.