

**STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
JOHN O. PASTORE COMPLEX, BLDG 68-69
1511 PONTIAC AVENUE
CRANSTON, R.I. 02920**

IN THE MATTER OF:

Crystal Pitre,

Respondent.

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DBR No.: 2024-IN-016

FINAL ORDER REVOKING LICENSE

I. INTRODUCTION

The above-entitled matter came for hearing on October 21, 2024 pursuant to an Order to Show Cause: Why an Order Should not Issue to Suspend an Insurance Producer from Reapplying, to Cease and Desist from Further Work in Rhode Island, and Fines Should not be Assessed; Notice of Hearing, and Appointment of Hearing Officer (“Order to Show Cause”) issued on September 23, 2024 to Crystal Pitre (“Respondent”) by the Department of Business Regulation (“Department”). Pursuant to R.I. Gen. Laws § 27-2.4-1 *et seq.*, the Respondent previously held a resident Rhode Island insurance producer license (“License”) that expired on August 31, 2024. The Respondent did not appear at hearing. Pursuant to § 2.9 of the 230-RICR-100-00-2, *Rules of Procedure for Administrative Hearing* (“Rules”), service may be made by hand-delivery or first-class mail and service is complete upon mailing when sent to the last known address of the party. In this matter, the Order to Show Cause was sent to the Respondent’s last known address by first class and certified mail and by email.¹ Since the Respondent was adequately

¹ The Order to Show Cause was sent by first class mail, and certified mail, return receipt requested to the Respondent’s address on record with the Department. The Order to Show Cause was also sent to the

noticed of hearing, a hearing was held before the undersigned on October 21, 2024. Additionally, § 2.21 of the Rules provides that a default judgment may be entered based on pleadings and/or evidence submitted at hearing by a non-defaulting party. The Department was represented by counsel who rested on the record.

II. JURISDICTION

The administrative hearing was held pursuant to R.I. Gen. Laws § 42-14-1 *et seq.*, R.I. Gen. Laws § 27-2.4-1 *et seq.*, R.I. Gen. Laws § 42-35-1 *et seq.*, and the Rules.

III. ISSUE

Whether the Respondent violated R.I. Gen. Laws § 27-2.4-1 *et seq.*, and if so, what should be the sanction(s).

IV. MATERIAL FACTS

Based on the exhibits entered at hearing and the Order to Show Cause, it is undisputed as follows: 1) the Respondent worked at an insurance company where she submitted five (5) insurance applications for Massachusetts consumers without their authorization; 2) the five (5) fraudulent applications were submitted in 2023 while the Respondent was still licensed in Rhode Island; 3) due to these activities, the Respondent's employer terminated her; 4) on November 6, 2023, the Department received a copy of the insurance company's investigative report of the Respondent regarding these four (4) fraudulent applications; 5) on June 27, 2024, the Department sent an email to her email address listed on Respondent's License and requested the Respondent provide an explanation of said incidences; 6) said email required a response by July 18, 2024 and none

Respondent's email addresses on record with the Department. Department's Exhibit One (1) (Order to Show Cause); Two (2) (certified mail receipts and United States Post Office tracking sheet showing certified mail was unclaimed); and Three (3) (employer's record showing Respondent's address).

was received by the Department; 7) on July 23, 2024, the Department forwarded a letter by first class and certified mail to the Respondent referencing the June, 2024 email; 8) the United States Post Office tracking website shows that the July, 2024 certified letter was delivered returned to sender because no authorized recipient available but the first class mail was not returned; 9) the July, 2024 letter requested the Respondent respond within ten (10) days to the Division's request for an explanation of these incidences but no reply was received by the Department; and 10) as of the date of hearing, the Department had not received a reply from the Respondent. Department's Exhibits One (1) (Notice); Three (3) Four (4) (insurance company investigative report of Respondent summarizing the five (5) fraudulent applications made by Respondent); Four (4) (June, 2024 email to Respondent); Five (5) (July, 2024 letter to Respondent); and Six (6) (certified mail receipt for July, 2024 letter and the United States Post Office tracking website print out showing July, 2024 letter was returned to sender).

V. RELEVANT STATUTES

Section 2.4 of the Rules requires that if contacted by the Department, a licensee shall file a response within 15 business days or such time frame as specified by the Department.

R.I. Gen. Laws § 27-2.4-14(a)(7) and (8) provide as follows:

Licenses – Denial – Nonrenewal – Suspension or revocation.

(a) The insurance commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or may levy an administrative penalty in accordance with § 42-14-16 or any combination of actions, for any one or more of the following causes:

(2) Violating any insurance laws, or violating any regulation, subpoena or order of the insurance commissioner or of another state's insurance commissioner;

(7) Having admitted or been found to have committed any insurance unfair trade practice or fraud;

(8) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in this state or in another place.

R.I. Gen. Laws § 42-14-16(a)(1) provides in part as follows:

Administrative penalties. (a) Whenever the director, or his or her designee, shall have cause to believe that a violation of title 27 and/or chapter 14, 14.5, 62, or 128.1 of title 42 or the regulations promulgated thereunder has occurred by a licensee, or any person or entity conducting any activities requiring licensure under title 27, the director or his or her designee may, in accordance with the requirements of the administrative procedures act, chapter 35 of this title:

(1) Revoke or suspend a license[.]

R.I. Gen. Laws § 27-2.4-6 provides in part as follows:

Order to cease unlicensed activities. (a) If the department has reason to believe that any person is conducting any activities requiring licensure under this chapter without obtaining a license, or who after the denial, suspension or revocation of a license conducts any activities requiring licensure under this chapter, the department may issue its order to that person commanding them to appear before the department at a hearing after issuance of that order to show cause why the department should not issue an order to that person to cease and desist from the violations of the provisions of this chapter. The order to show cause may be served on any person named in the order in the same manner that summons in a civil action may be served, or by mailing a copy of the order, certified mail, return receipt requested, to that person at any address at which he or she has done business or at which he or she lives. If upon that hearing the department is satisfied that the person is in fact violating any provision of this chapter, then the department may order that person, in writing, to cease and desist from that violation. All hearings shall be governed in accordance with the Administrative Procedures Act, chapter 35 of title 42. If that person fails to comply with an order of the department after being afforded a hearing, the superior court in the county where the insurance transaction took place has jurisdiction upon complaint of the department to restrain and enjoin that person from violating this chapter.

R.I. Gen. Laws § 42-14-16.1 provides in part as follows:

Order to cease and desist. (a) If the director, or his or her designee, has reason to believe that any person, firm, corporation, or association is conducting any activities requiring licensure under title 27 or any other provisions of the general laws or public laws within the jurisdiction of the department without obtaining a license, or who after the denial, suspension, or revocation of a license conducts any activities requiring licensure under title 27 or any other provisions of the general laws or public laws within the jurisdiction of the department, the department may issue its order to that person, firm, corporation, or association commanding them to appear before the department at a hearing to be held no sooner than ten (10) days nor later than twenty (20) days after issuance of that order to show cause why the department should not issue an order to that person to cease and desist from the violation of the provisions of applicable law.

(b) *** If, upon that hearing, the department is satisfied that the person is in fact violating any provision of applicable law, then the department may order that person, in writing, to cease and desist from that violation.

VI. DISCUSSION

The Respondent's submission of five (5) applications for Massachusetts' consumers to an insurance company without their authorization constituted fraud as the actual individuals had not applied for insurance so the Respondent used their personal information to file applications without their knowledge. Department's Exhibit Three (3). These actions by the Respondent constituted a dishonest practice and demonstrated untrustworthiness. Thus, the Respondent violated R.I. Gen. Laws § 27-2.4-14(a)(7) and (8) for each of the five (5) submissions. The Respondent twice violated § 2.4 of the Rules by twice failing to respond to within 15 business days or otherwise within time frame indicated by the Department. Therefore, she violated R.I. Gen. Laws § 27-2.4-14(a)(2) by violating said regulation ("any" regulation).

Based on the foregoing, the undersigned makes the following findings of fact:

1. Pursuant to Section 2.21 of the Rules, the Respondent is declared to be in default for failing to appear at the hearing.

2. Pursuant to Section 2.21 of the Rules, the allegations in the Order to Show Cause are found to be true.

Based on the foregoing, the undersigned makes the following conclusions of law:

1. The Respondent violated to R.I. Gen. Laws § 27-2.4-14(a)(2); (7); and (8) and Section 2.4 of the Rules.

2. There are grounds to revoke the Respondent's License due to her several violations of R.I. Gen. Laws § 27-2.4-14(a)(2); (7); and (8) and § 2.4 of the Rules.

3. The Respondent's License should be suspended and should not be reinstated, and the Respondent should not be able to reapply for said License for at least five (5) years due to her violations of R.I. Gen. Laws § 27-2.4-14(a)(2); (7); and (8) and § 2.4 of the Rules.

4. A cease and desist order pursuant to R.I. Gen. Laws § 42-14-16.1 and R.I. Gen. Laws § 27-2.4-6 should enter enjoining the Respondent from engaging in any activities within Rhode Island that require insurance licensing.

On the basis of the foregoing, the undersigned makes the following recommendation:

1. The Respondent's License shall be suspended and shall not be reinstated, and the Respondent shall not be able to reapply for said License for at least five (5) years.²

2. A cease and desist order pursuant to R.I. Gen. Laws § 42-14-16.1 and R.I. Gen. Laws § 27-2.4-6 shall enter enjoining the Respondent from engaging in any activities within Rhode Island that require insurance licensing.


² There is no guarantee that after five (5) years that if the Respondent chose to apply for any insurance license that he would be able to obtain such a license. Obviously, he would have to address his many violations of the insurance laws and at the very least demonstrate that he would no longer engage in dishonest or fraudulent practices, etc.

Dated: November 6, 2024


Catherine R. Warren
Hearing Officer

I have read the Hearing Officer's recommendation in this matter and I hereby ADOPT/~~XXXXX~~ the findings of facts, the conclusions of law, and recommendation of the hearing officer in the above entitled Final Order.

Dated: 11/6/2024


Elizabeth Kelleher Dwyer, Esquire
Director

NOTICE OF APPELLATE RIGHTS

THIS ORDER CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R.I. GEN. LAWS § 42-35-12. PURSUANT TO R.I. GEN. LAWS § 42-35-15, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE MAILING DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. THE FILING OF THE COMPLAINT DOES NOT ITSELF STAY ENFORCEMENT OF THIS ORDER. THE AGENCY MAY GRANT, OR THE REVIEWING COURT MAY ORDER, A STAY UPON THE APPROPRIATE TERMS.

CERTIFICATION

I hereby certify that on this 7th day of November, 2024, that a copy of the within Final Order was sent by first class mail, postage prepaid and by certified mail, return receipt requested to Ms. Crystal Pitre, [REDACTED] and by electronic delivery to the Respondent at [REDACTED] and [REDACTED] and by electronic delivery to Matthew Gendron, Esquire, and Mariel Garcia, and Kallie Longval, Esquire Department of Business Regulation, Pastore Complex, 1511 Pontiac Avenue. Cranston, R.I.


Megan Mihara