



## State of Missouri

### DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

IN RE:

THERESA LINETTE BADGETT,

Applicant.

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Case No. 13-0227202C

### ORDER REFUSING TO ISSUE AN INSURANCE PRODUCER LICENSE

On October 11, 2013, the Consumer Affairs Division submitted a Petition to the Director alleging cause for refusing to issue an insurance producer license to Theresa Linette Badgett. After reviewing the Petition, the Investigative Report, and the entirety of the file, the Director issues the following findings of fact, conclusions of law, and order:

#### FINDINGS OF FACT

1. Theresa Linette Badgett, ("Badgett") is a Missouri resident with a residential address of 4505 Overbrook Drive, St. Louis, Missouri 63121.
2. The Department of Insurance, Financial Institutions and Professional Registration ("Department") received Badgett's "Uniform Application for Individual Producer License/Registration" ("Producer Application") on or about November 1, 2012.
3. With her Producer Application, Badgett also submitted a letter dated October 31, 2012, a copy of her resume, proof that she passed her Life, Accident and Health Insurance Producer exam, a second letter dated November 6, 2012, and a copy of the "Presentence Investigation Report" that was prepared on April 6, 2001 in the following case:
  - a. On or about May 25, 2001, Badgett pleaded guilty in federal court to Falsely Representing a Social Security Account Number to be Assigned to her by the Commissioner of Social Security with the Intent to Deceive, a Class D Felony, in violation of 42 U.S.C. 408(a)(7)(B). The court sentenced Badgett to five (5) years' probation, ordered that she participate in the Home Confinement Program for six (6) months, ordered that she pay restitution in the amount of \$24,889.00, prohibited her from incurring new credit charges or opening additional lines of credit without the approval of the probation office, ordered

that she provide her probation officer access to any requested financial information, and ordered that she participate in a mental health program.

*United States of America v. Theresa Badgett*, United States District Court, Eastern District of Missouri, Case No. 4:00CR573JCH.

4. The Judgment breaks down the total amount of restitution as follows:

<u>Name of Payee</u>	<u>Amount of Restitution Ordered</u>
Bank of America	\$9,557.00
Famous Barr	\$1,055.00
MBNA	\$6,381.00
Best Buy	\$3,321.00
Dillard's	\$3,424.00
Avenue	\$170.00
Sam's	\$381.00
Ashley Stewart	\$600.00
Total	\$24,889.00

*Id.*

5. In the "Stipulation of Facts Relative to Sentencing" that was filed with the court on March 8, 2001, and signed by Badgett, Badgett's attorney, and the Assistant United States Attorney, the parties agreed to the following facts:

The defendant obtained identification information of Theresa L. Badgett who resided in Ponder, Texas, including Ms. Badgett's true Social Security Account Number. The defendant used this identification information including the Texas Ms. Badgett's true Social Security Account Number to obtain credit to make purchases of property.

...

On December 29, 1998, the defendant used the Texas Ms. Badgett's identity and Social Security Account Number, which is ..., to obtain a loan from Bank of America/NationsBank totaling \$37,024 for a 1999 Infiniti SUV. Defendant had paid down the loan to \$31,257 at the time she surrendered the vehicle to the Bank of America in August 2000. The SUV was sold by Bank of America for \$21,700 in January 2001.

The total loss outstanding for the listed credit cards is \$15,332. The loss on the Infiniti SUV loan is \$9,557. The total loss is \$24,889.

The defendant and the Government agree that the facts set forth above are true, and may be considered as “relevant conduct” pursuant to Section 1B1.3.

*Id.*

6. Badgett was released from probation on or about June 2006 and satisfied her restitution on or about October 17, 2012. *Id.*
7. Interestingly, the victim in Case Number 4:00CR573JCH currently holds an active insurance producer license (License No. 959870) in Texas.
8. On November 9, 2012, an investigator for the Division of Consumer Affairs (“Division”) sent a letter to Badgett requesting that she complete an “Application to the Missouri Department of Insurance, Financial Institutions and Professional Registration For Written Consent To Engage In The Business Of Insurance Pursuant To 18 U.S.C. § 1033” (“Section 1033 Waiver Application”), provide certified copies of the Information and Plea Agreement, and an exemplified copy of the Judgment and sentencing documents from the United States Eastern District Court of Missouri. This letter also stated that a response was due by Friday, November 30, 2012.
9. The Department received Badgett’s Section 1033 Waiver Application on or about June 4, 2013.<sup>1</sup>
10. With her Section 1033 Waiver Application, Badgett also submitted a letter of recommendation, documents showing that her restitution had been satisfied, and a copy of the Judgment entered in Case Number 4:00CR573JCH.
11. Under Section IV: Criminal History, Question No. 6 of the Section 1033 Waiver Application asks the following:

Are there mitigating or extenuating circumstances surrounding your commission of the offenses listed herein? If yes, explain.

12. In response, Badgett explains, in part:

In 1994 my husband died unexpectedly, I was unemployed and was left to raise three children and one grandchild. My children at the time were 8 months old, 5 years old, 17 years old and my granddaughter was 11 months old. In 1997 my mother died and in 1998 my sister was diagnosed with inoperable

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<sup>1</sup> The Department received Badgett’s incomplete Section 1033 Waiver Application on or about January 10, 2013. The Department received from Badgett supplemental materials necessary to complete her Section 1033 Waiver Application on or about June 4, 2013.

brain cancer. It was “just more than I could handle”. There is no excuse for my actions, but understanding the events that lead me to make such an irrational choice is relevant. My life and my thinking were challenged and I saw no way out!

In 1998 I was hired by Bank of America, in utilizing the bank database for the purpose of upgrading services to its customers. There was a customer – Theresa L. Badgett from Ponder, Texas. As things for me became progressively worse, and I became more desperate to survive I chose to use her social security number for the purpose of obtaining credit to help my financial situation and home life.

Once I was contacted by St. Louis County Detectives I turned myself in. It is my sincere belief that making timely payments on the debts incurred and cooperating with the authorities were helpful in determining my punishment of five years’ probation. I personally contacted and spoke with Ms. Badgett in Texas and apologized for the personal harm I caused here and the negative impact to her life by my selfish actions.

13. Under Section IV: Criminal History, Question No. 7 of the Section 1033 Waiver Application states the following:

List all evidence that exists regarding your rehabilitation.

14. In response, Badgett states, in part:

I returned to school and received a Bachelor of Arts, Master’s of Education, Master’s of Arts in Teaching, Education Specialist Degree and will defend my doctoral dissertation in the spring of 2013.

The State of Missouri – Department of Elementary and Secondary Education as well as the Missouri Real Estate Commission approved my teaching certification as well as retention of my Missouri Real Estate Broker’s License. I have successfully received FBI background clearance from both entities as well.

Since the time of my conviction, I have been very diligent and made every possible effort to become a positive role model and productive individual. This decision has changed my life as well as the lives of others. I am still very sorry and ashamed for causing any harm to anyone. Even 11 years later it is very difficult to explain and hard to believe that I made such a terrible error in judgment. However, the most valuable lesson I learned is that the past does not define who I am and my success for the future. But, my past did in fact shape the individual I became – an individual who is honest, is not selfish, has

integrity, and respect for myself and others. I have been saved spiritually and attend church and bible study regularly. My actions are not about me, but are focused on helping others and living each day my life by word of God my spiritual beliefs.

...

I respectfully request and pray the Department of Insurance to not just look at my criminal record, but take into account the positive aspects of my life since this conviction and grant my request for licensing.

15. Although Badgett expresses remorse for her actions and explains that she used the victim's social security number to "help her financial situation and home life", her remorse and explanation belies the fact that she used the victim's social security number to purchase an Infiniti SUV and make purchases at high-end clothing stores.

### CONCLUSIONS OF LAW

16. Section 375.141 RSMo (Supp. 2012)<sup>2</sup> provides, in part:
  1. The director may suspend, revoke, refuse to issue or refuse to renew an insurance producer license for any one or more of the following causes:
    - \* \* \*
    - (6) Having been convicted of a felony or crime involving moral turpitude;
      - \* \* \*
      - (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere[.]
17. The principal purpose of § 375.141 is not to punish licensees or applicants, but to protect the public. *Ballew v. Ainsworth*, 670 S.W.2d 94, 100 (Mo. App. E.D. 1984).
18. Badgett may be refused an insurance producer license pursuant to § 375.141.1(6) because she has been convicted of a felony:
  - a. *United States of America v. Theresa Badgett*, United States District Court, Eastern District of Missouri, Case No. 4:00CR573JCH (Falsely Representing a

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<sup>2</sup> All statutory references are to RSMo (2000) as updated by RSMo (Supp. 2012) unless otherwise noted.

Social Security Account Number to be Assigned to her by the Commissioner of Social Security with the Intent to Deceive, a Class D Felony, in violation of 42 U.S.C. 408(a)(7)(B)).

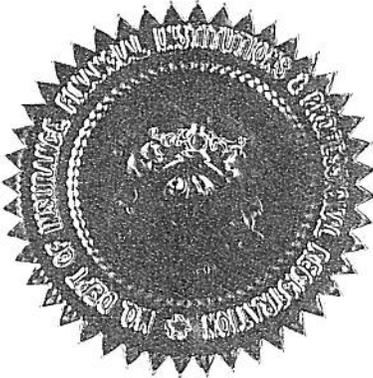
19. Badgett may be refused an insurance producer license pursuant to § 375.141.1(6) because she has been convicted of a crime involving moral turpitude:
  - a. *United States of America v. Theresa Badgett*, United States District Court, Eastern District of Missouri, Case No. 4:00CR573JCH (Falsely Representing a Social Security Account Number to be Assigned to her by the Commissioner of Social Security with the Intent to Deceive, a Class D Felony, in violation of 42 U.S.C. 408(a)(7)(B)).
20. Badgett may be refused an insurance producer license pursuant to § 375.141.1(8) because she used fraudulent and dishonest practices, and demonstrated untrustworthiness in the conduct of business in this state when she misused a bank customer's Social Security number to wrongfully obtain lines of credit while employed by Bank of America.
21. The Director has considered Badgett's history, rehabilitation, and all of the circumstances surrounding Badgett's Producer Application and Section 1033 Waiver Application.
22. Badgett will undoubtedly have access to Missouri consumer's private personal and financial information as part of her daily job as an insurance producer. Therefore, issuing Badgett an insurance producer license would not be in the interest of the public.
23. In addition, despite Badgett's explanation for her actions which led to her felony conviction, her explanation is inconsistent with the purchases Badgett made using the credit she obtained with the victim's social security number.
24. Furthermore, although it is clear that Badgett has taken steps to turn her life around since her conviction, the steps she has made to rehabilitate herself do not outweigh the potential threat that Badgett poses to consumers.
25. Accordingly, the Director exercises his discretion to refuse to issue an insurance producer license to Badgett and to refuse to grant Badgett's Section 1033 Waiver Application.
26. This Order is in the public interest.

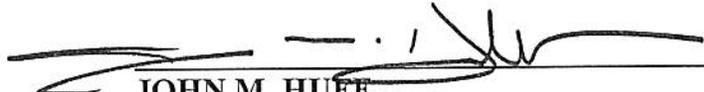
ORDER

IT IS THEREFORE ORDERED that the insurance producer license application of Theresa Linette Badgett is hereby REFUSED.

SO ORDERED.

WITNESS MY HAND THIS 25<sup>TH</sup> DAY OF OCTOBER, 2013.



  
JOHN M. HUFF  
DIRECTOR

NOTICE

TO: Applicant and any unnamed persons aggrieved by this Order:

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**TO: Applicant and any unnamed persons aggrieved by this Order:**

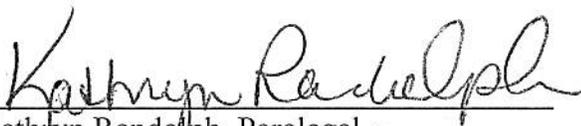
You may request a hearing in this matter. You may do so by filing a complaint with the Administrative Hearing Commission of Missouri, P.O. Box 1557, Jefferson City, Missouri, within 30 days after the mailing of this notice pursuant to Section 621.120, RSMo. Pursuant to 1 CSR 15-3.290, unless you send your complaint by registered or certified mail, it will not be considered filed until the Administrative Hearing Commission receives it.

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of October, 2013 a copy of the foregoing Order and Notice was served upon the Applicant in this matter by first class mail, postage prepaid, and UPS, signature required, at the following address:

Theresa Linette Badgett  
4505 Overbrook Drive  
St. Louis, Missouri 63121

Tracking No. 1Z0R15W84293163735

  
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