FINAL ORDER EFFECTIVE 03-05-16

State of Missouri

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

IN RE:	)	
	)	
WILLIAM F. WILLIAMS	)	**Case No. 151201534C**
	)	
Applicant.	)	

ORDER REFUSING TO ISSUE INSURANCE PRODUCER LICENSE

On February 2, 2016, the Consumer Affairs Division submitted a petition to the Director alleging cause to refuse to issue a resident insurance producer license to William F. Williams. 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. William F. Williams ("Williams") is a Missouri resident with a residential, business, and mailing address of 12950 East Highway 86, Neosho, Missouri 64850.

2. On September 3, 2015, the Department of Insurance, Financial Institutions and Professional Registration ("Department") received Williams's completed electronic application for an individual resident insurance producer license ("Application").

3. Background Question No. 1B of the Application asked the following:

   > Have you ever been convicted of a felony, had a judgment withheld or deferred, or are you currently charged with committing a felony? You may exclude juvenile adjudications (offenses where you were adjudicated delinquent in a juvenile court)[.]

4. Williams answered "yes" in response to Background Question No. 1B of the Application.

5. Williams submitted a letter explaining his response to Background Question No. 1B of the Application. The letter stated, verbatim:

Written Statement on answering 8 as a yes — First of all one I have thrown away everything about the case I did find one item I hope it works. Second its very complicated-to date I still don't understand WHY!

It's called Engaging in monetary transaction in property derived from specified unlawful activity. Like I said I still don't know what this is or was –my lawyers had not heard of it. A simple way to explain is I was covering my bosses hot checks with my money. The Chevrolet store I was running was under capitalized and was overdrawn almost every day— I would contact my owners every day telling them all they would say was take care of it. I did I used my money to cover the overdrafts I should not have should have let the checks bounce.

When I told my boss I would not do that any more he started kiting checks and blame it on me. Since he was a Senator put the government on me. Bill Williams can't fight the U S Government so in short I was the fall guy.

In close that is the story—I am a well respected person in the area and community and have been for over sixty years. Also I'm not going to solicit insurance business I am employed by Clayton Homes and they need a licensed agent at the sales center for Home First Insurance for the homes we sell and I guess I'm the only one that can pass the test. The other employees have not passed the test. I'm only been employed for three weeks.

I'm faxing the only paper I could find since it was over 15 years ago. Maybe I should have put NO on question 8, but that would not be telling the truth.

6. Williams submitted a Judgment in a Criminal Case revealing that he pled guilty to and was convicted of Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity, a class C felony, in violation of 18 U.S.C. 1957 and 2.[1] *U.S. v. William F. Williams, et al.*, U.S.D. Ct., Mo. W.D., S.W. Div., Case No. 06-05032-01-CR.

7. In a Plea Agreement, signed by Williams, Williams's attorney, and an Assistant U.S. Attorney, and filed in the United States District Court, Williams agreed to the following factual basis for his guilty plea:

> Beginning as early as July of 1997 and continuing to August 2001, in the Western District of Missouri, WILLIAM F. WILLIAMS, and VICTORIA L. WILLIAMS, acting together did engage, in financial transactions designed to steal by embezzlement and conversion funds of their employer. Additionally, WILLIAM F. WILLIAMS and VICTORIA L. WILLIAMS engaged in monetary transactions in criminally derived property that is of

[1] All references to criminal statutes are to those in effect at the time that the court rendered judgment.

value greater than $10,000 and is derived from a specified unlawful activity, in violation of Title 18, United States Code, Section 1957.

WILLIAM F. WILLIAMS was employed as the dealership sales manager of Hendren Chevrolet-Pontiac (Hendren), in Noel, Missouri, from approximately 1989 until 2001. During his employment at Hendren, WILLIAMS and his wife, VICTORIA, devised a scheme to defraud the dealership by embezzling money through various means.

VICTORIA L. WILLIAMS was employed as the office manager and bookkeeper of Hendren in Noel, Missouri, from approximately 1989 until 2001.

WILLIAM F. WILLIAMS and VICTORIA L. WILLIAMS abused their positions with Hendren by intercepting checks made payable and intended for payment to Hendren and used the proceeds for their personal benefit. WILLIAM F. and VICTORIA L. WILLIAMS intercepted checks for the purchase of new and used vehicles as well as checks for payment of rent, advertising rebates, etc. WILLIAM F. WILLIAMS and VICTORIA L. WILLIAMS also negotiated checks payable to Hendren by endorsing the checks as Hendren Chevrolet, then as VICKIE WILLIAMS or BILL WILLIAMS they deposited the checks in their personal savings account at People's Bank in Seneca, Missouri. VICTORIA L. WILLIAMS also embezzled money from Hendren by writing checks payable to different vendors from Hendren bank accounts and depositing the checks in her personal checking account at Peoples Bank in Seneca, Missouri (violation of 18 U.S.C. § 1344). The readily provable amount of these stolen funds, together with relevant conduct, is $196,361.49.

The money fraudulently obtained was transferred to the WILLIAMS joint checking account at People's Bank in Seneca, Missouri, and then transferred again to a GMAC demand account in Chicago, Illinois (violation of 18 U.S.C. § 2314). Funds were accumulated in the GMAC demand account until after the scheme was discovered by Hendren management. Following the discovery of the scheme by Hendren management, most of the money in the GMAC demand account in Chicago, Illinois, was transferred into the WILLIAMS' savings account at People's Bank in Seneca, Missouri (Count One). The money was transferred the following day to Bank of America by wire transfer, in Franklin, Tennessee (Count Two).

Id.

8. Williams signed the Plea Agreement electronically on May 15, 2007. By signing the Plea Agreement Williams attested:

> ... I have read this plea agreement and carefully reviewed every part of it with my attorney. I understand this plea agreement and I voluntarily agree to it.

Id.

9. On June 1, 2007, the court accepted the Plea Agreement and found Williams guilty. *Id.*

10. On October 4, 2007, the court sentenced Williams to imprisonment for a term of 21 months to be followed by three years of supervised release. The court further ordered Williams to pay restitution in the amount of $196,361.49 to Hendren Chevrolet-Pontiac. *Id.*

CONCLUSIONS OF LAW

11. Section 375.141.1[2] provides, in relevant part:

> 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; [or]
>
> * * *
>
> (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere[.]

12. Collateral estoppel "is used to preclude the relitigation of an issue that already has been decided in a different cause of action." *Brown v. Carnahan,* 370 S.W.3d 637, 658 (Mo. banc 2012) (citation omitted).

13. The Director may refuse to issue Williams a resident insurance producer license pursuant to § 375.141.1(6) because Williams has been convicted of a felony, specifically Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity, a class C felony, in violation of 18 U.S.C. 1957 and 2. *U.S. v. William F. Williams, et al.*, U.S.D. Ct., Mo. W.D., S.W. Div., Case No. 06-05032-01-CR.

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[2] All statutory references are to the Revised Statutes of Missouri (2000) as updated by the 2013 Supplement, unless otherwise indicated.

14. The Director may refuse to issue Williams a resident insurance producer license pursuant to § 375.141.1(8) because Williams used fraudulent, coercive, or dishonest practices or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere, when he engaged in "financial transactions designed to steal by embezzlement and conversion funds of [his] employer." *Id.*

15. The Director has considered Williams's history and all of the circumstances surrounding his Application. Accordingly, the Director exercises his discretion to refuse to issue Williams a producer license.

16. This order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that **William F. Williams's** insurance producer license application of is hereby **REFUSED**.

SO ORDERED.

WITNESS MY HAND THIS 2ND **DAY OF** FEBRUARY**, 2016.**

JOHN M. HUFF
DIRECTOR

NOTICE

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 3rd day of February, 2016, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by United Parcel Service, signature required, to the following address:

William F. Williams
12950 East Highway 86
Neosho, MO 64850

Tracking No. 1Z0R15W84299686839

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