

No. 2025-9484

**Official Order
of the
Texas Commissioner of Insurance**

Date: 08/26/2025

Subject Considered:

Texas Department of Insurance

v.

Joel C. Andrews

SOAH Docket No. 454-24-20652.C

General Remarks and Official Action Taken:

The subject of this order is Joel C. Andrews' application for a general lines agent license. This order denies Mr. Andrews' application.

Background

After proper notice was given, the above-styled case was heard by an administrative law judge for the State Office of Administrative Hearings. The administrative law judge made and filed a proposal for decision containing a recommendation that the Texas Department of Insurance (TDI) grant Mr. Andrews' application, suspend his license, probate the suspension, and limit his practice to health care insurance under the Affordable Care Act. A copy of the proposal for decision is attached as Exhibit A.

TDI Enforcement staff filed exceptions to the administrative law judge's proposal for decision. Mr. Andrews did not file a reply to the exceptions.

In response to the exceptions, the administrative law judge recommended no changes to the proposal for decision. A copy of the administrative law judge's response to the exceptions is attached as Exhibit B.

TDI adopts the administrative law judge's proposed findings of fact and conclusions of law, with changes to the proposed conclusions of law as described in this order.

COMMISSIONER'S ORDER
TDI V. JOEL C. ANDREWS
SOAH DOCKET NO. 454-24-20652.C
Page 2 of 5

Legal Authority for Changes to Conclusions of Law

The legal authority for the changes to the proposal for decision made in this order is Government Code § 2001.058(e)(1), which provides that "[a] state agency may change a finding of fact or conclusion of law made by the administrative law judge, or may vacate or modify an order issued by the administrative judge, only if the agency determines . . . that the administrative law judge did not properly apply or interpret applicable law, agency rules, written policies [of the agency], or prior administrative decisions"

Texas Occupations Code §§ 53.022 and 53.023

The circumstances of Mr. Andrews' criminal conduct are described in the proposal for decision and the exhibits admitted during the hearing, and they will not be repeated in full here. But of particular relevance is that—for more than a decade—Mr. Andrews participated in a criminal conspiracy to steal millions of dollars from the state of Illinois and the federal government by lying about work and creating fake invoices and sham subcontractors.

Because of Mr. Andrews' criminal history, TDI may not issue him a license unless the factors specified in Occupations Code §§ 53.022 and 53.023 and 28 Texas Administrative Code § 1.502(h)¹ outweigh the serious nature of his offenses when viewed in light of the occupation being licensed.² State law and TDI rules require that all applicable factors must be weighed in determining an applicant's fitness for licensure.³ Thus, a failure to properly weigh all applicable factors is a misapplication of law and agency rules that could warrant changes to the proposal for decision under Government Code § 2001.058(e)(1).

¹ 28 Tex. Admin. Code § 1.502 was amended effective September 26, 2023. This order cites the version of the rule in effect when Mr. Andrews submitted his application in 2022.

² See 28 Tex. Admin. Code § 1.502(f).

³ See Tex. Occ. Code §§ 53.022 and 53.023(a) (stating that "the licensing authority shall consider" enumerated factors); 28 Tex. Admin. Code § 1.502(h)(1) and (2) (stating that "the department shall consider" enumerated factors).

COMMISSIONER'S ORDER
TDI V. JOEL C. ANDREWS
SOAH DOCKET NO. 454-24-20652.C
Page 3 of 5

Upon close examination of the proposal for decision, it is not clear that the applicable factors were correctly weighed. TDI has reviewed the record and weighed all applicable factors and does not accept the conclusion that Mr. Andrews should be issued a license.

Proposed Finding of Fact No. 34 states that Mr. Andrews has a serious criminal history involving fraud and a felony conviction. However, the degree of the crime Mr. Andrews committed is also relevant in determining how much weight to give the factor. He was involved in a criminal conspiracy that lasted a dozen years and defrauded the Illinois and U.S. governments of millions of dollars.

Proposed Finding of Fact No. 35 states that more than 10 years have passed since Mr. Andrews' last criminal activity. However, the proposed findings do not acknowledge that less than a year and a half had passed between the end of Mr. Andrews' supervised release and his application for a Texas insurance license.

Proposed Finding of Fact No. 36 states that Mr. Andrews' conduct and work activity over the last decade have been positive. However, looking at the 10 years before the date of the hearing, for three of those years Mr. Andrews was under supervised release, for three of those years he was in prison or a treatment program, and for one of those years he was facing 11 criminal charges in federal court.

Proposed Finding of Fact No. 38 states that Mr. Andrews admitted he made mistakes, and the analysis in the proposal for decision says that Mr. Andrews removed himself from the scheme. However, even though Mr. Andrews sold his interest in the business to Michael Keebler in 2006,⁴ he continued to collect proceeds from the conspiracy for three more years.⁵

None of the findings of fact address Mr. Andrews' age at the time of his crime.⁶ Though his approximate age at that time is noted at page 17 of Exhibit A: "Mr. Andrews was an adult in his thirties when he committed the crime; he should have known better."

⁴ See Exhibit A, page 13.

⁵ See *Id.*: "He didn't have any more dealings with the company after that, other than—because it took so long to get reimbursed by the government fund—receiving a final payout in 2009."

⁶ The factor at Tex. Occ. Code Ann. §§ 53.023(2).

COMMISSIONER'S ORDER
TDI V. JOEL C. ANDREWS
SOAH DOCKET NO. 454-24-20652.C
Page 4 of 5

Proposed Findings of Fact Nos. 37, 39, and 40 address mitigating factors, saying that Mr. Andrews made rehabilitative efforts, provided positive letters of recommendation, and showed personal growth. Considered as a whole, however, the factors do not outweigh the serious nature of Mr. Andrews' crime.

On the basis of this analysis, proposed Conclusion of Law No. 19 is not adopted, and proposed Conclusions of Law Nos. 17 and 18 as adopted by this order are revised as follows:

17. Mr. Andrews is not fit to hold an insurance license. Tex. Occ. Code § 53.023.
18. Mr. Andrews should not be granted an insurance license. Tex. Occ. Code § 53.023.

Findings of Fact

The proposed findings of fact contained in Exhibit A are adopted and incorporated by reference into this order.

Conclusions of Law

1. Proposed Conclusions of Law Nos. 1–16 as contained in Exhibit A are adopted and incorporated by reference into this order.
2. In place of proposed Conclusion of Law No. 17 as contained in Exhibit A, the following conclusion of law is adopted:

Mr. Andrews is not fit to hold an insurance license. Tex. Occ. Code § 53.023.
3. In place of proposed Conclusion of Law No. 18 as contained in Exhibit A, the following conclusion of law is adopted:

Mr. Andrews should not be granted an insurance license. Tex. Occ. Code § 53.023.
4. Proposed Conclusion of Law No. 19 as contained in Exhibit A is not adopted.

COMMISSIONER'S ORDER
TDI V. JOEL C. ANDREWS
SOAH DOCKET NO. 454-24-20652.C
Page 5 of 5

Order

It is ordered that Joel C. Andrews' application for a general lines agent license is denied.

Signed by:

FC5D7EDDFFBB4F3...

Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:

Signed by:

5DAC5618BBC74D4...

Jessica Barta, General Counsel

Signed by:

27ADF3DA5BAF4B7...

Justin Beam, Chief Clerk

**BEFORE THE
STATE OFFICE OF ADMINISTRATIVE
HEARINGS**

—
**TEXAS DEPARTMENT OF INSURANCE,
PETITIONER**

v.

**JOEL C. ANDREWS,
RESPONDENT**

PROPOSAL FOR DECISION

Joel C. Andrews applied to the Texas Department of Insurance for an insurance license. But he has a criminal history. He was convicted of conspiring to defraud the government (a felony). He served about three years in prison, three more on supervised release, and since then has lived peacefully in Springfield, Illinois, for the last four years. In 2022, the State of Illinois granted Mr. Andrews an insurance license. All he does with that license is enroll people in health insurance under the Affordable Care Act. That's all he wants to do in Texas, too. The Administrative Law Judge recommends that the Department grant Mr. Andrews's application, suspend

his license, probate the suspension, and limit his practice to healthcare insurance under the Affordable Care Act.

I. PROCEDURAL HISTORY

Mr. Andrews applied for an insurance license in September 2022. After the Department proposed to deny Mr. Andrews’s application for an insurance license, Mr. Andrews requested a hearing. Eventually, in June 2024, the Department referred the matter to the State Office of Administrative Hearings.

Hearing Date:	January 22, 2025
For the Department:	Victor Moya
For Mr. Andrews:	Joel C. Andrews
Administrative Law Judge:	Andrew Lutostanski
Record Close Date:	February 7, 2025

II. APPLICABLE LAW

The Department regulates the practice of insurance and may deny an application for a license for certain reasons.¹ One reason the Department may deny an application is if the applicant has engaged in fraudulent or dishonest acts.² Another is if the applicant has been convicted of a felony.³ A third is if the applicant

¹ Tex. Ins. Code § 4005.101(b). This proposal for decision cites the substantive law in effect when Mr. Andrews applied for a license in September 2022 and the procedural law in effect now.

² Tex. Ins. Code § 4005.101(b)(5).

³ Tex. Ins. Code § 4005.101(b)(8).

has been convicted of a crime that “directly relates” to the practice of insurance.⁴ Here, all three reasons boil down to Mr. Andrews’s actions and his resulting conviction for conspiracy to commit mail fraud and defraud the United States, which is a felony under federal law.⁵

Under chapter 53 of the Texas Occupations Code, the Department must consider certain factors when determining whether a crime “directly relates” to insurance:

- the nature and seriousness of the crime;
- the relationship of the crime to the purposes for requiring a license to engage in the occupation;
- the extent to which a license might offer an opportunity to engage in further criminal activity of the same type as that in which the person previously had been involved;
- the relationship of the crime to the ability or capacity required to perform the duties and discharge the responsibilities of the licensed occupation; and
- any correlation between the elements of the crime and the duties and responsibilities of the licensed occupation.⁶

The Department has promulgated a rule identifying the crimes it believes “directly relate” to the practice of insurance.⁷ The Department’s list of crimes that directly relate to insurance includes any offense for which fraud, dishonesty, or deceit

⁴ Tex. Occ. Code § 53.021(a)(1).

⁵ 18 U.S.C. § 371 (conspiracy to defraud the United States is punishable by up to five years in prison); 18 U.S.C. § 3559 (punishment for more than one year but less than five years’ imprisonment is a Class E felony).

⁶ Tex. Occ. Code § 53.022.

⁷ Tex. Occ. Code § 53.025(a); 28 Tex. Admin. Code § 1.502(e).

is an essential element.⁸ It's a crime to conspire to defraud the federal government.⁹ A conspiracy involves two or more persons conspiring to commit a crime.¹⁰ Mail fraud involves obtaining money through false representations and using the mail as part of the fraud.¹¹

When deciding whether to deny an application for a license based on an applicant's criminal history, the Department considers certain factors:

- the extent and nature of the person's past criminal activity;
- the age of the person when the crime was committed;
- the amount of time that has elapsed since the person's last criminal activity;
- the conduct and work activity of the person before and after the criminal activity;
- evidence of the person's rehabilitation or rehabilitative effort while incarcerated or after release;
- evidence of the person's compliance with any conditions of community supervision, parole, or mandatory supervision; and
- other evidence of the person's fitness, including letters of recommendation.¹²

⁸ 28 Tex. Admin. Code § 1.502(e)(1).

⁹ 18 U.S.C. § 371.

¹⁰ *Conspiracy*, Black's Law Dictionary (12th ed. 2024) ("An agreement by two or more persons to commit an unlawful act, coupled with an intent to achieve the agreement's objective, and (in most states) action or conduct that furthers the agreement; a combination for an unlawful purpose.").

¹¹ 18 U.S.C. § 1341; *Birnbaum v. Law Offices of G. David Westfall*, 120 S.W.3d 470, 475 (Tex. App.—Dallas 2003, pet. denied) (mail fraud requires that (1) the defendant participate in a scheme or artifice to defraud, (2) the mails be used to execute the scheme, and (3) the use of the mails was "caused by" the defendant or someone else associated with the scheme).

¹² Tex. Occ. Code § 53.023; 28 Tex. Admin. Code § 1.502(h)(2).

The Department has discretion when deciding what to do with an application for a license.¹³ The Department can deny an application, suspend or revoke a license, place on probation a person whose license has been suspended, assess an administrative penalty, reprimand a license holder, or require a license holder to qualify for a certificate to sell a product.¹⁴ If a license suspension is probated, the Department may require the license holder to: (1) report regularly to the Department on any matter that is the basis of the probation; (2) limit the license holder's practice to the areas prescribed by the Department; or (3) continue or review professional education.¹⁵

An applicant is entitled to a hearing to contest the proposed denial of their application.¹⁶ The Department has the burden of proving, by a preponderance of the evidence, a basis for denying the application, while the applicant has the burden of bringing forward any favorable evidence that he is fit to be licensed despite his criminal history.¹⁷ The administrative law judge prepares a proposal for decision.¹⁸ The Commissioner then considers the proposal for decision and issues a final order.¹⁹

¹³ Tex. Ins. Code § 4005.101(b) (the Department “may” deny an application); Tex. Occ. Code § 53.021(a) (licensing authority “may” suspend, revoke, or deny a person a license).

¹⁴ Tex. Ins. Code § 4005.102.

¹⁵ Tex. Ins. Code § 4005.103.

¹⁶ Tex. Ins. Code § 4005.104(a).

¹⁷ Tex. Occ. Code § 53.0211(b); 1 Tex. Admin. Code § 155.427. The burden of proof is by a preponderance of the evidence. *See Granek v. Texas State Bd. of Med. Exam'rs*, 172 S.W.3d 761, 777 (Tex. App.—Austin 2005, no pet.); *Southwestern Pub. Servs. Co. v. Pub. Util. Comm'n of Tex.*, 962 S.W.2d 207, 213-14 (Tex. App.—Austin 1998, pet. denied).

¹⁸ Tex. Ins. Code § 40.058.

¹⁹ Tex. Ins. Code §§ 40.059-.060.

III. EVIDENCE

Lewis Wright, IV testified for the Department. Mr. Andrews testified on his own behalf. Five exhibits were admitted.²⁰ A summary of the evidence follows.

A. BACKGROUND

Mr. Andrews grew up in Illinois. After graduating with an associate's degree from Springfield College and a bachelor's from Southern Illinois University, he worked for the Illinois EPA for a few years in the 1990s, primarily reviewing investigation plans and reports about leaking underground storage tanks. The Illinois EPA has a cooperative agreement with the U.S. EPA under which the Illinois EPA administers the use, maintenance, and removal of petroleum underground storage tanks. The Illinois EPA is therefore responsible for the remedial investigations and cleanups of underground storage tanks.

After working for the Illinois EPA for a few years, Mr. Andrews started a private firm, Environmental Management, Inc., and expanded his environmental work: preparing site investigation plans, corrective action plans, and budgets for the Illinois EPA; overseeing the excavation and removal of underground storage tanks; and overseeing remedial action for contaminated soil and groundwater.

Years later, in 2013, Mr. Andrews was indicted for defrauding the State of Illinois and the United States of America of \$13.5 million. In short, a portion of motor fuel taxes and environmental impact fees go into a government-administered fund

²⁰ TDI Exs. 1-5.

which is used to cover the cost of environmental cleanup. The Illinois EPA approves the cleanup work and administers the fund, processing payments for approved work and actual costs. According to the indictment, Mr. Andrews (the company president), his brother (a company officer), and Mr. Keebler (the company's majority owner since 2006) conspired to defraud the government fund by submitting claims for services not rendered and claims well in excess of true costs:

- The company and its vendors used two sets of invoices: one for actual services and costs, another with inflated services or costs or both. The inflated invoices were submitted to the Illinois EPA.
- The company and vendors used one invoice, but the vendors would then “rebate” 10-30% of the invoice to the company as a “consulting fee.” The full invoices were submitted to the Illinois EPA.
- The company created or modified invoices to exaggerate work performed or the cost of the work or both.
- Rather than getting three independent bids from subcontractors as required, the company agreed with one subcontractor to have that one person submit bids from three different companies he owned or controlled, so all three bids were submitted by one person at a suggested amount.
- Mr. Andrews, his brother, and Mr. Keebler created a second company, which they totally owned and controlled, to make it appear as though this second company worked as a subcontractor on cleanup sites. The second company exaggerated work performed, invoiced higher rates than actual costs, and passed on the inflated rates to the first company and then the Illinois EPA.²¹

The indictment alleges that Mr. Andrews committed several overt acts as part of the conspiracy. He allegedly submitted invoices for more than actual costs. He allegedly registered a second company to work as a sham subcontractor. He allegedly

²¹ TDI Ex. 2 at 61-63.

directed a contractor to submit a second invoice at an inflated figure, which the contractor did and which was later included in expenses submitted to the Illinois EPA and paid by the State of Illinois. And he allegedly distributed much of the proceeds from the scheme through the company to himself, his brother, and Mr. Keebler.

Facing eleven criminal counts, in 2016 Mr. Andrews pleaded guilty to one count of conspiracy to commit mail fraud.²² The other ten counts were dismissed. Mr. Andrews was sentenced to three years in prison to be served with his brother at a minimum security prison in Illinois away from their co-defendant Mr. Keebler.²³ In addition, Mr. Andrews was ordered to serve three more years of supervised release under specific conditions, including no travel, no drinking, and a requirement to obtain his employer's and the court's approval before working in any capacity with cash, credit, or financial instruments.²⁴

In 2022, six years after his conviction, the State of Illinois granted Mr. Andrews an insurance license. He also applied to the Department for a license to work in insurance in Texas.

B. LEWIS WRIGHT'S TESTIMONY

Lewis Wright, IV worked in the insurance industry for nearly twenty years before working for the Department for nearly twenty more. He has been an

²² TDI Ex. 2 at 43.

²³ TDI Ex. 2 at 44.

²⁴ TDI Ex. 2 at 52-53.

underwriter, an insurance agent, and a supervisor for claims examiners. He opined that Mr. Andrews should not be allowed to work in insurance.

An insurance agent must be honest, fair, and trustworthy. He must be honest and handle funds appropriately. He must be fair to consumers in simple and complex transactions. He must be trusted to work without oversight. Because the Department can usually only get involved after something happens, applicants for insurance licenses are carefully screened for integrity.

Mr. Andrews applied for a general lines agent license (a life, accident, health, and HMO qualification), Mr. Wright said. A general lines agent represents an insurance carrier by identifying products, explaining coverage and pricing, providing and helping with the contract, handling the customer's personal and financial information, and ultimately closing the sale and producing the contract. A general lines agent can sell life insurance, sell accident insurance, and sell and enroll people in health insurance.

Mr. Andrews's crime is directly related to the insurance business, Mr. Wright said. Mr. Andrews committed a serious crime, taking a "significant amount of money" over "a twelve-year span."²⁵ It is a crime of "prime importance" to the Department because it involved dishonesty and deceit.²⁶

²⁵ Tr. at 34.

²⁶ Tr. at 33.

Mr. Wright pointed out troubling facts about Mr. Andrews’s application:

- Mr. Andrews participated in a criminal conspiracy for more than a decade—from 2001 to 2013, according to the indictment.²⁷
- Mr. Andrews stole a lot of money. Together, Mr. Andrews, his brother, and Mr. Keebler were ordered to repay about \$13.5 million.²⁸
- The fraud was extensive: lying about work that wasn’t done, faking invoices, creating a sham subcontractor, and splitting the proceeds.²⁹
- Mr. Andrews was not honest with the public. His victims were the State of Illinois and all taxpayers.³⁰
- Mr. Andrews was only convicted of one count of conspiracy. Ten counts of mail fraud were not adjudicated.³¹
- The court did not trust Mr. Andrews after his release from prison and required him to get approval before handling cash, credit, or financial instruments.³²

Mr. Wright discussed Mr. Andrews’s applications for licensure in Texas and Florida. His Texas application, filed with the Department in September 2022,³³ required Mr. Andrews to state whether he had ever been involved as a party to an administrative proceeding, which was defined to include the denial of an application

²⁷ TDI Ex. 2 at 60-61; Tr. at 29.

²⁸ TDI Ex. 2 at 54.

²⁹ TDI Ex. 2 at 61-63; Tr. at 28-31.

³⁰ TDI Ex. 2 at 54; Tr. at 28.

³¹ TDI Ex. 2 at 43, 56-80.

³² TDI Ex. 2 at 52-53.

³³ TDI Ex. 4 at 108.

for a license.³⁴ Mr. Andrews stated that, no, he had not.³⁵ A month later, in October 2022, Florida denied Mr. Andrews’s application for a license to sell insurance there.³⁶ Mr. Wright said the Department does not hold the initial lack of disclosure against Mr. Andrews because Florida made its decision after the Texas application was submitted, but at the same time, Mr. Andrews never mentioned it during the back and forth of the application process that followed.³⁷ “[The Department] didn’t ask past the application date, but it indicates that [Mr. Andrews] didn’t provide the information to us, as well. It’s kind of a neutral point, but it is a point,” Mr. Wright said.³⁸

Ultimately, Mr. Wright opined that Mr. Andrews is not fit to work in insurance. Although Mr. Andrews is licensed to sell insurance in Illinois, the State of Florida denied his application for a license to sell insurance there.³⁹ And although Mr. Andrews’s resume indicates that he has worked as an insurance agent in Illinois, none of his letters of recommendation were from anyone in the insurance industry.⁴⁰ In Mr. Wright’s opinion, Mr. Andrews’s application should be denied.

³⁴ TDI Ex. 4 at 121.

³⁵ TDI Ex. 4 at 121.

³⁶ TDI Ex. 3 at 100.

³⁷ Tr. at 43.

³⁸ Tr. at 44.

³⁹ TDI Ex. 3.

⁴⁰ Tr. at 38.

C. JOEL C. ANDREWS'S TESTIMONY

Mr. Andrews testified about his environmental work and business dealings, his incarceration and struggles, and his insurance work and outlook on life.

His father founded an environmental engineering company in the 1970s. Mr. Andrews worked there during summers, collecting water samples and working on solid waste landfills. Although not an engineer, Mr. Andrews was interested in environmental work. After college and working for the Illinois EPA, he started his own company in 1997, intending to rehabilitate environmentally contaminated properties. He got a few clients with underground storage tanks and started upgrading and removing tanks. Business was brisk. Soon his brother joined the firm. Their business kept growing. They needed an engineer for work on subdivisions, plazas, and gas stations. They hired Mr. Keebler and then another engineer.

Mr. Andrews admitted he made some mistakes in his business. His firm did a lot of work for clients involving landfills, trucking, and excavation. Because of the high volume of work, they received good rates. He did not properly account for this volume discount.⁴¹ He also received bad advice to structure transactions with a “consulting fee.”⁴² In 2006, he started to notice more. He didn’t like how Mr. Keebler operated; he was not “on the up and up on a lot of things.”⁴³ “Either you’re going to have to leave the company, or you can buy my interest out,” he told

⁴¹ Tr. at 64.

⁴² Tr. at 64.

⁴³ Tr. at 65.

him.⁴⁴ Mr. Keebler bought him out in September 2006. He didn't have any more dealings with the company after that, other than—because it took so long to get reimbursed by the government fund—receiving a final payout in 2009. He went to work in real estate and land development, assisting buyers and sellers with commercial property and managing rental properties by performing inspections and working with contractors.⁴⁵

Years later, a police officer walked up to him in his driveway. Apparently, Mr. Keebler had formed two or three different companies to skirt the EPA's requirement for three separate bids and had been doing other things too. "I just know the federal government was really after him."⁴⁶ Mr. Andrews said he asked the court to dismiss the eventual criminal indictment against him because the allegations involved events that occurred seven or eight years after he left the company, but the motion was denied because the last payout he received in 2009 fell within the statute of limitations. After consulting his lawyer and considering a possibly lengthy prison sentence, in March 2016 Mr. Andrews pleaded guilty to one count of conspiracy to commit mail fraud. He served three years in a federal prison, spending part of his time in a treatment program.

When he was released from prison in February 2018, Mr. Andrews worked at his wife's Italian restaurant, a family business. It was fine for a while. But his father died, and that was hard. Then COVID hit, the country shut down, and the restaurant

⁴⁴ Tr. at 65.

⁴⁵ TDI Ex. 4 at 114.

⁴⁶ Tr. at 66.

closed. And he discovered his wife had had affairs. They tried to patch it up, but ultimately they agreed to separate. Mr. Andrews completed his supervised release in June 2021. With his payout from the sale of his environmental business (just under a million dollars) all going to restitution to the government, he was starting over at fifty-two years old.

An insurance agent he met through church hired him to help with marketing and drumming up business. He took some insurance classes and applied for a license to sell insurance in Illinois. At first, they turned him down. But after a hearing, the State of Illinois gave him a license. He started working with his church friend's insurance agency. They showed him how to operate and "get on his feet."

Mr. Andrews said his insurance work is limited to enrolling people in healthcare under the Affordable Care Act (also known as Obamacare). He enjoys working with an "underserved population." After his own struggles, he relates to people with addictions, dependencies, and employment challenges. He feels satisfaction helping people who are "down on their luck." He said he doesn't handle money in his position and only needs to know a customer's projected income for the next year. Insurance premiums can cost as little as ten dollars a month because they are subsidized by the government. It's his job to enroll people in coverage. To do that, he does have responsibility for some limited personal information: he needs to know the customer's social security number to verify they are a citizen. He has been enrolling people in healthcare for two years and has not had any problems or complaints, he said. In fact, he was commended by the Center for Medicare and Medicaid Services for helping more than 100 people in his community apply for and

enroll in marketplace coverage, earning a place in the Circle of Champions and a certificate of appreciation for his success during the 2024 open enrollment period.⁴⁷

Mr. Andrews said that after what he's been through he values his relationships very highly, particularly those with his daughter, his mother (who he attended therapy with to improve their relationship), and everyone who stayed by him through his ups and downs. He discussed his letters of recommendation:

- Brad Dyer, the vice president and mortgage loan officer for Town and Country Bank in Springfield, Illinois, recommended Mr. Andrews, describing him as an honest man with a great work ethic and deserving of a license to sell insurance in Texas.⁴⁸ Mr. Andrews said he gets along well with Mr. Dyer, knows him from when he worked in real estate, and they golf together.
- Michael Lansden, one of Mr. Andrews's best friends from childhood, recommended Mr. Andrews. Mr. Lansden said that over many years he has known Mr. Andrews as "honest and forthcoming" and mentioned how he knows Mr. Andrews has an insurance license in Illinois and works with a member of his church group to sell insurance.⁴⁹
- John Tenfelder built swimming pools with Mr. Andrews during a summer in college, and they have remained friends. He recommended Mr. Andrews as a man of "entrepreneurial spirit" who he trusts, having been a loyal friend for over thirty years.⁵⁰
- Kimberly Elliot is Mr. Andrews's girlfriend. She recommended him, noting he studied hard to get an insurance license in Illinois, he works diligently, and he has a strong desire to serve the Texas market.⁵¹ She said he is

⁴⁷ TDI Ex. 5 at 125-26.

⁴⁸ TDI Ex. 4 at 111.

⁴⁹ TDI Ex. 4 at 113.

⁵⁰ TDI Ex. 5 at 127.

⁵¹ TDI Ex. 4 at 112.

“honest and transparent,” devoted to helping others at his church, and always genuine. She believes he has “paid his debt and learned to be a better man from it. Now all he needs is a chance to prove it to the world.”⁵²

Mr. Andrews said his life is simpler but he is “in a better place now.” He has a strong relationship with his girlfriend. He has a positive outlook on life and thinks more about how he can contribute to society. He wants to enroll more people in healthcare and expand to serve Texans.

IV. ANALYSIS

There are three reasons the Department can deny Mr. Andrews’s application for a license. First, because Mr. Andrews engaged in fraudulent and dishonest acts when he participated in a scheme with two sets of invoices and rebated “consulting fees,” the Department may deny his application under section 4001.101(b)(5) of the Texas Insurance Code. Second, because Mr. Andrews has been convicted of a felony, the Department may deny his application under section 4005.101(b)(8) of the Texas Insurance Code. Last, because Mr. Andrews committed a crime that directly relates to the duties and responsibilities of the practice of insurance, the Department may deny his application under section 53.021 of the Texas Occupations Code.

But the Department has discretion and should use it. The factors in section 53.023 of the Texas Occupations Code provide guidance for situations like this one where an applicant with a criminal history applies for a license. Based on these factors, the ALJ recommends that the Department grant Mr. Andrews’s application,

⁵² TDI Ex. 5 at 128.

suspend his license, probate the suspension, and limit his practice to healthcare insurance under the Affordable Care Act.

Mr. Andrews has a serious criminal history. He conspired in a long-running fraudulent scheme involving exaggerated work, two sets of invoices, fake consulting fees, fake documents, and sham companies passing on inflated costs. Mr. Andrews was an adult in his thirties when he committed the crime; he should have known better.

But Mr. Andrews did remove himself from the scheme, and more than a decade has passed since then. He served about three years in federal prison, making rehabilitative efforts while incarcerated by participating in a treatment program. He then spent three more years satisfying the terms of his supervised release. And for the last nearly four years he has been a law-abiding citizen.

A lot has changed. Mr. Andrews no longer works in environmental consulting. He repaid nearly a million dollars in restitution. He worked at a family restaurant before it closed during COVID. His father died. He got divorced. But he persisted, joining a church group and finding support and an employment lead there, starting with marketing and continuing into studying insurance, getting an insurance license in Illinois, learning the insurance business, and supporting himself while helping the community by increasing insurance enrollment. His recent work and rehabilitative efforts show, as he professed in the hearing, a more thoughtful consideration of his role in society. His girlfriend believes he has “paid his debt and learned to be a better

man from it.” He has other letters of recommendation in support of him too—and the State of Illinois’s backing, which granted him a license to sell insurance there.

Mr. Andrews is a low risk at this point, and the Department can mitigate the risk of him practicing insurance by suspending his license, probating the suspension, and requiring him to file reports or limiting his practice to enrolling individuals in healthcare under the Affordable Care Act. That work doesn’t handle any money. It doesn’t handle any sensitive information other than a few social security numbers. And it doesn’t present any additional risk of harm because Mr. Andrews already has an insurance license in Illinois and already enrolls consumers in health insurance under the Affordable Care Act. In fact, he has a proven two-year track record of doing this work. There is no good reason to deny him the opportunity to do work he already does well.

The ALJ recommends that the Department grant Mr. Andrews’s application but take disciplinary action to protect the public, including limiting Mr. Andrews’s practice or requiring him to file reports.

V. FINDINGS OF FACT

1. Joel C. Andrews lives in Illinois.
2. After college, Mr. Andrews worked for the Illinois EPA for four years, primarily on underground storage tanks.
3. The Illinois EPA has a cooperative agreement with the U.S. EPA under which the Illinois EPA administers the use, maintenance, and removal of petroleum underground storage tanks. The Illinois EPA is therefore responsible for the cleanup of underground storage tanks in Illinois.

4. A portion of motor fuel taxes and environmental impact fees go into a government-administered fund which is used to cover the cost of environmental cleanup. The Illinois EPA approves the cleanup work and administers the fund, processing payments for approved work and actual costs.
5. In 1997, Mr. Andrews started his own company, Environmental Management, Inc., in Springfield, Illinois. The company worked on the excavation and removal of underground storage tanks.
6. Mr. Andrews was the company president. His brother was a company officer. Mr. Keebler was originally hired as an engineer.
7. Mr. Andrews prepared site investigation plans, correction action plans, and budgets for the Illinois EPA's approval. He knew about the company's work and its finances, including its invoices.
8. The company received payment from the Illinois EPA's fund for its work on underground storage tanks.
9. The company and its vendors sometimes used two sets of invoices: one for actual services and costs, another with inflated services or costs or both. The inflated invoices were submitted to the Illinois EPA.
10. The company and its vendors sometimes used one invoice, but the vendors would then "rebate" 10-30% of the invoice to the company as a "consulting fee." The full invoices were submitted to the Illinois EPA.
11. The company created or modified invoices to exaggerate work performed or the cost of the work or both.
12. Mr. Andrews participated in a criminal conspiracy for several years.
13. Mr. Andrews was in his thirties when he committed the crime.
14. Mr. Andrews was not honest with the public. His victims were the State of Illinois and all taxpayers.
15. In 2006, Mr. Andrews could no longer tolerate how the company operated. Mr. Keebler bought out Mr. Andrews's share of the business.

16. Mr. Andrews received a final payment for his share of the company in 2009.
17. After leaving the company, Mr. Andrews worked in real estate and land development, assisting buyers and sellers with commercial property and managing rental properties by performing inspections and working with contractors.
18. In 2013, Mr. Andrews, his brother, and Mr. Keebler were indicted on eleven charges.
19. In March 2016, Mr. Andrews pleaded guilty to one count of conspiracy to commit mail fraud (a felony). The other ten charges were dropped.
20. Mr. Andrews served about three years in a federal prison, spending part of his time in a treatment program.
21. Together, Mr. Andrews, his brother, and Mr. Keebler were ordered to repay about \$13.5 million in restitution. Mr. Andrews repaid about \$1 million in restitution. Mr. Keebler had taken the bulk of the money obtained through the fraud and repaid about \$10 million.
22. In addition, Mr. Andrews was ordered to serve three years of supervised release under specific conditions, including no travel, no drinking, and a requirement to obtain his employer's and the court's approval before working in any capacity with cash, credit, or financial instruments.
23. After his release from prison in June 2018, Mr. Andrews worked at his family's Italian restaurant. The restaurant closed during COVID. Mr. Andrews's father died. And Mr. Andrews got divorced.
24. Mr. Andrews completed his supervised release in June 2021.
25. Mr. Andrews is active in a local church.
26. Through a church group, Mr. Andrews met a friend who hired him to help with marketing his insurance business.
27. Mr. Andrews started in marketing. Then he began taking classes and studying insurance.

28. In April 2022, the State of Illinois granted Mr. Andrews an insurance license.
29. In September 2022, Mr. Andrews applied to the Texas Department of Insurance (the Department) for a general lines agent license to allow him to sell insurance in Texas.
30. A general lines agent can sell life insurance, sell accident insurance, and sell and enroll people in health insurance.
31. A general lines agent represents an insurance carrier by identifying products, explaining coverage and pricing, providing and helping with the contract, handling the customer's personal and financial information, and ultimately closing the sale and producing the contract.
32. A month after he submitted his application to the Department, the State of Florida denied Mr. Andrews's application for a license to sell insurance there.
33. Since getting his license to sell insurance in Illinois, Mr. Andrews has limited his insurance work to enrolling people in healthcare under the Affordable Care Act (also known as Obamacare). He does not handle any money, and he is not responsible for any significant personal information other than social security numbers to verify citizenship.
34. Mr. Andrews has a serious criminal history involving fraud and a felony conviction.
35. More than ten years have passed since Mr. Andrews's last criminal activity.
36. Mr. Andrews's conduct and work activity over the last decade have been positive.
37. Mr. Andrews made significant rehabilitative efforts while incarcerated and after release.
38. Mr. Andrews admitted he made mistakes.
39. Mr. Andrews has positive letters of recommendation in support of his application.

40. Mr. Andrews has shown personal growth. He considers his role in society and wants to help people enroll in healthcare insurance.
41. For the last couple years, Mr. Andrews has successfully enrolled people in health insurance.
42. After the Department proposed to deny Mr. Andrews's application for an insurance license, Mr. Andrews requested a hearing.
43. In June 2024, the Department referred the matter to the State Office of Administrative Hearings (SOAH).
44. Mr. Andrews was sent a SOAH order scheduling the hearing.
45. On January 15, 2025, Staff for the Department of Insurance (Department) sent Mr. Andrews an amended notice of hearing.
46. Together, the SOAH order scheduling the hearing and Staff's amended notice of hearing contained a statement of the time, place, and nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing was to be held; a reference to the particular sections of the statutes and rules involved; and either a short, plain statement of the factual matters asserted, or an attachment that incorporated by reference the factual matters asserted in the complaint or petition filed with the state agency.
47. On January 22, 2025, a hearing was held before Administrative Law Judge Andrew Lutostanski with SOAH. Attorney Victor Moya represented Staff. Mr. Andrews represented himself. The record closed afterward when the hearing transcript was filed on February 7, 2025.

VI. CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter. Tex. Ins. Code chs. 4001, 4005.
2. SOAH has authority to hear this matter and issue a proposal for decision with findings of fact and conclusions of law. Tex. Gov't Code ch. 2003; Tex. Ins. Code § 4005.104.

3. Mr. Andrews received proper notice. Tex. Gov't Code §§ 2001.051-.052; Tex. Ins. Code § 4005.104(b).
4. Staff had the burden of proving a basis for denying the license application, while Mr. Andrews had the burden of bringing forward any favorable evidence that he is fit to be licensed despite his criminal history. 1 Tex. Admin. Code § 155.427.
5. The standard of proof is by a preponderance of the evidence. *Granek v. Tex. St. Bd. of Med. Exam'rs*, 172 S.W.3d 761, 777 (Tex. App.—Austin 2005, no pet.); *Southwestern Pub. Servs. Co. v. Pub. Util. Comm'n of Tex.*, 962 S.W.2d 207, 213-14 (Tex. App.—Austin 1998, pet. denied).
6. The Department may deny an application if the applicant has engaged in fraudulent or dishonest acts. Tex. Ins. Code § 4005.101(b)(5).
7. Because he engaged in fraudulent or dishonest acts, the Department may deny Mr. Andrews's application for a license. Tex. Ins. Code § 4005.101(b)(5).
8. The Department may deny an application if the applicant has been convicted of a felony. Tex. Ins. Code § 4005.101(b)(8).
9. Because he has been convicted of a felony for conspiracy to commit mail fraud, the Department may deny Mr. Andrews's application for a license. Tex. Ins. Code § 4005.101(b)(8); 18 U.S.C. §§ 371, 3559.
10. The Department may disqualify a person from receiving a license on the grounds that the person has been convicted of an offense that directly relates to the duties and responsibilities of the licensed occupation. Tex. Occ. Code §§ 53.021(a)(1).
11. Certain factors are considered when determining whether a crime directly relates to the duties and responsibilities of an insurance agent. Tex. Occ. Code § 53.022.
12. Conspiracy to commit mail fraud is a crime that directly relates to the practice of insurance. Tex. Occ. Code § 53.022; 28 Tex. Admin. Code § 1.502(e)(1) (2022).
13. Certain factors are considered when determining whether a person is fit to hold a license. Tex. Occ. Code § 53.023.

14. The Department has discretion when deciding what to do with an application for a license. Tex. Ins. Code §§ 4005.101-.103; Tex. Occ. Code § 53.021(a).
15. The Department may suspend a license. Tex. Ins. Code § 4005.102(2).
16. If a license suspension is probated, the Department may require the license holder to report regularly to the Department on any matter that is the basis of the probation or limit the license holder's practice to the areas prescribed by the Department. Tex. Ins. Code § 4005.103.
17. Mr. Andrews is fit to hold an insurance license. Tex. Occ. Code § 53.023.
18. Mr. Andrews should be granted an insurance license. Tex. Occ. Code § 53.023.
19. Mr. Andrews's license should be suspended, the suspension should be probated, and Mr. Andrews's insurance practice should be limited to enrolling customers in healthcare insurance under the Affordable Care Act. Tex. Ins. Code § 4005.102-.103.

Signed April 2, 2025.

ALJ Signature:



Andrew Lutostanski

Presiding Administrative Law Judge

FILED
454-24-20652 **2025-9484**
5/8/2025 4:41 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Amy Robles, CLERK

Exhibit B

ACCEPTED
454-24-20652
5/8/2025 4:45:36 pm
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Amy Robles, CLERK

State Office of Administrative Hearings

Kristofer S. Monson
Chief Administrative Law Judge

May 8, 2025

Victor Moya

VIA EFILE TEXAS

Joel C. Andrews

VIA EFILE TEXAS & US MAIL

Springfield, Illinois 62711

RE: Docket Number 454-24-20652.C; *Texas Department of Insurance v. Joel C. Andrews*

Dear Parties:

The proposal for decision recommends that the Texas Department of Insurance grant Mr. Andrews's application for a general lines agent license but take disciplinary action against him to limit his practice of insurance to enrolling customers in healthcare under the Affordable Care Act. Staff for the Department disagrees with the proposal for decision in two key respects.

First, Staff asserts that the Department cannot restrict Mr. Andrews's insurance practice to enrolling customers in healthcare under the Affordable Care Act. But that's not so. With a probated license suspension, the Department can "limit [Mr. Andrews's] practice to the areas prescribed by the Department." Tex. Ins. Code § 4005.103(2).

Second, Staff would balance section 53.023's factors differently and therefore deny Mr. Andrews's application. That's fine. There is no set weighting for each factor, and reasonable minds can weigh the factors differently. Tex. Occ. Code § 53.023(a). Ultimately, the Commissioner has discretion to balance the factors differently and to deny Mr. Andrews's application. Tex. Gov't Code § 2001.058(e).

2025-9484

Exceptions Letter

May 8, 2025

Page 2 of 2

But remember: the purpose of chapter 53 of the Texas Occupations is to enhance a person's opportunities for gainful employment after they have been convicted of a crime and discharged their sentence. Tex. Occ. Code § 53.003(a). Mr. Andrews committed a crime more than ten years ago, discharged his sentence four years ago, and has already practiced insurance in Illinois for the last two years by enrolling customers in health insurance under the Affordable Care Act. This is not risky business: it doesn't involve money or any significant personal information other than checking social security numbers to verify citizenship. Finding of Fact #33. Restricting Mr. Andrew's practice of insurance to enrolling customers in healthcare under the Affordable Care Act is not "illogical and inappropriate accommodations [for] an applicant," as Staff states. It is adhering to the Texas Legislature's intent and simply giving Mr. Andrews the opportunity to do more of the same work he already does well.

There are no changes. The proposal for decision is ready for consideration.

ALJ Signature:



Andrew Lutostanski

Presiding Administrative Law Judge

CC: Service List