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PRESS RELEASE

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December 3, 2020

FORMER INSURANCE AGENT SENTENCED TO 2.5 YEARS IN PRISON FOR STEALING INSURANCE PREMIUMS FROM CUSTOMERS

Phoenix, AZ – Following an Arizona Department of Insurance and Financial Institutions (DIFI) Fraud Unit investigation, on November 16, 2020, Rosita Johns, 47, of Buckeye, Arizona was sentenced in Maricopa County Superior Court to 2.5 years in prison and four years probation for committing fraudulent schemes and forgery. The Arizona Attorney General's Office was the prosecuting agency.

Ms. Johns was an independent insurance agent and broker operating insurance agencies in Surprise, Arizona and Peoria, Arizona. Investigation revealed Ms. Johns collected insurance premiums from her insurance clients and diverted the funds for her personal use. DIFI started an investigation after receiving complaints from small business owners that were financially impacted by Johns' fraud. During DIFI's investigation, Johns submitted altered documents attempting to hide the fraud. On October 25, 2016, the Department revoked Ms. Johns' individual insurance license as well as the licenses of three of her business entities.

Further investigation uncovered that between 2015 and 2017, Johns collected insurance policy premiums on clients' behalf and instead of forwarding the premiums to insurance companies to initiate policies, she used the money for her own benefit. Because no policies were written, unsuspecting clients were left unprotected from liability coverage and unaware they lacked coverage. Johns also took money received from clients to purchase bonds required for business matters, never purchasing the bonds and diverting the funds for personal use. In one instance, upon learning no bond was issued, the company requested a refund of the premium. Upon attempting to cash the refund check, company representatives were informed the account from which the check was drawn had insufficient funds.

In another example, Johns stole over \$69,470.00 from a company that had provided the funds to pay for company workers compensation, general liability, and automobile insurance premiums. Investigation uncovered that when the victim company had an employee hurt on the job requiring treatment at a hospital, the company was forced to pay for the employee's treatment out of pocket upon learning it had no active workers compensation policy. Furthermore, the company was subsequently fined approximately \$9,000 by the Nevada Industrial Commission for not having current workers compensation insurance.

"Insurance agents who take advantage of their clients' trust and break the law will be held accountable," said DIFI Director Evan Daniels. "Licensees who are stealing client money will be investigated and prosecuted to the fullest extent of the law."

Consumers are reminded that in most instances, premium checks should be written only to insurance companies and not insurance agents. Consumers also should expect to receive a copy of the insurance policy within 30 days from the insurance company. Consumers not receiving a copy of the policy within the time frame should immediately call the insurance company, not the agent, to ensure the policy was issued.

The DIFI Fraud Unit investigates allegations of fraud to protect insurance consumers and the insurance industry. Combating fraud helps keep insurance premiums as low as possible for consumers. According to the Coalition Against Insurance Fraud, insurance fraud results in at least \$80 billion in thefts every year from the American consumer. To learn more, visit To <https://insurancefraud.org/>. To learn more about DIFI or to file a complaint, visit <https://difi.az.gov/contact-us>.

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Our mission is to help Arizonans receive the benefits and protections to which they are legally entitled by enforcing insurance and financial institution laws and by providing information and assistance, and to combat vehicle theft.