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NEWS RELEASE

For Immediate Release

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DA PARTNERS WITH CALIFORNIA CONTRACTORS STATE LICENSE BOARD TO FIGHT INSURANCE FRAUD

SAN BERNARDINO, Calif. – The San Bernardino County District Attorney's Office Workers' Compensation Fraud Prosecution Unit has partnered with the California Contractors State License Board's (CSLB) Statewide Investigative Fraud Team (SWIFT) to assure contractors and those engaged in home improvement and construction activity have the proper workers' compensation insurance coverage and appropriate licensure for the job.

As a result, in November and December 2011, investigators from the District Attorney's office and SWIFT conducted the first of what will be many compliance checks at jobsites throughout San Bernardino County.

So far, about 70 people involved in construction type work have been visited on jobsites in Redlands and Rancho Cucamonga, with other cities and unincorporated areas to follow. Of those contacted, most were in compliance with California's Labor, Insurance, and Business and Professions Code requirements for workers' compensation insurance coverage as well as contractor licensure.

"Workers' comp fraud is crime that victimizes every honest business and taxpayer in San Bernardino County because they are forced to take on the unnecessary burden of higher premiums," said District Attorney Michael A. Ramos. "By implementing strong anti-fraud activities and prosecutions, what we are ultimately hoping for is that every contractor working in our county will be in full compliance with the law, and this partnership is just another step in that direction."

To date, four stop orders were issued to contractors during the compliance checks who had not secured workers' compensation insurance for jobsite employees. A state law that took effect in January 2011 gives CSLB the authority to issue these orders, which stop all work on the contractor's jobsite until workers' compensation insurance is obtained.

In addition to the Stop Orders, three licensees without workers' compensation insurance coverage were identified; however, the appropriate insurance was obtained within days of the compliance check, which is the goal of this partnership. Those contacted who did not obtain the proper coverage are issued citations for failing to carry workers' compensation insurance, which carries stiff penalties that, if left uncorrected, could include license suspension and fines. Four individuals who were contracting without a license were also issued citations.

"CSLB hopes its partnership with the DA's office puts unlicensed, uninsured operators on notice that this activity won't be tolerated in San Bernardino County," said CSLB Registrar Steve Sands. "This proactive enforcement will help assure consumers are protected from financial harm and that a level playing field exists for those legitimate licensees who follow state laws and insure their workers."

CSLB and the San Bernardino County District Attorney's Office's Workers' Compensation Insurance Fraud Prosecution Unit urge consumers to follow these tips before they hire a contractor to work on their home or property:

- Only hire state-licensed contractors and ask to see their license and a photo ID to verify their identity. Always check the license number on CSLB's website at www.cslb.ca.gov or www.CheckTheLicenseFirst.com to make sure the license is in good standing.
- Confirm that the licensee has workers' compensation insurance coverage if he/she has employees. C-39 Roofing contractors are required to purchase workers' compensation insurance even if they certify they have no employees.
- Only pay 10 percent or \$1,000 (whichever is less) as a down payment. There is an exception for about two dozen licensees who carry special bonds to protect consumers. These exceptions are noted on CSLB's website.
- Don't pay in cash, and don't let payments get ahead of the work.
- Get at least three bids, check references, and get a written contract.

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