



CDI leads multi-agency task force in statewide underground economy sweep

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SACRAMENTO, Calif. - A multi-agency task force, consisting of more than 100 detectives and investigators focused on curbing California's underground economy, conducted a sweep across major metropolitan areas statewide issuing more than 60 citations for various violations and six work stop-orders.

Violations found among the nearly 100 businesses contacted included no workers' compensation insurance, no valid contractor's license, serious safety violations cited by the Division of Occupational Safety and Health, including one with an estimated \$20,000 regulatory fine. The Contractors State License Board found six violations, ranging from advertising to safety issues. The Employment Development Department identified 15 possible administrative violations.

"California's underground economy results in a multi-billion dollar hit to California's economy," said Insurance Commissioner Dave Jones. "This fraudulent activity hurts legitimate businesses that play by the rules. The coordinated effort of this multi-agency task force is an ongoing effort to level the playing field by putting a stop to the illegal activities of business owners that cheat the system at the expense of law abiding businesses and consumers."

Information and leads regarding illegal activity often come from the business community. If you are aware of or have any information regarding a contractor or business operating without the proper insurance or anyone who has committed workers' compensation fraud you are encouraged to call our hotline at 1-800-927-HELP.

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Media Notes:

Detectives and investigators from the Department of Insurance, Contractors State License Board, Department of Industrial Relations (Division of Occupational Safety and Health; Division of Labor Standards and Enforcement), the Franchise Tax Board, Employment Development Department and district attorneys' offices in Santa Clara, Alameda, Los Angeles, San Bernardino, Riverside and Ventura all participated in the statewide sweep.

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The California Department of Insurance, established in 1868, is the largest consumer protection agency in California, regulating the \$123 billion insurance marketplace. In 2013 the California Department of Insurance received more than 170,000 calls from consumers and helped recover over \$63 million in

claims and premiums. Please visit the Department of Insurance web site at www.insurance.ca.gov. Non-media inquiries should be directed to the Consumer Hotline at 800.927.HELP or 213.897.8921. Telecommunications Devices for the Deaf (TDD), please dial 800.482.4833.

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