



Business owner fails to report payroll and is arrested on premium insurance fraud

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SAN LUIS OBISPO, Calif. - A Paso Robles man was arrested for allegedly failing to correctly report his employee payroll to the State Compensation Insurance Fund. Jay Scott Silva, 53, owner of Drywall Dynamics, was arrested last month by the San Luis Obispo County District Attorney's Office and booked into the county jail on two felony counts of workers' compensation insurance fraud.

"Premium insurance fraud is not a victimless crime," said Insurance Commissioner Dave Jones. "Actions like Silva's are what artificially inflate costs to insurers, consumers and California taxpayers. The Department of Insurance is committed to working with other allied agencies to combat the multi-billion dollar enterprise that is fraud."

The California Department of Insurance began its investigation after the Carpenters/Contractors Cooperation Committee notified the department's Fraud Division of Silva's improper conduct regarding employee wages. Department investigators determined Silva was incorrectly reporting employee payroll, which reduced his rate of paid premium by \$67,000.

"Workers' compensation premium fraud hurts hard working men and women trying to make a living and feed their families," said David Kersh, Executive Director of the Carpenters/Contractors Cooperation Committee. "It hurts honest employers that play by the rules and want to create good paying employment opportunities in our communities. In addition to the issue of premium fraud, Drywall Dynamics had also cheated its workers out of hundreds of thousands of dollars in wages. We applaud the work done by the Department of Insurance in cracking down on construction contractors that break the law."

If convicted Silva faces a maximum of five years in jail, possible fines and full restitution. Bail was set at \$30,000.

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Media Notes:

Two felony counts: 11880(a) IC.

Total loss of \$67,000.

No booking photo available.

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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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