

**\* NEWS RELEASE \***

**FAILURE TO PAY PAYROLL TAXES AND  
FAILURE TO SECURE WORKERS'  
COMPENSATION INSURANCE FOR EMPLOYEES**

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**FOR IMMEDIATE RELEASE**

**November 5, 2009**

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Monterey County District Attorney Dean D. Flippo announced that on November 5, 2009, Toan Cong Bui, age 58 and a resident of San Jose, pled to one felony count of tax evasion in violation of Unemployment Insurance Code section 2117.5 and one misdemeanor count of failing to secure workers' compensation insurance in violation of Labor Code section 3700.5. Mr. Bui was the owner of several businesses including the Marina Gas & Heritage Days Inn located in Marina, Forest Hill Auto Sales, Gas Station & Food Mart located in Pacific Grove and Jessie's Gas Station & Food Mart located in Hollister. Mr. Bui has indicated that he no longer owns the businesses.

On January 20, 2009, investigators contacted the defendant at the Marina Gas & Heritage Days Inn during an enforcement operation for workers' compensation insurance on employers in Monterey County. The California Department of Insurance [CDI], Morgan Hill Office, organized the operation with Monterey County District Attorney Investigators from the Workers' Compensation Fraud Unit. The enforcement operation involved unannounced compliance checks on targeted locations based upon information received indicating that certain employers did not have workers' compensation insurance.

At the Marina business, employees were found working and Mr. Bui admitted that he did not carry workers' compensation insurance coverage. Further investigation uncovered the defendant was operating other businesses and had seven employees working for him at the various businesses. The Department of Industrial Relations/Division of Labor Standards Enforcement [DIR/DLSE] and the Employment Development Department [EDD] also joined in the investigation when it was discovered that the defendant had not been deducting, reporting or paying the employee or employer payroll taxes to EDD. The amount of taxes owed with interest and penalties totaled over \$64,000. Mr. Bui is scheduled to be sentenced by Judge Larry E. Hayes on January 21, 2010.

Employers are required to register their businesses and to report and pay taxes to EDD for all employees. Unemployment Insurance Code felony violations have a maximum penalty of three years in prison and/or up to \$20,000 fine. Additionally, business owners and the public need to be aware that California State law requires that all employers secure workers' compensation insurance for their employees so that there is an assurance of adequate medical coverage and other benefits for employees for any work-related injuries that may occur. Failure to secure workers' compensation insurance has a penalty of up to one year in jail and up to double the amount of the premium owed as a fine payable to the California State Treasury for the Uninsured Employers Fund. The Workers' Compensation Unit of the District Attorney's Office investigates and prosecutes cases involving applicant fraud, employer fraud, premium fraud, provider fraud and employers who do not carry workers' compensation insurance.

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