

*** NEWS RELEASE ***

CONTRACTOR PLEADS GUILTY FOR FAILING TO SECURE WORKERS' COMPENSATION INSURANCE

FOR IMMEDIATE RELEASE

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Monterey County District Attorney Dean D. Flippo announced today that James Abner Smith, age 48, a Monterey resident, pled guilty to violation of Labor code 3700.5(b), failure to obtain workers' compensation insurance for his employees with one prior conviction.

James Abner Smith, a California contractor, owns and manages Carmel Landscape Company. On May 17, 2017, the Contractors State Licensing Board (CSLB) investigated a landscaping project at a Carmel residence involving multiple workers. The CSLB investigator determined that the project belonged to Mr. Smith. Although workers were present on site and identified Mr. Smith as their employer, Mr. Smith had previously told the CSLB that he did not have employees and was, therefore, "exempt" from workers' compensation requirements. Mr. Smith was cited for being in violation of Labor Code section 3700.5. The matter was referred to the Monterey County District Attorney's Workers' Compensation Fraud Unit for criminal charges. The District Attorney reviewed the case, determined that Mr. Smith had a prior conviction for failing to secure workers compensation insurance, and filed charges.

After his guilty plea, Judge Efren Iglesias ordered Mr. Smith to return to court on September 28, 2018 to be sentenced. He faces a maximum possible sentence of one year in county jail and a \$50,000 fine.

This case was investigated by the Contractors State Licensing Board with assistance from District Attorney Investigator Martin Sanchez.

The District Attorney wishes to remind small business owners and the public that California law mandates that employees be covered by workers' compensation insurance so that there is adequate medical coverage and other benefits for employees for any work-related injuries that may occur. The mere fact that a worker is hired to simply work on several projects does not, by itself, mean that the worker is not an employee for whom workers compensation insurance must be purchased. The failure to secure workers' compensation insurance is a criminal offense in California.