

*** NEWS RELEASE ***

DEFENDANT SENTENCED FOR WORKERS' COMPENSATION INSURANCE FRAUD AND TAX EVASION

FOR IMMEDIATE RELEASE

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Monterey County District Attorney Dean D. Flippo announced today that Osama Zawideh, age 52, of Soledad, was sentenced by Judge Larry E. Hayes after pleading on March 14, 2016, to two counts of making a material misrepresentation in order to obtain a lower workers' compensation insurance premium and one count of willfully failing to file payroll tax returns with intent to evade tax. The defendant is the manager of Gabilan Pizza in Soledad.

In 2014, the Monterey County District Attorney's Office [MCDA], Workers' Compensation Fraud Unit and the California Department of Insurance [CDI], Morgan Hill Office conducted an uninsured employer compliance sweep within Monterey County. Information obtained prior to the sweep indicated that Gabilan Pizza in Soledad did not have workers' compensation insurance for their employees. The defendant was contacted during the inspection and indicated that he was the manager and he had the mandated insurance that was listed in his name. He also indicated the restaurant was listed in his niece's name but she did not have anything to do with the business.

The investigation revealed the defendant had committed premium fraud from March 2013 through April 2015 by underreporting the number of employees and falsely reporting payroll wages as he paid certain employees in cash. The defendant was also charged with tax evasion in that from July 2012 through December 2014 he did not accurately report employee wages and payroll taxes to the Employment Development Department [EDD].

The court placed the defendant on felony probation for five years. A victim restitution order in the amount of \$4,819.06 was ordered to be paid to State Farm Insurance. The court retained jurisdiction over victim restitution to the EDD. The court ordered the defendant to serve 120 days in county jail, pay over \$10,000 in fines, be subject to a search by any probation or peace officer and be subject to other terms and conditions of probation to ensure the defendant is properly conducting any business he may have an interest in or own.

The case was investigated by Monterey County District Attorney Investigator George Costa.

Employers are required to register their businesses, report and pay taxes to EDD for all employees. Additionally, business owners and the public need to be aware that California law requires all employers to secure workers' compensation insurance for their employees so that there is adequate medical coverage and other benefits for employees for any work related injuries that may occur.

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