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Media Calls Only: 916-492-3566

Insurance Commissioner Jones Announces Arrest of Business Owner for 46 Counts of Insurance Fraud

Los Angeles area man failed to pay over \$1,000,000 in premiums

Insurance Commissioner Dave Jones today announced that Emmett Timothy Kennedy III, 47, of Los Angeles was arrested as he appeared in the Los Angeles Superior Court to face 46 counts of insurance fraud and four counts for violating the Unemployment Insurance Code, all of which are felonies. Every count of insurance fraud carries a potential five year prison sentence. Kennedy is the President of WWC Window Cleaning which is alleged to have defrauded their insurance carrier and the State's Unemployment Insurance fund of over \$1,000,000 in unpaid premiums. Kennedy's bail has been set at \$1,000,000.

"The actions of this business owner put his employees at severe risk, had an accident occurred in the workplace," said Commissioner Jones. "The underreporting of his payroll shows an extremely blatant disregard for the welfare of his employees and the law."

In 2007, the State Compensation Insurance Fund (SCIF) contacted the California Department of Insurance (CDI) and reported their suspicion that WWC Window Cleaning (WCC) was committing premium fraud. CDI's Fraud Division, together with Investigators from the Employment Development Department (EDD) initiated an investigation of WWC. A search warrant was executed on March 17, 2009 which resulted in the seizure of WWC's financial records. A forensic audit of the financial records was performed by EDD and it determined that WWC actually had more employees than they were reporting to their insurance carrier SCIF or to EDD for the proper Employee Contributions or Unemployment Tax.

This misrepresentation defrauded SCIF and the Unemployment Insurance fund of over \$1,000,000 in a four year period. To conceal the misrepresentations, WWC paid their employees in cash for either a portion or all of their salary. WWC is alleged to have taken this action at the direction of Kennedy.

This case is a result of a joint investigation between the California Employment Development Department and the Department of Insurance - Fraud Division and is being prosecuted by the Los Angeles County District Attorney's Office, Workers' Compensation and Health Care Fraud Unit.

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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. Callers from out of state, please dial 213.897.8921. Telecommunications Devices for the Deaf (TDD), please dial 800.482.4833.