



West News

Calif. State Fund Receives \$100,000 in Fraud Restitution

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Los Angeles Superior Court Judge David Horwitz has ordered Rogelio Mata, owner of Rogma Construction Services, to pay full restitution to the California State Compensation Insurance Fund of \$100,000, after pleading no contest to one count of Insurance Code Section 11880 - insurance premium fraud. Judge Horwitz also sentenced Mata to three days in county jail.

Mata operated Rogma Construction Services out of his Los Angeles home, and represented his company to SCIF as a construction clean-up service rather than a construction demolition company. Construction demolition requires a more expensive category for workers' compensation premiums. Rogma Construction Services had 15 to 20 employees, and while Mata reported the correct total payroll to State Fund, he reported it in a lesser-rate class code to pay less for his premiums, SCIF said.

The fraud was discovered after State Fund received a tip from one of Rogma's business competitors. The Los Angeles District Office fraud liaison then conducted a detailed investigation of Rogma's business records which included a review of over a dozen holders of certificates of workers' compensation and found all had interior demolition work done by Rogma.

In addition, State Fund's Fraud Investigation Program found that Rogma Construction Services had taken part in the television show "Extreme Make Over, Home Edition" as an interior demolition contractor. Rogma Construction's Web site also listed the interior demolition services it performed.

State Fund's Fraud Investigation Program submitted its suspected fraud case to the Department of Insurance and the Los Angeles District Attorney's Office for their review. Charges were filed against Mata in Sept. 2006 by the DA's Office. Mata was originally charged with four counts of workers' compensation insurance premium fraud.

"Misclassification is a serious problem within the construction industry," said prosecuting attorney Michael O'Gara of the Los Angeles District Attorney's Office.

Mata had been insured with State Fund from 1985 to 2005.

Source: State Fund

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