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Commercial Plumbing Contractor Ordered to Pay More Than \$1 Million in Restitution for Workers' Compensation Fraud

San Diego County District Attorney <u>Summer Stephan</u> announced today that plumbing contractor Daniela G. Birdwell has been ordered to pay \$1,030,062 in restitution to the State Compensation Insurance Fund as part of a workers' compensation fraud prosecution. Birdwell, the 41-year-old owner of GPS Plumbing, pleaded guilty to one count of Insurance Code Section 11880(a) — workers' compensation insurance premium fraud. Judge Dwayne Moring also imposed a sentence of two years of formal felony probation, 320 hours of community service, and ordered Birdwell to pay \$10,000 per month towards restitution.

"Employers who engage in premium fraud are not only breaking the law, they also gain an unfair advantage over their competitors," said DA Stephan. "The dedicated investigators and prosecutors in our Insurance Fraud Division will continue to investigate this type of fraud to hold businesses accountable, protect employees, and level the playing field for law abiding companies."

The State Fund provided workers' compensation insurance coverage to GPS Plumbing from June 2016 through May 2021. The fraud was first discovered when a State Fund special investigation unit noticed a vast difference between wages the company reported to the Employment Development Department (EDD) and wages reported to the State Fund during policy audits. The State Fund then conducted an audit of GPS Plumbing's workers' compensation records which uncovered millions of dollars in unreported payroll. The State Fund's Special Investigation Unit submitted a report of its suspected fraud case to the San Diego County District Attorney's Office and the Department of Insurance for investigation.

Insurance fraud costs U.S. consumers an estimated \$80 to \$90 billion per year. In California, it's a \$15 billion-a-year problem. It's the second-largest economic crime in America, exceeded only by tax evasion. The San Diego County District Attorney's Office combats this problem by using experienced specialists to confront the insurance fraud epidemic.

Deputy District Attorney David Bagheri prosecuted this case.



About the San Diego County District Attorney's Office

The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue fair and equal justice, and support victims daily across San Diego County.