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9 **BEFORE THE**
STRUCTURAL PEST CONTROL BOARD
10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **STATE OF CALIFORNIA**

<p>12 In the Matter of the Accusation Against:</p> <p>13 JUAN C. JIMENEZ 13608 Dunrobin Avenue 14 Bellflower, CA 90706</p> <p>15 Operator's License No. OPR 9791</p> <p>16 Respondent.</p>	<p>Case No. 2024-7</p> <p>ACCUSATION</p>
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19 **PARTIES**

20 1. Sophia Azar (Complainant) brings this Accusation solely in her official capacity as
21 the Registrar/Executive Officer of the Structural Pest Control Board (Board), Department of
22 Consumer Affairs.

23 2. On or about November 24, 1997, the Board issued Operator's License Number OPR
24 9791 to Juan C. Jimenez (Respondent). The Operator's License was in full force and effect at all
25 times relevant to the charges brought herein and will expire on June 30, 2024, unless renewed.

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1 **JURISDICTION**

2 3. This Accusation is brought before the Board, under the authority of the following
3 laws. All section references are to the Business and Professions Code (Code) unless otherwise
4 indicated.

5 4. Section 8625 of the Code states:

6 The lapsing or suspension of a license or company registration by operation of
7 law or by order or decision of the board or a court of law, or the voluntary surrender
8 of a license or company registration shall not deprive the board of jurisdiction to
9 proceed with any investigation of or action or disciplinary proceeding against such
licensee or company, or to render a decision suspending or revoking such license or
registration.

10 **STATUTORY PROVISIONS**

11 5. Section 490 of the Code provides, in pertinent part, that a board may suspend or
12 revoke a license on the ground that the licensee has been convicted of a crime substantially
13 related to the qualifications, functions, or duties of the business or profession for which the
14 license was issued.

15 6. Section 8620 of the Code provides, in pertinent part, that the Board may suspend or
16 revoke a license when it finds that the holder, while a licensee or applicant, has committed any
17 acts or omissions constituting cause for disciplinary action or in lieu of a suspension may assess a
18 civil penalty.

19 7. Section 8649 of the Code states:

20 Conviction of a crime substantially related to the qualifications, functions, and
21 duties of a structural pest control operator, field representative, applicator, or
22 registered company is a ground for disciplinary action. The certified record of
conviction shall be conclusive evidence thereof.

23 8. Section 8654 of the Code states:

24 Any individual who has been denied a license for any of the reasons specified
25 in Section 8568, or who has had his or her license revoked, or whose license is under
26 suspension, or who has failed to renew his or her license while it was under
27 suspension, or who has been a member, officer, director, associate, qualifying
28 manager, or responsible managing employee of any partnership, corporation, firm, or
association whose application for a company registration has been denied for any of
the reasons specified in Section 8568, or whose company registration has been
revoked as a result of disciplinary action, or whose company registration is under
suspension, and while acting as such member, officer, director, associate, qualifying

1 manager, or responsible managing employee had knowledge of or participated in any
2 of the prohibited acts for which the license or registration was denied, suspended or
3 revoked, shall be prohibited from serving as an officer, director, associate, partner,
4 qualifying manager, or responsible managing employee of a registered company, and
the employment, election or association of such person by a registered company is a
ground for disciplinary action.

5 9. Section 8655 of the Code states:

6 A plea or verdict of guilty or a conviction following a plea of nolo contendere
7 made to a charge substantially related to the qualifications, functions, and duties of a
8 structural pest control operator, field representative, applicator, or registered company
9 is deemed to be a conviction within the meaning of this article or Section 8568 of this
10 chapter. The board may order the license or registration suspended or revoked, or
11 may decline to issue a license, when the time for appeal has elapsed, or the judgment
12 of conviction has been affirmed on appeal or when an order granting probation is
made suspending the imposition of sentence, irrespective of a subsequent order under
the provisions of Section 1203.4 of the Penal Code allowing the individual or
registered company to withdraw a plea of guilty and to enter a plea of not guilty, or
setting aside the verdict of guilty, or dismissing the accusation, information or
indictment.

13 **REGULATORY PROVISIONS**

14 10. California Code of Regulations, title 16, section 1937.1(a) states:

15 For purposes of denial, suspension or revocation of a license or company
16 registration, pursuant to section 141, Division 1.5 (commencing with Section 475),
17 Section 8623, Section 8649, or Section 8655 of the code, a crime, professional
18 misconduct, or act shall be considered to be substantially related to the qualifications,
19 functions or duties of a licensee or registered company under Chapter 14 of Division
3 of the code if, to a substantial degree, it evidences present or potential unfitness of
such licensee or registered company to perform the functions authorized by the
license or company registration in a manner consistent with the public health, safety,
or welfare.

20 **COST RECOVERY**

21 11. Section 125.3 of the Code provides, in pertinent part, that the Board may request the
22 administrative law judge to direct a licensee found to have committed a violation or violations of
23 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
24 enforcement of the case, with failure of the licensee to comply subjecting the license to not being
25 renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be
26 included in a stipulated settlement.

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1 **CAUSE FOR DISCIPLINE**

2 **(January 30, 2023 Criminal Conviction - Workers' Compensation Fraud)**

3 12. Respondent is subject to disciplinary action under Code sections 490 and 8649, in
4 conjunction with California Code of Regulations, title 16, section 1937.1(a), in that Respondent
5 has been convicted of a crime substantially related to the qualifications, functions or duties of a
6 licensed structural pest control operator. On or about January 30, 2023, in a criminal proceeding
7 entitled *The People of the State of California vs. Juan Carlos Jimenez*, in Superior Court of
8 California, County of Los Angeles, Case No. BA493965, Respondent pled nolo contendere and
9 was convicted of violating Insurance Code section 11760(a) (workers' compensation fraud), a
10 felony. Respondent was sentenced to serve one day in jail, placed on probation for two years
11 with terms and conditions, ordered to perform 60 days of community service, pay restitution to
12 the victim in the sum of \$1,586,805, and pay fines and fees.

13 The investigation revealed that Respondent was the owner of Legacy Construction, a
14 licensed general contractor in La Puente, CA. From July 2013 to January 2018, Respondent
15 willfully underreported his payroll by \$3,365,301.19 in order to reduce insurance premiums. As
16 part of the scheme, Respondent paid his employees in cash and did not withhold payroll tax
17 deductions. Respondent did not report wages to the Workers' Compensation Insurance (WCI)
18 carriers and the California Employment Development Department. As a result of Respondent's
19 underreporting, the insurance carriers sustained premium losses totaling \$1,251,408.67.

20 **DISCIPLINE CONSIDERATIONS**

21 13. To determine the degree of discipline, if any, to be imposed on Respondent,
22 Complainant alleges the following:

23 a. On or about May 30, 2013, in a prior disciplinary action titled *In the Matter of the*
24 *Accusation Against: Bug Wisser; Juan C. Jimenez Owner/Qualifying Manager and Juan Jimenez*
25 before the Board in Case Number 2012-38, Respondent's Company Registration Certificate No.
26 PR 3191 and Operator's License No. OPR 9791, were revoked. However, the revocations were
27 stayed and Respondent's certificate and license were placed on probation for three (3) years with
28 certain terms and conditions. That decision is now final.

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3. Ordering Juan C. Jimenez to pay the Structural Pest Control Board the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3; and,

4. Taking such other and further action as deemed necessary and proper.

DATED: October 3, 2023

SOPHIA AZAR
Registrar/Executive Officer
Structural Pest Control Board
Department of Consumer Affairs
State of California
Complainant

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