DESCRIPTION OF SUBJECT

NAME:	James Scott Lavold
RACE:	Caucasian
SEX:	Male
DATE OF BIRTH:	October 17, 1957
SOCIAL SECURITY #:	[redacted]
HEIGHT:	5'10"
WEIGHT:	250
EYES:	Blue
HAIR:	Brown
HOME ADDRESS:	10349 Trailwood Ct Jupiter, FL 33478
FLORIDA D/L #:	L143457573770

Probable Cause Affidavit
Florida Department of Financial Services, Fraud Division ORI: FL0505200

Case Number: 19-5

Defendant: James Scott Lavold Race: W Sex: Male DOB: 10/17/1957

Height: 5'10" Weight: 250 Hair: Brown Eyes: Blue SSN: [redacted]

Florida Driver License: L143457573770 AKA: N/A

Address: 10349 Trailwood Court, Jupiter, FL 33478

Charge Description: Two Counts –Knowingly Present Fraudulent Written Statement FSS 440.105(4)(a)(1)
One Count – Working Without Workers' Comp Insurance FSS 440.105(4)(a)(3)

Victim: STATE OF FLORIDA

Before me this date, personally appeared Detective Angela Costello, who being first duly sworn deposes and says that from May 1st, 2018 to December 4th, 2018, at 3874 Kyoto Gardens, Palm Beach Gardens, FL, located in Palm Beach County, the above-named defendant committed the above offenses charged and the facts showing probable cause to believe same are as follows:

On December 4th, 2018, Compliance Investigators Michael Cicio and Caridad Rodriguez, from the Florida Division of Workers' Compensation, Bureau of Compliance, were conducting a compliance visit at a commercial construction site located at 3874 Kyoto Gardens, Palm Beach Gardens, FL. The purpose of this visit was to ascertain if the companies operating at the construction site where in compliance with the State of Florida Workers' Compensation Insurance Coverage requirements as described in FSS 440.38.

Compliance Investigator Cicio made contact with two subjects who were just finishing up applying fire-retardant material (fire-patching) to an area of the building. Cicio identified the subjects as Cameron Cunningham and Mike Lavold. Cunningham told Cicio that he had been working for JAMES S. LAVOLD, INC. for about one week and was paid via company check. M. Lavold stated he is the son of the business owner and has been working at the site for about one month. M. Lavold stated JAMES S.

LAVOLD, INC. is a subcontractor hired by GCC Building Co. to do fireproofing at the site. GCC Building Co. is a contractor for Divosta Investments, the builder.

Compliance Investigator Cicio checked (2) two different computer databases and confirmed that JAMES S. LAVOLD, INC. did not have a current workers' compensation insurance policy in place. Compliance Investigator Cicio then met with Project Manager Bobby Edwards (GCC Building Co.) at the jobsite. Edwards provided Cicio with a copy of a Certificate of Insurance (COI) that was on file for JAMES S. LAVOLD, INC. The COI listed workers' compensation policy No. NHFL0036592018 issued by Normandy Insurance, and showed the effective dates as 2/24/18 to 2/24/19.

At the site, Compliance Investigator Cicio received a phone call from James Lavold. Lavold admitted his company did not currently have workers' compensation coverage. Further, Lavold advised his son, Mike, was his employee and Cunningham was a friend of Mike's. Lavold stated he had provided his son with cash that would be used to pay for Cunningham's services. Lavold stated he had provided GCC Building Co. with an "expired" copy of the COI as proof of workers' compensation coverage. Compliance Investigator Cicio then issued JAMES S. LAVOLD, INC. a Stop Work Order (SWO) (# 18-300-D2) and provided a copy of the same to the general contractor representative, Bobby Edwards.

On January 3rd, 2019, Detectives Ed Goldbach and Scott Miller obtained a taped statement from James Lavold at the Division of Workers' Compensation, Bureau of Compliance, West Palm Beach office, where Lavold had voluntarily appeared to discuss the release of the SWO.

Lavold identified the COI obtained by Cicio from GCC Building Co., as the COI he had provided to Dan Eagle, Project Manager for GCC Building Co/Divosta Investments sometime in May of 2018, as proof of coverage. Lavold would not disclose how he obtained the altered certificate, and simply stated he had "pulled it" from his files. Lavold further stated he knew the certificate "was a problem" and admitted he did not have workers' compensation insurance while his employees performed services for GCC Building Co/Divosta Investments. Lavold stated his son was his employee and had brought a friend along to the construction site. Lavold stated he did not worry about the coverage as he initially thought he was going to perform the work at the site himself, but the job got delayed until October 2018.

Lavold stated he was aware Normandy Insurance had terminated his workers' compensation policy early in 2018 due to losses.

On January 4th, 2019, your Affiant obtained sworn, taped statements from insurance agents Joyce Hughes and Debbie Mullin with Insurance Services Agency, the producer listed on the altered COI presented by Lavold. Hughes stated her agency did not issue a policy covering JAMES S. LAVOLD, INC. for workers' compensation from 2/24/18 to 2/24/19, thus the COI was forged/altered. Mullin identified James Lavold from his DAVID photograph. Mullin pointed out several differences between an actual certificate issued by her agency and the fraudulent COI: An authentic COI will show on the right top-corner the initials of the operator who printed the certificate. In addition, it will always have a signature of a representative vs. a typed name at the bottom. Mullin further advised the name of the insured as shown on the fraudulent certificate, does not match the name of the insured as stored in their database. Mullin also pointed out that her agency has never issued an auto policy to Lavold as shown on the fraudulent certificate. Mullin stated her company never issued Lavold a COI naming Divosta Investments as the certificate holder.

On the same date, your Affiant met with Terry Lord - Divosta Investments Accounting Manager - to obtain a sworn taped statement. During the meeting, Lord pulled a copy of the COI contained within the JAMES S. LAVOLD, INC. subcontractor file. The copy of the certificate in the file did not match the copy of the certificate provided by GCC Building Co. to Cicio at the construction site. The COI Lord provided showed a different date on the top, a different certificate holder, different WC insurance policy number (NHFL0036592018) and a different description of operations. However, the workers' compensation policy insurer (Normandy), the producer of the policy (Insurance Services Agency) and the effective dates of coverage (2/24/18 to 2/24/19), were the same. The COI was also missing all the elements of an authentic certificate as pointed out by Mullin.

Lord stated that on or about August 23, 2018, the COI had been provided to Divosta Investments via mail, along with the contract executed by JAMES S. LAVOLD, INC. and other documents as required by Divosta for all subcontractors. Lord provided copies of emails she exchanged with Lavold regarding the contract and proof of coverage. Lord further stated Lavold would not have been allowed to perform work at the site and would not have received payment in absence of proof of workers' compensation coverage.

On January 7th, 2019, your Affiant received from Greta Cook, Underwriting Manager with Normandy Insurance, a copy of the termination notice sent on February 20, 2018 to JAMES S. LAVOLD, INC., advising the workers' compensation policy would be terminated on 4/24/18 and would not be renewed due to loss history. In addition, Cook provided an affidavit stating the COIs presented by Lavold were fraudulent since Normandy did not renew coverage for JAMES S. LAVOLD, INC. after April 24, 2018.

Your Affiant further states that she reviewed records contained within the Florida Department of State, Division of Corporations website (Sunbiz) for JAMES S. LAVOLD, INC. (FEI/ EIN 59-2494566) which revealed that this corporation was created on February 20, 1985. James S. Lavold is listed as the president and treasurer.

Your Affiant also reviewed the Coverage and Compliance Database (CCAS) which revealed that JAMES S. LAVOLD, INC. did not have workers' compensation insurance in effect on December 4th, 2018, but has been covered under seventeen different workers' compensation policies since 2003, all of which are now expired. In addition, the records also revealed that James S. Lavold has had nine workers' compensation exemptions in the past with a current exemption expiring on September 4th, 2019.

Your Affiant received an Affidavit dated January 29, 2018, from Gregory Mills, who is the Custodian of Records for the Workers' Compensation Bureau of Compliance. The records indicate that JAMES S. LAVOLD, INC. had a workers' compensation policy with Normandy Insurance Company, under policy # NHFL0036592017 effective April 24, 2017 to April 24, 2018. Records further indicate that this policy was terminated on April 24, 2018. Records also revealed that James S. Lavold has a current workers' compensation exemption effective August 8, 2017, expiring on September 4th, 2019. A State of Florida exemption is only valid for the person named in the exemption and does not exempt employees from workers' compensation coverage. The records further indicate that JAMES S. LAVOLD, INC. did not have workers' compensation insurance between April 25, 2018 and January 2nd, 2019.

Based on the information outlined above, it is the belief of your Affiant, there is probable cause to charge James S. Lavold with:

Two Counts – Knowingly Present Fraudulent Written Statement in violation of F.S.S. 440.105(4)(a)(1)

One Count – Working Without Workers' Comp Insurance in violation of F.S.S. 440.105(4)(a)(3)

I hereby swear and affirm that the above information did occur in Palm Beach County, Florida and is true and correct to the best of my knowledge and belief.

Costello #373 Dated 2/12/19

Angela Costello, DETECTIVE
Florida Department of Financial Services
Division of Investigative and Forensic Services
Bureau of Workers Compensation

Subscribed to and sworn before me this 12 **day of** Feb **2019, by, who is personally known to me.**

Law Enforcement Officer (F.S.S. 117.10)