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13

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA

15 COUNTY OF SAN MATEO

16

17 THE PEOPLE OF THE STATE OF
CALIFORNIA, ex rel., [UNDER SEAL],

18 Plaintiffs,

19 v.

20 [UNDER SEAL],

21 Defendants.

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Electronically
FILED
11/5/2023
by Superior Court of San Mateo County of San Mateo
ON
By /s/ Jennifer Torres
Deputy Clerk

Case No. 23-CIV-00025

DEMAND FOR JURY TRIAL

**COMPLAINT FOR VIOLATION OF
THE CALIFORNIA INSURANCE
FRAUDS PREVENTION ACT, CAL.
INS. CODE §§ 1871.7, et seq.**

**Filed In Camera and Under Seal
Pursuant to Cal. Ins. Code § 1871.7(e)(2)**

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13 *BRIAN WILLIAMS*

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 COUNTY OF SAN MATEO

17 THE PEOPLE OF THE STATE OF
CALIFORNIA, ex rel., BRIAN WILLIAMS,
18 Relator,

19 Plaintiffs,

20 v.

21 SAFELITE GROUP, INC., SAFELITE
FULFILLMENT, INC., d/b/a SAFELITE
22 AUTOGLASS, and SAFELITE SOLUTIONS
LLC,

23 Defendants.
24

Case No.

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1 Relator BRIAN WILLIAMS (“Williams” or “Relator”), on behalf of THE STATE OF
2 CALIFORNIA (“California”), states and alleges as follows:

3 **INTRODUCTION**

4 1. This is an action by Williams to recover damages and civil penalties on behalf of
5 the People of the State of California, arising from an insurance fraud scheme planned and carried
6 out by Defendants SAFELITE GROUP, INC. (“Safelite Group”), SAFELITE FULFILLMENT,
7 INC., doing business under its tradename SAFELITE AUTOGLASS (“Safelite AutoGlass”), and
8 SAFELITE SOLUTIONS LLC (“Safelite Solutions,” and with Safelite Group and Safelite
9 AutoGlass, “Safelite” or “Defendants”) involving the production of false and misleading bills to
10 insurance companies concerning a replacement part Safelite uses to repair automobile glass, as well
11 as for services that Defendants only provided for a small number of customers. As a direct result
12 of Defendants’ conduct, false and fraudulent claims have been made against consumers and
13 insurance policies issued by numerous insurance companies, including but not limited to GEICO,
14 Allstate Insurance Company, Nationwide Mutual Insurance Company, The Travelers Companies,
15 Inc., and Progressive Corporation. As a direct result of the Defendants’ conduct, insurance
16 companies and their policyholders have incurred substantial financial losses. Williams, therefore,
17 brings this action on behalf of the People of the State of California to recover monetary civil
18 penalties and assessments, and to enjoin, deter, and/or prevent Defendants from engaging in such
19 conduct in the future.

20 2. This Complaint arises from an investigation Williams initiated in the summer of
21 2019. As a result of his investigation, Williams uncovered an insurance fraud scheme that
22 originated from, and was planned and developed, by Defendants through their agents and carried
23 out by Defendants. In substance, the scheme involves the invoicing of automobile repair parts that
24 are misleading, false, and fraudulent, and knowing that such documentation would be submitted to
25 the insurance companies in support of claims made under the policies of insurance. Indeed,
26 although Defendants exuded the image that they were using the best parts available in the industry,
27 Defendants instead knowingly allowed employees to use parts of lesser quality while billing
28 insurance companies for the higher quality parts. The conduct of Defendants was undertaken with

1 the intent to deceive insurance carriers for financial gain and with a conscious disregard of the
2 rights of the insurance carriers and customers.

3 3. This Complaint also alleges false claims arising from a sanitization service
4 supposedly provided by Safelite and concocted in response to the COVID-19 pandemic, but, which
5 for the most part, never actually happened. Like its repair parts scheme, Defendants undertook this
6 arrangement with the intent to deceive insurance carriers for financial gain and with a conscious
7 disregard of the rights of the insurance carriers and customers.

8 4. Together, these schemes resulted in tens—if not hundreds—of millions of dollars in
9 overcharges to private insurers for claims filed in California alone; overcharges which have
10 undoubtedly been passed on to all Californians through increased premiums.

11 5. Williams is the original source for the information contained in this Complaint as it
12 relates to the fraudulent claims.

13 6. Insurance companies, the motoring public, and the State of California were and are
14 the direct victims of the illegal and fraudulent scheme conducted by Defendants.

15 7. Defendants have knowingly engaged in illegal and fraudulent practices since at least
16 2000. Defendants' conduct was and is in direct violation of California law including, but not limited
17 to, California Penal Code section 550 and the California Insurance Frauds Prevention Act,
18 including as codified in California Insurance Code section 1871, *et seq.*

19 8. At all times herein relevant Defendants engaged in the conduct herein alleged with
20 actual knowledge, and the intent to present or allowing to be presented false or fraudulent claims
21 for the payment of a loss or injury under a contract of insurance. Defendants prepared, made,
22 subscribed to writings, or allowed such writings to be presented to insurance companies in support
23 of false or fraudulent claims, knowing that the writings contained false, misleading and/or
24 improperly fabricated representations. In doing so, Defendants engaged in conduct for financial
25 gain.

26 9. Insurance Code section 1871.7 provides that anyone who violates Penal Code
27 section 550 is liable for a civil penalty of no less than \$5,000, and up to \$10,000, for each claim
28

1 plus an assessment up to three times the amount of the damages sustained by the victim in addition
2 to any other penalties that might be prescribed by law.

3 10. Section 1871.7 allows any interested person to bring a civil action for violation of
4 the section for that person and the State of California. Section 1871.7 requires a copy of the
5 Complaint and written disclosure of substantially all material evidence to be served on the San
6 Mateo County District Attorney and the Insurance Commissioner. The Complaint is also to be filed
7 in camera and under seal for 60 days to allow the government to conduct its own investigation
8 without the knowledge of Defendants, and to determine whether to join in this action.

9 11. Williams will comply with the requirements of Insurance Code section 1871.7.
10 Simultaneously with the filing of the original Complaint in this action, Williams will provide all
11 material information regarding the allegations contained in this original Complaint to the San
12 Mateo County District Attorney's Office and to the Insurance Commissioner of the State of
13 California. Williams will offer complete cooperation in any potential investigation initiated by the
14 one above-referenced government entities.

15 **JURISDICTION AND VENUE**

16 12. This is a civil action arising under the laws of the State of California to redress
17 violations of California law including but not limited to, Penal Code section 550 and the California
18 Insurance Frauds Prevention Act, codified as Insurance Code section 1871, *et seq.* This Court has
19 jurisdiction over the subject matter of this civil claim pursuant to the California Constitution article
20 VI, section 10, and Insurance Code section 1871.7.

21 13. Jurisdiction over the person and venue are proper in this District because Defendants
22 can be found in and transact business in San Mateo County. While in the County of San Mateo,
23 Defendants engaged in illegal and fraudulent conduct prohibited by Penal Code section 550 and
24 Insurance Code section 1871.7.

25 **THE PARTIES**

26 14. Relator BRIAN WILLIAMS is an individual residing in the State of Ohio. Williams
27 was first employed by Safelite AutoGlass in 2001 at one of its Contact Centers but left in mid-2002.
28 Williams returned to Safelite AutoGlass in 2013, and, between 2013 and 2020, would be promoted

1 to his ultimate role at Safelite AutoGlass as product development and strategy manager. Mr.
2 Williams earned multiple awards from Safelite AutoGlass for his role and contributions to the
3 company, including bringing in millions of dollars in revenue. In 2020, his role at Safelite having
4 been threatened due to the information he uncovered, Williams took the role of Strategic Products
5 Procurement Manager with Belron, Safelite's parent company. Williams left Belron in December
6 2021. It was in his positions at Safelite AutoGlass and at Belron that Williams developed direct,
7 and independent, knowledge of the facts set forth herein. Williams is thus the original source of the
8 facts and information set forth in this Complaint concerning the activities of Defendants. The facts
9 averred herein are based entirely upon his personal investigation, observation, and documents in
10 his possession. Williams brings this action as Relator on behalf of and for the benefit of the People
11 of the State of California under the provisions of Insurance Code section 1871.7(e)(1).

12 15. Defendant SAFELITE GROUP, INC., formerly known as Belron US, is a
13 corporation organized and existing under the laws of the State of Delaware with its principal place
14 of business in Columbus, Ohio. Safelite Group oversees and manages two subsidiaries – Safelite
15 AutoGlass and Safelite Solutions – which provide for auto glass repair and replacement, and
16 insurance claims management. Safelite Group is a subsidiary of Belron, an English company
17 headquartered in Egham, Surrey, United Kingdom.

18 16. Defendant SAFELITE FULFILLMENT, INC. is a corporation organized and
19 existing under the laws of the State of Delaware with its principal place of business in Columbus,
20 Ohio. Defendant Safelite Fulfillment, Inc. is better known by, and operates under the trade name,
21 Safelite AutoGlass. Safelite AutoGlass is the retail auto glass division of Safelite Group. Presenting
22 itself as the largest auto glass repair and replacement organization in the United States, Safelite
23 AutoGlass specializes in the repair and replacement of all types of vehicle glass damage.

24 17. Defendant SAFELITE SOLUTIONS LLC is a limited liability company organized
25 and existing under the laws of the State of Delaware with its principal place of business in
26 Columbus, Ohio. Defendant Safelite Solutions is the claims management operation division of
27 Safelite Group. Safelite Solutions provides claims management solutions and serves as the third-
28 party administrator of auto glass claims for more than 180 insurance and fleet companies. As third-

1 party administrator, Safelite Solutions regularly investigates and prosecutes fraudulent claims on
2 behalf of these insurance companies.

3 **ALLEGATIONS**

4 **I. MOLDINGS AND ILLEGAL BILLING OF REPLACEMENT PARTS**

5 18. Moldings (also spelled “mouldings”) are a rubber or plastic trim, most commonly
6 black in color, that usually run along either the top or the top and sides of, and at times even around,
7 the glass of a vehicle. Molding provides insulation and noise reduction while holding the window
8 in place securely and safely. The molding around the glass allows the auto glass to do its job by
9 shielding the vehicle passengers from wind, debris, rocks, and the like.

10 **A. ORIGINAL EQUIPMENT MANUFACTURER AND AFTERMARKET** 11 **MOLDING PARTS**

12 19. When the glass of an automobile is damaged and is brought into a shop for repair or
13 replacement, in addition to the glass that is replaced, the molding around the glass will also likely
14 be replaced because the molding has or will likely become warped in the process of replacing the
15 glass. Generally, there are two options available to the technician for replacing this part.

16 20. The first option is to use a molding from the original equipment manufacturer
17 (“OEM”). OEM parts are parts made by the vehicle’s manufacturer. These parts are made to
18 perfectly fit the specifications of the vehicle at issue. However, OEM parts are usually more
19 expensive, precisely because they were made for and thus fit perfectly on the vehicle at issue.

20 21. The second option is to use an aftermarket molding. Aftermarket parts are parts that
21 can be made either by a company other than the vehicle’s manufacturer or by the same factory that
22 sold parts to the vehicle’s maker. Aftermarket parts are produced at a high volume, are generally
23 cheaper, and tend to fit many different vehicles.

24 22. The selection of what type of part will be used for replacing that on the vehicle will
25 depend on the vehicle’s insurance policy. Because OEM parts are generally more expensive than
26 aftermarket parts, whether an insurance company will cover an OEM part in a claim will depend
27 on the language in the policy and any laws that may be in effect. If the insurance policy will only
28 cover for an aftermarket molding part and the holder of the policy decides to use an OEM molding

1 part for a repair, the policyholder may opt to pay the difference between the cost of aftermarket and
2 OEM parts.

3 **B. SAFELITE’S SOLUTION FOR ITS INVENTORY PROBLEM**

4 23. However, at Safelite AutoGlass, neither OEM nor aftermarket molding is being used
5 in many cases to replace the window molding on a damaged vehicle. Instead, technicians have been
6 using “universal” molding to replace the part specific molding on the vehicles brought in for repair.

7 24. Universal molding is generic, cheap rubber or plastic that may not be fit for the
8 purpose of what it is being used for. Upon information and belief, Safelite purchased universal
9 molding for approximately \$0.20/foot.

10 25. Even though they have access to vehicle-specific molding, Safelite technicians
11 around the country can choose what molding they will ultimately use on a vehicle. And although
12 OEM and aftermarket moldings are of better quality, technicians prefer using universal molding.

13 26. Technicians choose to use universal molding because it is easier and faster to use
14 than an OEM or aftermarket molding. Furthermore, because Safelite AutoGlass lacks any specific
15 processes and training for technicians, local technicians training other technicians likely teach them
16 to use universal molding instead of part-specific molding.

17 27. Unless specifically authorized, however, insurance companies generally will not pay
18 for universal moldings because they are not necessarily fit for the purpose that the OEM or
19 aftermarket moldings are specifically manufactured for. Indeed, insurance policies require the use
20 of either OEM or aftermarket parts for replacement purposes; universal moldings constitute neither.

21 28. Given Safelite’s knowledge that its technicians use universal moldings instead of
22 the part-specific moldings, but the insurance companies’ requirement that replacement parts either
23 be OEM or aftermarket parts, Safelite concocted a scheme to still get paid insurance rates regardless
24 of the part selected by its technicians.

25 29. Specifically, Dino Lanno, then Vice President of Supply Chain, and Paul Groves,
26 an Assistant Vice President for Inventory Management and Mr. Lanno’s protégé, caused to be
27 created and implemented programming to ensure that Safelite did not lose money when a technician
28 swapped out parts.

1 30. In particular, Safelite’s computer systems have been programmed to replace the
2 name of the OEM or aftermarket part with universal molding (called “FLEXIMOLD” on Safelite’s
3 billing system) while keeping the part specific number and/or part specific price of the OEM or
4 aftermarket part intact. In Safelite’s system, “FLEXIMOLD” does not have a rate because it does
5 not exist.

6 31. At the back end, Safelite’s billing system is programmed to remove any information
7 concerning the universal molding and to invoice with the part specific name and National Auto
8 Glass Specifications (“NAGS”) information. The price carries through and is billed to the insurance
9 company.

10 32. Thus, although Safelite’s technicians are using generic universal molding to replace
11 the molding on a vehicle instead of the part specific molding, Safelite Solutions systematically
12 “upcodes,” charging insurance companies the price of an OEM or aftermarket molding part.

13 33. Insurance companies do not know that they are being defrauded because Safelite
14 intentionally programmed its billing systems to hide any information regarding the use of
15 Fleximold. As a result, millions of claims have been paid out for these moldings at insurance rates,
16 even though many of those claims were fraudulently billed to the insurance companies and others.

17 34. Furthermore, because Safelite Solutions is also the third-party administrator for the
18 insurance companies, and itself regularly investigates and prosecutes claims of insurance fraud,
19 insurance companies trust Safelite and would have no reason to believe that Safelite itself
20 perpetuates insurance fraud. Indeed, while Safelite Solutions claims that it will prevent scams and
21 fraud, Safelite Solutions has turned a blind eye and has otherwise maintained Safelite AutoGlass’s
22 fraudulent activities.

23 **C. AUTOMOBILE PART REPLACEMENT AND BILLING WORKFLOW**

24 35. Safelite’s process of manipulating its billing systems to bill for an OEM or
25 aftermarket part while using universal molding, demonstrates the lengths Safelite went to hide the
26 issue from the insurance companies while, at the same time, obtaining a premium for its services.

27
28

1 36. When the glass of an automobile is damaged, and before or when the automobile is
2 brought in for repair, information is gathered by Safelite AutoGlass to determine what repairs
3 and/or replacements will be made to the vehicle.

4 37. Customer information is collected and received, and a job order is created. Safelite
5 AutoGlass’s computer systems will select the glass and corresponding molding(s) that are
6 necessary to repair the damaged vehicle glass.

7 38. However, while the technician will usually use the system-selected glass, the
8 molding used is frequently not be the system-ordered molding. Instead, technicians will use
9 universal molding. As described in the following section, depending on the workflow, the change
10 in the selection of the molding will either be (1) made automatically or (2) will be altered by the
11 technician handling the job order.

12 **1. “Auto Sub” Workflow**

13 39. In the “Auto Sub” workflow, there is an automatic substitution of the computer-
14 selected molding with universal molding.

15 40. Specifically, while the system will have selected the glass and corresponding
16 molding(s), the part specific molding that was selected is automatically suppressed. In its place
17 universal molding, named “FLEXIMOLD” in the system, is added.

18 41. The point of sales system automatically changes the part specific molding to
19 FLEXIMOLD. However, *the part specific number and the pricing of the part that it replaced*
20 *remain the same.*

21 42. The job order is then sent to the field and, if there are no issues with the order, the
22 field associate will route the job, including sending the job to the warehouse to obtain the needed
23 parts. Here, because the job requests “FLEXIMOLD,” the molding taken from the warehouse – or
24 already at the location – will be universal molding instead of the part-specific molding. The parts
25 and the job are then reviewed, and the job is then “checked out” for installation.

26 43. When the technician completes the install, the technician “checks in” the job for
27 review. The store manager will verify that the paperwork matches the point of sales information.
28 Once verified, the completed job is invoiced.

1 44. In the point of sales system, FLEXIMOLD shows as the part invoiced with the price
2 of previous part carried over. However, the invoice that is generated by the system will only include
3 the name of the original part-specific molding, based on the original part number that carried
4 through the system and via the NAGS catalog.

5 45. The invoice is then sent to the payer – usually the insurance company – for payment.

6 **2. “Tech Sub” Workflow**

7 46. In the “Tech Sub” workflow, the technician will essentially replace the part-specific
8 molding indicated by the system with universal molding.

9 47. The system will have selected the glass and corresponding molding(s), and the job
10 order is sent to the field.

11 48. If there are no issues with the order, the field associate will route the job, including
12 sending the job to the warehouse to obtain the needed parts. Here, the molding taken from the
13 warehouse will be the part-specific molding. The parts and the job are reviewed, and the job is then
14 “checked out” for installation.

15 49. However, the technician, instead of using the part specific molding brought from
16 the warehouse, will use universal molding on the vehicle. In some cases,¹ the technician will replace
17 the part specific molding in the system with FLEXIMOLD, using a specifically tailored “SUB with
18 FLEX” radio button. However, *the point of sales system will keep the price of the part specific*
19 *molding it replaced.* The part-specific molding will remain with the store or otherwise “travel”
20 around various stores; in some cases, the molding is thrown away.

21 50. When the technician completes the install, the technician “checks in” the job for
22 review. The store manager will verify that the paperwork matches the point of sales information.
23 Once verified, the completed job is invoiced.

24 51. In the point of sales system, FLEXIMOLD shows as the part invoiced, but with the
25 price of previous part carried over. However, the invoice that is generated by the system for

26 _____
27 ¹ In other cases, the technician uses universal molding, but never even bothers to change the part
28 specific molding in the system. These specific instances cannot be verified other than through
inspection of the vehicles. However, it is clear that this frequently occurs, as the amount of universal
molding purchased by Safelite from manufacturers far outstrips the amount of FLEXIMOLD
accounted for in the point-of-sale system.

1 transmittal to the payer will replace the name “FLEXIMOLD” with the name of the original part-
2 specific molding once it finds the corresponding information based on part number and via the
3 NAGS catalog.

4 52. The invoice is then sent to the payer – usually the insurance company – for payment.

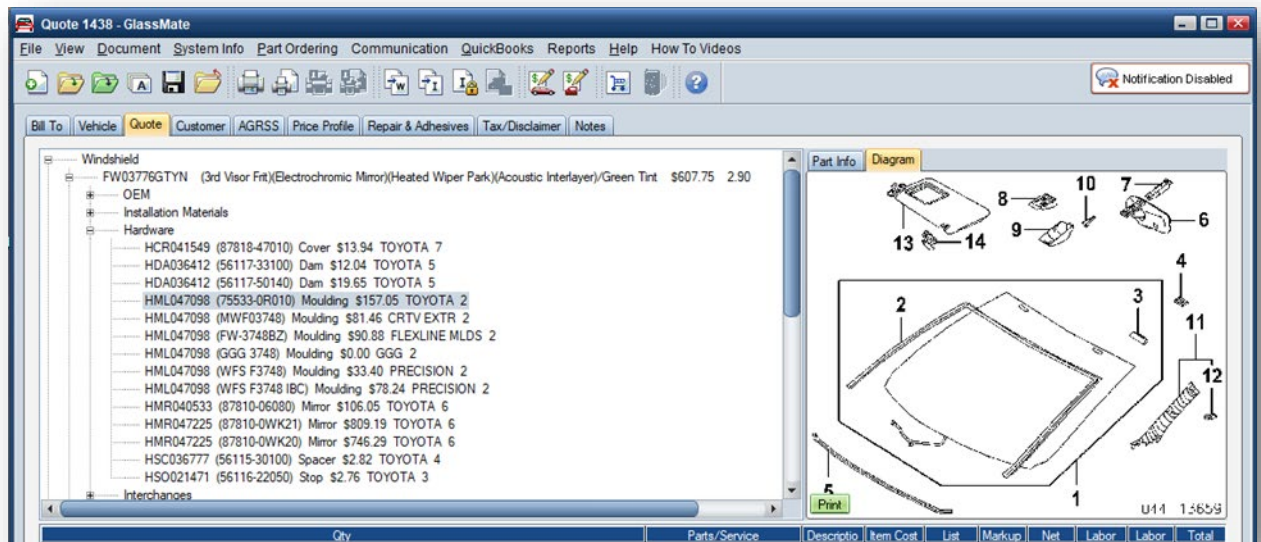
5 3. Example of Charges

6 53. In Safelite’s billing system, FLEXIMOLD does not even have a rate. When the
7 invoice is sent out for payment, the insurance company is charged at the rate set for the part-specific
8 molding that the universal molding replaced.

9 a. Example 1: Invoice 229967

10 54. For instance, concerning invoice 229967, Safelite’s client, Safeco Insurance, was
11 billed at \$157.05 to replace the windshield molding for a 2016 Toyota RAV 4. The part number
12 billed to the client was 75533-0R010, an OEM molding for the vehicle. However, FLEXIMOLD
13 was used instead of the OEM molding.

14 55. The following figure is a screenshot from the NAGS/GlassMate system, showing
15 the hardware parts that can be utilized for glass installation on a 2016 Toyota RAV 4.



26 56. In the NAGS system pictured above, the molding is identified with the number “2”
27 in the parts Diagram on the right side. The available molding varieties included on the parts list on
28

1 the left are also identified with the number “2” at the end of each listing. For this vehicle, there are
 2 thus 6 molding options in the NAGS system, starting with the highlighted entry. The unique NAGS
 3 part number for each option is listed within the parenthesis, followed by the part type (“Moulding”),
 4 the list price, and the manufacturer. The highlighted entry—the Toyota OEM option—is the most
 5 expensive of the six options.

6 57. As can be seen in the foregoing figure, FLEXIMOLD is not an option in the NAGS
 7 database. There is no NAGS part number or list price for FLEXIMOLD, because FLEXIMOLD or
 8 universal molding is not an approved NAGS part for any specific vehicle or application. In other
 9 words, universal molding is generally considered not suitable for most vehicles given the
 10 abundance of vehicle-specific molding available on the market. In rare circumstances, for unique
 11 vehicles, use of universal molding may be acceptable, but even then, would need to be billed based
 12 on the actual cost of the molding used, with supporting documentation.


13 58. The following figure is a screenshot from Safelite’s point of sale system for invoice
 14 229967, showing that FLEXIMOLD was used, but was billed to the insurer, Safeco, at the price for
 15 the most expensive molding option, the OEM part, at a rate of \$157.05.

Summary | Diary/Notes | Shop Approval Notes | Audit Log | Invoices | Documents | Pending Parts

Call Information
 Referral Number: 515180 | Referral Date: 12/8/2019 | Processed: Y
 Created: 12/8/2019 10:44 PM | Created By: WEB | Request Type: CQ [scripiling options](#)
 Last Updated: 12/9/2019 12:31 PM | Last Updated By: 853 | Referral Status: ORDER

Order Information
 Client Name: SAFECO INSURANCE - 408810 (INSURANCE) 1-800-862-6777
 Customer Name: JAAMOUR, RAMI
[contact info](#) | [billing info](#) | [agent info](#)

Dispatch Number: | WO Sent Status: Y | Order Status: ORDER
 Claim Number: 0415408750001 | Policy Number: A3084276 | PO Number:
 Fleet Unit Number: | Repair Deductible: \$ 500.00 | Replace Deductible: \$ 500.00
 Price Difference Amount: \$0.00 | Date Of Loss: 12/7/2019 | Quote Parts Amount: \$908.32
 Quote Tax Amount: \$90.84 | Quote Total Amount: \$999.16 | Accept Cash Quote: False
 Collection Amount: \$ 539.58 | Selected Quote Offer: | Type: INS RETAIL
 Reason Detail: | Provider Network: Safelite

Order Summary
 2016 TOYOTA RAV4 HYBRID 4 DOOR UTILITY
 VIN #: JTMDJREV5GD025843


Parts List: [\(More Info\)](#)

Glass / Part Type	Part #	SPS	Labor	Price
WINDSHIELD	FW04399GTYN	Y		\$465.29
ADAS RECALIBRATION	RECAL STATIC			\$250.00
WIPER	SBB16			\$17.99
WIPER	SBB26			\$17.99
MOULDING	FLEXIMOLD			\$157.05

Service Provider: 005045 - SAFELITE AUTOGLASS - RENTON, WA
 Provider Phone: Primary: (425) 228-4998
 Provider Address: 765 RAINIER AVE S RENTON, WA 98055
[Shop Info/Map](#)

Comments to Provider: . Part requires recalibration.

Work Order Information
 Work Order Number: 175633 | CTU Number: 01804 | Provider Number: 005045
 Job Status/Sub-status: Invoiced | Service Type: | Invoice Number: 229967

59. The following figure is a screenshot from the back-end audit log of Safelite's point of sale system for invoice 229967, showing that the Part Number field was changed from the OEM part number, 75533-0R010, to "FLEXIMOLD." The price, however, remained the same as the NAGS list price for the OEM part number.

US\Shane.Steele	12/9/2019 12:31:45 PM	UrethaneProductName		
US\Shane.Steele	12/9/2019 12:31:45 PM	ApprovalReason		
US\Shane.Steele	12/9/2019 12:31:45 PM	IsRemovable		True
US\Shane.Steele	12/9/2019 12:31:45 PM	PartPromoCode		
US\Shane.Steele	12/9/2019 12:31:45 PM	UrethaneLotNumber		
US\Shane.Steele	12/9/2019 12:31:45 PM	UrethaneBrandName		
US\Shane.Steele	12/9/2019 12:31:45 PM	UrethaneProductName		
US\Shane.Steele	12/9/2019 12:31:45 PM	ApprovalReason		
US\Shane.Steele	12/9/2019 12:31:45 PM	IsRemovable		True
US\Shane.Steele	12/9/2019 12:31:45 PM	PartPromoCode		
US\Shane.Steele	12/9/2019 12:31:45 PM	UrethaneLotNumber		
US\Shane.Steele	12/9/2019 12:31:45 PM	PartNumber	75533-0R010	FLEXIMOLD
US\Shane.Steele	12/9/2019 12:31:45 PM	UrethaneBrandName		
US\Shane.Steele	12/9/2019 12:31:45 PM	UrethaneProductName		
US\Shane.Steele	12/9/2019 12:31:45 PM	ApprovalReason		
US\Shane.Steele	12/9/2019 12:31:45 PM	IsRemovable		True
US\Shane.Steele	12/9/2019 12:31:45 PM	PartPromoCode		
US\Shane.Steele	12/9/2019 12:31:45 PM	ColorDifferenceCharge		0.00
US\Shane.Steele	12/9/2019 12:31:45 PM	AgentAccountNumber		656024
US\Shane.Steele	12/9/2019 12:31:45 PM	BusinessName		
US\Shane.Steele	12/9/2019 12:31:45 PM	AddressLine3		
US\Shane.Steele	12/9/2019 12:31:45 PM	IsRemovable		True
US\Shane.Steele	12/9/2019 12:31:45 PM	IsRemovable		True
US\Shane.Steele	12/9/2019 12:31:45 PM	IsRemovable		True
US\Shane.Steele	12/9/2019 12:31:45 PM	IsRemovable		True
US\Shane.Steele	12/9/2019 12:31:45 PM	IsRemovable		True

60. Finally, the figure below, a screengrab taken from Safelite's billing system, shows that the "Part Used" was FLEXIMOLD, but the "Part Billed" was the part number for the OEM molding. The "Part Used" field is not shared with the insurance company.

```

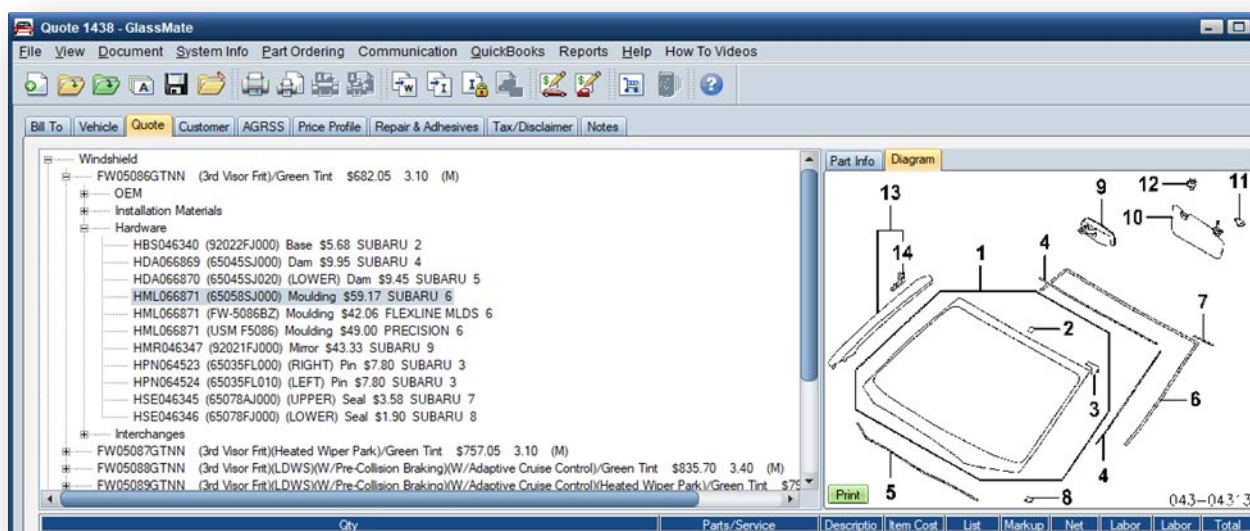
00 PS                INVOICE INQUIRY SCREEN                PSC1010 08
                    ADDITIONAL PARTS                    PSM1010  MAP4
INVOICE : 05045229967  TYPE: INVOICE    INSURED: JAAMOUR, RAMI
-----
PART USED: FLEXIMOLD          3/4
PART BILL: 75533-0R010      KIT: 2P:    NAGS HOURS: .0 INSTL FLAG: Y
INTERCHANGE: FLEXIMOLD      CNTL NO: 000000  RIB CODE: R  CAT CODE: 82  INV: N
PO: 000000  STORE  PCT      RIC  PCT      LIST STORE LIST HOST NAGS MLDG
PART $:      157.05  .0      157.05  .0      157.05      157.05  N
LABR $:       .00      .00      .00      .00      .00      .00  QTY: 1
KIT $:       .00      .00      .00      .00      .00      .00  COST: .00
-----
PART USED: LMESVCFULL-FEE  SELF SERVICE FULL LME
PART BILL: LABOR          KIT: 2P:    NAGS HOURS: .0 INSTL FLAG: N
INTERCHANGE: LABOR        CNTL NO: 0  RIB CODE: PF CAT CODE: 75  INV: N
PO: 000000  STORE  PCT      RIC  PCT      LIST STORE LIST HOST NAGS MLDG
PART $:       .00      .0      .00      .00      .00      .00  N
LABR $:      11.00      .00      .00      .00      .00      .00  QTY: 1
KIT $:       .00      .00      .00      .00      .00      .00  COST: .00
-----
PF1  PF2  PF3  PF4  PF5  PF7  PF8
HELP RETURN END COMMENTS REPRINTS PG BWD PG FWD
MORE PART RECORDS EXIST

```

1 **b. Example 2: Invoice 154185**

2 61. In another example, for invoice 154185, Safelite’s client, Farmers Insurance, was
3 billed at \$59.10 to replace the windshield molding for the 2019 Subaru Forester. The part number
4 billed to the client was 65058SJ000, an OEM molding for the vehicle. However, universal molding
5 – FLEXIMOLD – was used instead of the OEM molding.

6 62. The following figure is a screenshot from the NAGS/GlassMate system, showing
7 the hardware parts that can be utilized for glass installation on a 2019 Subaru Forester.



19 63. In the NAGS system pictured above, the molding is identified with the number “6”
20 in the parts Diagram on the right side. The available molding varieties included on the parts list on
21 the left are also identified with the number “6” at the end of each listing. For this vehicle, there are
22 thus 3 molding options in the NAGS system, starting with the highlighted entry. The unique NAGS
23 part number for each option is listed within the parenthesis, followed by the part type (“Moulding”),
24 the list price, and the manufacturer. The highlighted entry—the Subaru OEM option—is the most
25 expensive of the six options.

26 64. As can be seen in the foregoing figure, FLEXIMOLD is not an option in the NAGS
27 database. There is no NAGS part number or list price for FLEXIMOLD, because FLEXIMOLD or
28 universal molding is not an approved NAGS part for any specific vehicle or application. In other

1 words, universal molding is generally considered not suitable for most vehicles given the
 2 abundance of vehicle-specific molding available on the market. In rare circumstances, for unique
 3 vehicles, use of universal molding may be acceptable, but even then, would need to be billed based
 4 on the actual cost of the molding used, with supporting documentation.

5 65. The following figure is a screenshot from Safelite’s point of sale system for invoice
 6 154185, showing that FLEXIMOLD was used, but was billed to the insurer, Farmers Insurance, at
 7 the price for the most expensive molding option, the OEM part, at a rate of \$59.10.

The screenshot displays the Safelite point of sale system interface. The 'Parts List' table is as follows:

Glass / Part Type	Part #	SPS	Labor	Price
WINDSHIELD	FW05089GTNOEM N			\$910.76
ADAS RECALIBRATION	RECAL STATIC			\$250.00
MOULDING	FLEXIMOLD			\$59.10

The 'MOULDING FLEXIMOLD' row is circled in red. Other visible details include: Referral Number: 121201, Client Name: FARMERS INSURANCE - 200122 (INSURANCE), and Order Status: ORDER.

18 66. The following figure is a screenshot from the back-end audit log of Safelite’s point
 19 of sale system for invoice 154185, showing that the Part Number field was changed from the OEM
 20 part number, 65058SJ000, to “FLEXIMOLD.” The price, however, remained the same as the
 21 NAGS list price for the OEM part number.

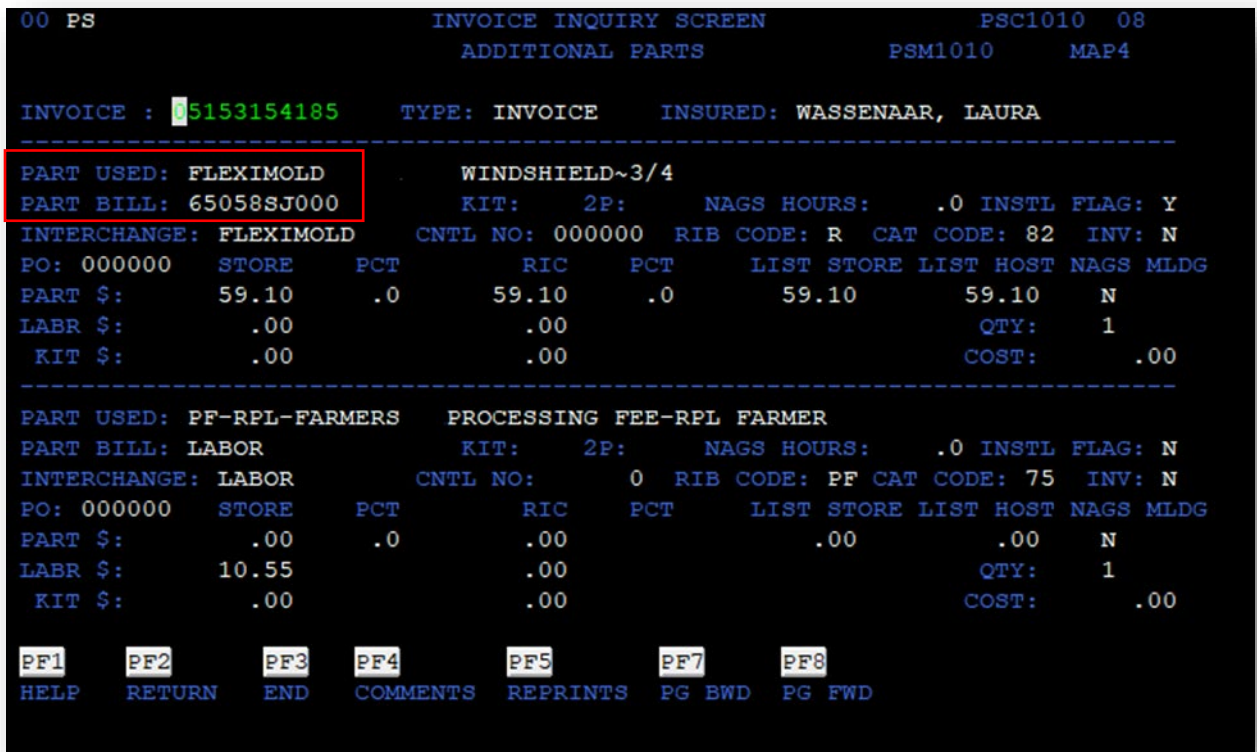
22 ///

23 ///

24 ///

Mrm.JobCompleteProcessor	12/14/2019 11:33:36 AM	UrethaneProductName	2 SikaTack Safe30W
Mrm.JobCompleteProcessor	12/14/2019 11:33:36 AM	IsUpsell	False
Mrm.JobCompleteProcessor	12/14/2019 11:33:36 AM	UrethaneLotNumber	
Mrm.JobCompleteProcessor	12/14/2019 11:33:36 AM	DOTNumber	
Mrm.JobCompleteProcessor	12/14/2019 11:33:36 AM	IsUpsell	False
US\Christopher.Quinn	12/14/2019 11:33:36 AM	PartNumber	65058SJ000
Mrm.JobCompleteProcessor	12/14/2019 11:33:36 AM	PartNumber	FLEXIMOLD
US\Shanon.Gardner	12/14/2019 11:40:04 AM	Amount	1292.81
US\Shanon.Gardner	12/14/2019 11:40:04 AM	Type	Account
US\Shanon.Gardner	12/14/2019 11:40:04 AM	CardType	
US\Shanon.Gardner	12/14/2019 11:40:04 AM	InvoiceNumber	
US\Shanon.Gardner	12/14/2019 11:40:05 AM	DiscountAmountReason	

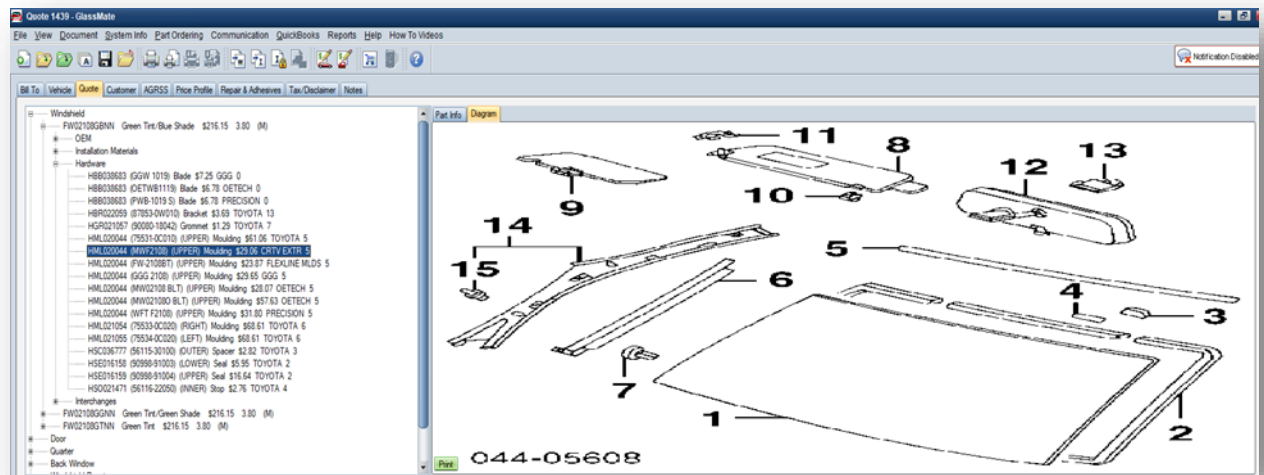
67. Finally, the figure below, a screengrab taken from Safelite’s billing system, shows that the “Part Used” was FLEXIMOLD, but the “Part Billed” was the part number for the OEM molding. The “Part Used” field is not shared with the insurance company.



c. Example 3: Invoice 568839

68. For invoice 568839, Safelite’s client, State Farm Insurance, was billed at \$29.06 to replace the windshield molding for the 2000 Toyota Tundra. The part number billed to the client was MWF2108, an aftermarket part-specific molding for the vehicle. However, universal molding – FLEXIMOLD – was used instead of the aftermarket part-specific molding.

1 69. The following figure is a screenshot from the NAGS/GlassMate system, showing
2 the hardware parts that can be utilized for glass installation on a 2000 Toyota Tundra.



70. In the NAGS database pictured above, the upper molding is identified with the number “5” in the parts Diagram on the right side. The available molding varieties included on the parts list on the left are also identified with the number “5” at the end of each listing. For this vehicle, there are thus 7 upper molding options in the NAGS system. The unique NAGS part number for each option is listed within the parenthesis, followed by the part type (“(UPPER Moulding”), the list price, and the manufacturer.

71. As can be seen in the foregoing figure, FLEXIMOLD is not an option in the NAGS database. There is no NAGS part number or list price for FLEXIMOLD, because FLEXIMOLD or universal molding is not an approved NAGS part for any specific vehicle or application. In other words, universal molding is generally considered not suitable for most vehicles given the abundance of vehicle-specific molding available on the market. In rare circumstances, for unique vehicles, use of universal molding may be acceptable, but even then, would need to be billed based on the actual cost of the molding used, with supporting documentation.

72. The following figure is a screenshot from Safelite's point of sale system for invoice 568839, showing that FLEXIMOLD was used, but was billed to the insurer, State Farm Insurance, at the price for the aftermarket part, at a rate of \$29.06.

The screenshot displays the Safelite point of sale system interface. The 'Parts List' table is as follows:

Glass / Part Type	Part #	SPS	Labor	Price
MW02108	FW02108 GGN			\$30.125
MOULDING	FLEXIMOLD			\$29.06

The 'MOULDING FLEXIMOLD' row is circled in red. Other sections include 'Call Information', 'Order Information', 'Work Order Information', and 'Order Summary'.

73. The following figure is a screenshot from the back-end audit log of Safelite's point of sale system for invoice 568839, showing that the Part Number field was changed from the aftermarket part number, MWF2108, to "FLEXIMOLD." The price, however, remained the same as the NAGS list price for the aftermarket part number.

Audit Log				
Last Upd By	Last Upd	Data Field	Original Value	New Value
USAdelina.Torrez	12/3/2019 5:39:00 PM	PartNumber		FW02108 GGN
USAdelina.Torrez	12/3/2019 5:39:00 PM	PartNumber		MWF2108
USAdelina.Torrez	12/3/2019 5:39:00 PM	PartNumber	MWF2108	FLEXIMOLD
USAdelina.Torrez	12/3/2019 5:39:00 PM	PartCode	M	F
USAdelina.Torrez	12/3/2019 5:39:00 PM	CollectionAmount		0.00
USAdelina.Torrez	12/3/2019 5:39:00 PM	SubStatus	NOSUBSTATUS	NoSubStatus
USAdelina.Torrez	12/3/2019 5:39:00 PM	TechnicianID		UNROUTED
USAdelina.Torrez	12/3/2019 5:39:00 PM	DateScheduled		12/3/2019 5:38:59 PM
USAdelina.Torrez	12/3/2019 5:39:00 PM	ParentAccountType	0	16
USAdelina.Torrez	12/3/2019 5:39:00 PM	IsSabrixTaxed	False	True
USAdelina.Torrez	12/3/2019 5:39:00 PM	WasScheduled	False	True

1 74. Finally, the figure below, a screengrab taken from Safelite's billing system, shows
2 that the "Part Used" was FLEXIMOLD, but the "Part Billed" was the part number for the
3 aftermarket molding. The "Part Used" field is not shared with the insurance company.

```
00 PS                INVOICE INQUIRY SCREEN                PSC1010 08
                    ADDITIONAL PARTS                PSM1010  MAP4

INVOICE : 1826568839  TYPE: INVOICE    INSURED: MORGAN, MICHAEL
-----
PART USED: FW02108 GGN      SOLAR
PART BILL: FW02108 GGN      KIT: T2 2P:      NAGS HOURS: 3.8 INSTL FLAG: Y
INTERCHANGE: FW02108 GGN  CNTL NO: 838607  RIB CODE: D  CAT CODE: 21  INV: Y
PO: 137020  STORE  PCT      RIC      PCT      LIST STORE LIST HOST NAGS MLDG
PART $:    133.55  38.0    133.55  38.0    215.40    216.15    Y
LABR $:    148.20                148.20                QTY:    1
KIT $:     20.00                20.00                COST:   32.43
-----
PART USED: FLEXIMOLD      UPPER
PART BILL: MWF2108      KIT: 2P:      NAGS HOURS: .0 INSTL FLAG: Y
INTERCHANGE: FLEXIMOLD  CNTL NO: 000000  RIB CODE: R  CAT CODE: 82  INV: N
PO: 000000  STORE  PCT      RIC      PCT      LIST STORE LIST HOST NAGS MLDG
PART $:    29.06  .0    29.06  .0    29.06    29.06    N
LABR $:     .00                .00                QTY:    1
KIT $:     .00                .00                COST:   .00

PF1 PF2 PF3 PF4 PF5 PF7 PF8
HELP RETURN END COMMENTS REPRINTS PG BWD PG FWD
```

14
15
16
17
18 75. In each of the above cases, universal molding automatically replaced the part-
19 specific molding. However, the part number and the price for the original part remained the same
20 and was carried through for invoicing and payment. Similarly, in cases where the technician
21 replaced the part-specific molding with universal molding, the price of part-specific molding is
22 invoiced to the client.

23 76. From at least 2015 through 2020, Safelite engaged in this practice of using universal
24 molding but charged insurance companies and others for part-specific molding on over 1 million
25 vehicles. In 2019 and 2020 alone, Safelite charged insurance companies and others for part-specific
26 molding, but used universal molding to outfit the vehicles, for over 255,000 vehicles, over 13,850
27 of which were for vehicles whose glass was replaced in California.
28

1 77. For the vast majority of insurance companies that Safelite did business with, the
2 amount Safelite charged was the amount it was paid. In other words, when Safelite charged for
3 part-specific molding despite using universal molding, it was paid the part-specific molding list
4 price from NAGS. With GEICO – Safelite’s largest client – it had a contractual agreement up until
5 2020 that gave GEICO a substantial discount on parts. However, Safelite’s agreement with GEICO
6 is no longer in effect, and, as such, GEICO is also being charged the full amount of the part-specific
7 molding.

8 78. Safelite continued to engage in the same practice in 2021, using universal molding
9 instead of part-specific molding on numerous vehicles in California. And, upon information and
10 belief, Safelite continues to charge for part-specific molding, although its technicians use universal
11 molding in place of the part-specific molding.

12 **D. HOW SAFELITE’S FRAUDULENT ACTIONS CAME TO LIGHT**

13 79. In the summer of 2019, as part of his job as product development and strategy
14 manager, Relator was reviewing the purchases and sales of products at Safelite AutoGlass when he
15 noticed discrepancies between molding purchases, usage, and sales. Specifically, Relator noticed
16 that Safelite AutoGlass was only billing universal molding for approximately half of what was
17 being purchased by Safelite AutoGlass. Similarly, Relator noticed that while there were sales for a
18 number of other moldings, Safelite AutoGlass’s purchases for those same moldings were for less
19 than what was sold.

20 80. Relator pulled whatever data he was able to find and spoke with some technicians
21 about his concerns. Relator found out that the technicians were free to use whatever molding they
22 wanted, and, in many cases, they did use universal molding instead of the part-specific molding for
23 the vehicle. But the point of sales system would charge the universal molding at the same amount
24 for the part the technician substituted.

25 81. Between August and September 2019, Relator investigated the situation by
26 accessing audit logs in the point of sales system and information from Safelite’s backend
27 mainframe. In reviewing information from the mainframe, Relator found out that while a technician
28 would use FLEXIMOLD as the part, the part billed would be the dealer part that was removed from

1 the work order and not installed on the vehicle. Safelite's mainframe developer, Randy McCombs,
2 stated that it had been happening this way for as long as he had been with the company, which was,
3 at the time, for over 20 years.

4 82. In late September 2019-early October 2019, Relator met with various company
5 executives to discuss his findings, including Steve Miggo, the Chief Operating Officer of Safelite
6 AutoGlass and Relator's direct manager. Mr. Miggo agreed that it was important to get to the
7 bottom of this issue before raising any alarms. Relator was instructed to continue investigating the
8 issue, which at that point also involved David Cook, a finance director assigned to Relator as part
9 of the Supply Chain Department, to mine Safelite's data.

10 83. From a review of the data put together by Mr. Cook, Relator found out that Safelite
11 AutoGlass was systematically billing for OEM or aftermarket parts when universal moldings were
12 actually used in their place. Furthermore, the data showed that this sort of billing was happening
13 across all insurance clients and customers billed via account, including government agencies,
14 commercial accounts, and fleet accounts.

15 84. In November 2019, Relator sought billing information from Precilla Jackson, an
16 analyst at Safelite Solutions. Ms. Jackson created a program that allowed her to pull and compile a
17 report of 2019 year-to-date parts that were used versus the parts that were billed for all moldings.
18 Ms. Jackson's information confirmed that numerous insurance invoices were sent out that billed
19 the original pricing for moldings, but where technicians actually used universal molding. Ms.
20 Jackson caused to set up a script in Safelite's internal system that allowed Relator to create similar
21 reports, which Relator used to compile reports for 2015-2018 and 2020.

22 85. Having confirmed his suspicions, Relator then went over his findings with Mr.
23 Miggo, who seemed concerned and indicated that it was "disturbing" that this was happening. Mr.
24 Miggo asked Relator to "stop digging" until the "appropriate" people were contacted. Relator
25 asked, and Mr. Miggo agreed, that he should speak with Jon Cardi, the then Senior Vice President,
26 Strategic Client Sales and Support, at Safelite Solutions, for guidance.

27 86. In late November-early December 2019, Relator met with Mr. Cardi and relayed to
28 him his findings. Mr. Cardi became visibly upset upon hearing Relator's research to date. Mr. Cardi

1 agreed that the next steps were for Relator to finish his investigation and, thereafter, to meet with a
2 larger group to review his findings, assess the risk, and decide how to fix the issue. Although he
3 appeared interested in fixing the problem going forward, Mr. Cardi expressly indicated that the
4 company would not provide any compensation for their years of overbilling, stating “we aren’t
5 going to go backwards.”

6 87. Relator met with Mr. Miggo to debrief his meeting with Mr. Cardi. Mr. Miggo asked
7 Relator to finish his report and to schedule the larger meeting to discuss the problem. Mr. Miggo
8 also indicated that he would update Renee Cacchillo. Ms. Cacchillo was, at the time, the Chief
9 Customer Experience Officer for Safelite. Ms. Cacchillo is currently Safelite’s President and CEO.

10 88. After further meetings through January 2020, Relator was tasked with attempting to
11 fix the overbilling scheme.

12 89. Also in January 2020, Relator spoke with Mr. Miggo, who indicated his surprise “at
13 how cavalier [Safelite] Solutions is about the issue.” Relator also spoke with Tim Spencer, who
14 was then Chief Financial Officer of Safelite AutoGlass. Mr. Spencer pointed out that something
15 similar had happened in the United Kingdom and, after an insurance company found out what had
16 happened, the UK team stopped engaging in this practice.²

17 90. On January 23, 2020, Relator reached out to the Safelite Solutions’s billing team to
18 obtain more information on how the universal moldings were being billed so that he could use that
19 information to try to fix the problem. In an email conversation with Denise Shoopman, the billing
20 manager at Safelite Solutions, Relator found out that when Safelite used universal molding for
21 vehicles insured by State Farm Insurance,³ “[w]e do not bill FLEXIMOLD to Lynx Quest
22 Commerce [State Farm’s Third-Party Administrator] as they require POPs [proof of purchases].
23 Many times, I believe we just select another less expensive molding that we know we can get paid

24 ² Unlike in the UK, where the billing is made directly to the insurance company, here, Safelite
25 Solutions serves as the third-party administrator and intermediary between Safelite AutoGlass
26 and the insurance company. And since Safelite Solutions is the intermediary and bills the
27 insurance companies itself, and is further the investigator of insurance fraud, insurance companies
28 would have no reason to believe that Safelite was itself committing fraud.

³ Unlike some 85% of insurance companies which use Safelite Solutions as its third-party
administrator, State Farm Insurance – the largest insurer of vehicles – uses the services of Lynx
Quest Commerce as its third-party administrator.

1 on.” Upon receiving that email, Relator spoke with Ms. Shoopman, who told him that a “former
2 executive” had instructed them to bill for the original part. Relator further found out that this billing
3 practice had been happening for years.

4 91. Between the end of January 2020 and March 2020, Relator engaged Safelite’s IT
5 department to try to find a fix for billing moldings. The team was able to come up with a partial
6 solution that would block dealer parts from being billed incorrectly, but it would also prevent any
7 billing for those parts (i.e., in the rare cases where the dealer parts were actually used, they could
8 not be billed). This solution only fixed approximately 5% of the issue but dealt with the highest
9 dollar amounts. Relator reported this back to the group and included in his report that he would
10 continue working on a longer-term solution. No one in the group objected.

11 92. Upon information and belief, Po-Wen Shi, a member of Safelite’s IT department
12 who was involved in helping Relator with the fix, was also relaying information and updates to Ms.
13 Cacchillo concerning this fix.

14 93. In March 2020, in an attempt to silence him and stop his work attempting to fix the
15 scheme, Relator was furloughed by Safelite for four months without pay or a specified return date.
16 The reason given by Safelite for Relator’s furlough was COVID. Relator found out that he was the
17 only management person in the supply chain to be furloughed. Relator was not provided a salary
18 during the period in which he was furloughed.

19 94. In May 2020, Relator was informed by a colleague at Safelite that he was to be
20 terminated. However, Relator was ultimately not fired; instead, he was contacted in late June 2020
21 by Mr. Miggo, who informed him that Relator would be returning in July 2020 and would be
22 reporting to Mr. Lanno instead of Mr. Miggo.

23 95. Prior to Relator’s return, Mr. Lanno contacted Relator to inform him that his job
24 duties would be changing, even though Relator’s work had helped Safelite bring in millions of
25 dollars in revenue. Upon Relator’s request for more information, Mr. Lanno was unable to provide
26 anything further.

27 96. When Relator returned to work in July 2020, Relator spoke with Mr. Lanno to
28 discuss Relator’s open projects, including the project to fix the billing issue. That was when Mr.

1 Lanno informed Relator that he and Mr. Groves had “put that in place years ago and it is fine as it
2 is.” Mr. Lanno further informed Relator that the programming was implemented to help with
3 inventory and to ensure that Safelite did not lose money when a technician swapped out parts. When
4 Relator indicated that he should talk to Mr. Miggo about what he had just learned, Mr. Lanno
5 threatened Relator, indicating that his career would “end up in the ditch.”

6 97. Relator spoke with Mr. Miggo the next day about Mr. Lanno’s plans and asked
7 whether Mr. Miggo still wanted Relator to fix the universal molding billing issues. Relator did not
8 inform Mr. Miggo that Mr. Lanno had created the issue in the first instance or that he had threatened
9 Relator’s job. Mr. Miggo indicated that Relator should continue working on a fix and speak again
10 with Mr. Lanno about fixing this issue.

11 98. Relator again reached out to Mr. Lanno to try to discuss Relator’s projects as well
12 as the billing issue. Mr. Lanno became agitated and rambled on about the fact that the “FBI” would
13 get involved and that it would only become a huge problem for Safelite.

14 99. On July 15, 2020, Mr. Lanno emailed Relator, stating that he had met with Mr.
15 Miggo, Mr. Spencer, and Mr. Cardi, and that they had decided that the FLEXIMOLD billing project
16 was not a priority, and that Relator should stop working on it. Mr. Lanno also asked Relator to send
17 a note to everyone involved that Relator was going to stop working on the project. Relator
18 responded with concern and refused to send the note. Relator indicated that Mr. Lanno could send
19 the note in his stead.

20 100. Relator met with Mr. Miggo in person about the email that Mr. Lanno sent. Mr.
21 Miggo responded that Mr. Lanno did not reach out to him and that he did not know what Mr. Lanno
22 was talking about. Nonetheless, Mr. Miggo noted that the problem still needed to be fixed.

23 101. On or about August 20, 2020, Mr. Lanno discussed with Relator his future with
24 Safelite. Mr. Lanno gave Relator two options. Relator could work on a team that he did not have a
25 good relationship with and for an individual who was at the same management level as Relator.
26 The other option was for Relator to apply for a role with Belron. Because Relator had three young
27 children at home, and because the first option was essentially a demotion, Relator chose to pursue
28 the job with Belron.

1 102. Relator again met with Mr. Miggo to discuss his transition and to review the
2 FLEXIMOLD billing project. Mr. Miggo agreed that Relator should continue working on it, and
3 Relator agreed to finish the project. Relator's new manager at Belron, Rolando Herrera, agreed and
4 allowed Relator to continue working on the issue.

5 103. Between October 2020 and April 2021, multiple meetings were held with the
6 Safelite supply chain team and a few others to discuss a long-term fix. Many of the people who
7 were on the team were Mr. Lanno's subordinates. Thus, as more people were added, the project
8 became difficult to manage as the team brought up roadblock after roadblock. Even though Relator
9 was now Strategic Products Procurement Manager with Belron, Safelite's parent company, Relator
10 was unable to cause any changes to the billing practice.

11 104. On or about April 22, 2021, Relator escalated the matter to Tom Feeney, the then
12 CEO of Safelite. Relator met with Mr. Feeney multiple times that day. The first time Relator met
13 with Mr. Feeney individually to inform him about Relator's findings. Later that day, Relator met
14 with Mr. Feeney and Mr. Spencer to discuss the issue. Mr. Spencer had thought that the issue had
15 been resolved, but Mr. Spencer agreed that the billing issue needed to be fixed as soon as possible.
16 Mr. Spencer committed to putting a team of executives together to fix the issue, and that Kathy
17 Paskvan, a Safelite Vice President and its Controller, would lead the group.

18 105. The next day, on or about April 23, 2021, Relator met with Ms. Paskvan as well as
19 with Dan Loyal, Vice President of Operations, Chad Flowers, Vice President of Operations,
20 Roxanne Wilson, Senior Vice President of Risk, and Ben Naylor, Vice President of Information
21 Technology, to bring everyone up to speed and to give Relator an opportunity to review the issue
22 and to provide a potential long-term fix to the problem.

23 106. The group worked on the issue through June 30, 2021. But there was no mention of
24 notifying past customers or paying anything back to the customers, and Relator continued to
25 encounter roadblocks. Thus, Relator brought his concerns to Belron management. Belron
26 management initiated an internal investigation of Safelite's billing practices.

1 **E. SAFELITE’S ALLEGED INTERNAL INVESTIGATION AND**
2 **AFTERMATH**

3 107. At the end of November 2021, Relator was contacted by Johnny Vorce, the Global
4 Head of Risk Management for Belron. Relator was asked to fly to Orlando on short notice for a
5 meeting about the investigation. The meeting included Belron’s outside counsel.

6 108. Shortly following that meeting, as it became clear to Relator that after two years of
7 attempts to bring attention and solutions to the problem, Defendants had little interest in actually
8 stopping the schemes, Relator resigned from Belron on or about December 10, 2021.

9 109. Upon information and belief, Safelite continues to bill insurance companies for parts
10 that it did not actually use on the vehicle.

11 **II. SAFELITE’S CARE AND CLEAN SERVICE SCHEME**

12 110. As part of its response to the COVID-19 pandemic, Safelite implemented a Care and
13 Clean service (“ECTC Service”) in or about April 2020.

14 111. The ECTC Service provided that Safelite AutoGlass’s technicians would utilize
15 special sanitation wipes to clean the vehicle before beginning a job and cleaning the vehicle prior
16 to returning the vehicle to its owner.

17 112. Although Safelite could not sell the service to customers who self-paid, Safelite was
18 able to sell the ECTC Service to the insurance companies as an additional service for a fee. Upon
19 information and belief, insurance companies were charged approximately \$30 for the service.

20 113. According to internal Safelite documents, the ECTC service required the use of at
21 least four disinfecting wipes on each vehicle: “[t]wo wipes should be used when beginning a job,
22 and two wipes once the job has been completed.” the company data, however, shows that wipes
23 were not being used.

24 114. Specifically, in a Microsoft Excel spreadsheet that covered the last four months of
25 2020, Safelite noted that while there should have been a need for 7,996,980 wipes throughout the
26 United States, only 2,240,910 were sent, i.e., “the amount of product billed out from warehouses to
27 their retail locations.” In California, while there should have been a need for 483,784 wipes (for
28

1 Bakersfield, San Diego, San Francisco, Sacramento, and Pasadena), only 25,320 were billed out
2 from warehouses.

3 115. Even though Safelite’s technicians did not sanitize the vehicles either before or after
4 a job for a majority of the vehicles at issue, Safelite nonetheless billed insurance companies for the
5 ECTC Service.

6 116. Upon information and belief, Safelite ended the ECTC Service in or around May
7 2021, having charged for this service on approximately 2.5 million insurance-related jobs. In turn,
8 the service generated approximately \$70 million in revenue for Safelite. However, Safelite never
9 reimbursed the insurance companies where the service never happened.

10 117. At the same time, upon information and belief, Safelite blocked other companies
11 that provide glass replacement services from obtaining reimbursement for similar sanitation
12 services.

13 **FIRST CLAIM FOR RELIEF**
14 **(California Insurance Frauds Prevention Act – Cal. Ins. Code § 1871.7**
15 **Alleged Against Defendants by People of California *ex rel.* Williams)**

16 118. Williams re-alleges and incorporates herein by reference each and every allegation
17 contained in the proceeding paragraphs as though set forth in full herein.

18 119. This is a claim for penalties and assessments under the Insurance Frauds Prevention
19 Act, California Insurance Code section 1871.7.

20 120. By virtue of the conduct alleged herein, Defendants, and each of them, have
21 repeatedly violated California Penal Code section 550 by engaging in the following prohibited acts
22 or conduct:

23 A. Knowingly presenting or causing to be presented false or fraudulent claims
24 for the payment of a loss of injury under a contract of insurance; and/or

25 B. Knowingly making or causing to be made false or fraudulent claims for
26 payment of a benefit; and/or

27 C. Presenting or causing to be presented written or oral statements as part of, or
28 in support of claims for payment or other benefit pursuant to an insurance policy, knowing that the
statement contains false or misleading information concerning material facts; and/or

1 D. Preparing or making any written or oral statements that are intended to be
2 presented to an insurer in connection with, or in support of, claims or benefit pursuant to an
3 insurance policy, knowing that the statements contain false or misleading information concerning
4 material facts.

5 121. As a result of such conduct on the part of Defendants, insurance companies and
6 consumers have been damaged in substantial amounts, and are entitled to penalties and assessments
7 for each violation of Penal Code section 550 in accordance with Insurance Code section 1871.7, to
8 be determined at trial.

9 122. Further, injunctive relief, including a preliminary injunction, is warranted to prohibit
10 Defendants from engaging in conduct that violates Penal Code section 550 and Insurance Code
11 section 1871.7.

12 **PRAYER FOR RELIEF**

13 WHEREFORE, Relator prays for judgment against Defendants, in an amount to be proven
14 at trial, as follows:

15 1. For civil penalties of \$10,000 be imposed for each and every fraudulent claim
16 Defendants presented or caused to be presented to an insurance company or a consumer;

17 2. For an assessment sufficient to disgorge its unlawful profit and provide restitution
18 for its fraudulent conduct;

19 3. For treble the amount of the assessment;

20 4. For pre- and post-judgment interest, along with attorney's fees, costs, and expenses
21 necessarily incurred in bringing and pressing this case;

22 5. For an injunction prohibiting Defendants from violating California Penal Code
23 section 550 and Insurance Code section 1781.7;

24 6. For Relator to be awarded the maximum percentage of any recovery allowed to him;
25 and

26 7. For such other further relief as the Court may deem just and proper.
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DEMAND FOR JURY TRIAL

Relator hereby demands trial by jury as to all issues so triable.

Dated: December 30, 2022

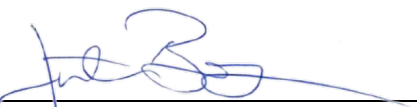
Respectfully submitted,

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