California employers have a legal obligation to provide and maintain a safe workplace for employees. Failing to provide a safe workplace can result in the issuance of citations for alleged violations of occupational safety and health regulations.serious violations can carry penalties up to $25,000 each. willful, serious violations can carry penalties up to $70,000 each. in addition, Cal/OSHA has the authority to shut down dangerous equipment and job sites, and may refer cases to district attorneys for criminal prosecution in flagrant cases. Free resources are available to assist employers with compliance on workplace safety and health regulation. The Cal/OSHA Consultation Service provides on-site visits and compliance assistance including phone support, education outreach, and publications. Contact Cal/OSHA at 800-963-9424 or access the Cal/OSHA website at www.dir.ca.gov. To locate Cal/OSHA Consultation Service area offices, access the Cal/OSHA website at www.dir.ca.gov/dosh/consultation_offices.html.
Under California law, anyone selling tangible, personal property in California must obtain a seller's permit. Sellers of cigarette or tobacco products in California also must obtain a license prior to selling these products.

**Sales Tax**
It is illegal to engage in business without a seller's permit or after a permit has been suspended or revoked. Violators may be subject to:

- Misdemeanor fines up to $5,000 and/or up to one (1) year in county jail.

**Cigarette and Tobacco License**
It is illegal to sell cigarettes or tobacco products in this state without a license or after a license has been suspended or revoked under the California Cigarette and Tobacco Products Licensing Act of 2003. Violators may be subject to:

- Seizure of your cigarettes and/or tobacco products.
- Misdemeanor fines up to five (5) times the retail value of the seized cigarettes or tobacco products or $5,000, whichever is greater, and/or up to one (1) year in county jail.

Individuals found evading business taxes in excess of $25,000 in a 12-month period may be subject to felony prosecution.

Contact the BOE Tax Evasion Hotline at 888-334-3300.

For questions, call the BOE Taxpayer’s Information Section at 800-400-7115 or access the BOE website at www.boe.ca.gov.

The CSLB licenses California’s 300,000 contractors and regulates the construction industry.

Under California law, all home improvement or construction work valued at $500 or more must be performed by a CSLB-licensed contractor.

Contracting without a license is illegal.

- The first offense for misdemeanor unlicensed activity carries a maximum of six (6) months in county jail or an administrative fine up to $5,000.
- A second violation carries a mandatory 90 day county jail sentence in addition to fines.
- Third and subsequent convictions carry a mandatory fine of $5,000 to $10,000 (or 20 percent of the contract price), and 90 days to one (1) year in county jail.

For questions, or to report unlicensed activity, call the CSLB Statewide Investigative Fraud Team:

- Northern California: 916-255-2924
- Central California: 559-490-0581
- Southern California: 562-345-7600

Contact CSLB at 800-321-CSLB (2752) or visit www.cslb.ca.gov.

California employers are required by law to maintain workers’ compensation coverage for their employees. Misrepresentations by employers to insurance carriers in order to receive a reduced premium for workers’ compensation coverage and willful failure to secure workers’ compensation coverage are violations of the law and could result in criminal sanctions including jail, prison, and fines. Examples of violations investigated by the CDI include:

- Premium Fraud — Making a false or fraudulent statement for the purpose of reducing premium, rate, or cost of workers’ compensation insurance is a violation of Section 11760 or 11880 of the Insurance Code. Violation of either of these sections is punishable by up to five (5) years in state prison and a $50,000 fine.
- Willful failure to secure workers’ compensation for one’s employees is a violation of Section 3700.5 of the Labor Code, a misdemeanor punishable by up to one (1) year in county jail and a $10,000 fine for the first offense.

For income tax questions, call 800-852-5711 or access the FTB website at www.ftb.ca.gov.

The FTB is responsible for administering California’s income tax programs.

- Filing a false state income tax return or failing to file a state income tax return is punishable by imprisonment in the county jail up to one (1) year or in the state prison for up to three (3) years, fines up to $50,000 for individuals ($200,000 for corporations), or both, plus penalties.
- Failure to comply with corporation's income tax obligations can result in the suspension of all corporate powers, rights and privileges.
- The FTB may take action to seize both current and future assets if you or your business owes delinquent state income taxes.

Contact the CDI Fraud Division at 916-854-5760 or access the CDI website at www.insurance.ca.gov.

California Department of Insurance (CDI)

Enforcement Branch
Headquarters Office
9342 Tech Center Drive, Suite 100
Sacramento, CA 95826

Call the CDI Consumer Hotline at 800-927-HELP (4357), 8 a.m. to 6 p.m., Monday through Friday.