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9 SUPERIOR COURT OF THE STATE OF CALIFORNIA

10 COUNTY OF SAN MATEO

12 THE PEOPLE OF THE STATE OF
CALIFORNIA, ex rel., BRIAN WILLIAMS,
13 Relator,

14 Plaintiffs,

15 v.

16 SAFELITE GROUP, INC., SAFELITE
FULFILLMENT, INC., d/b/a SAFELITE
17 AUTOGLASS, and SAFELITE SOLUTIONS
LLC,

18 Defendants.

Case No. 23-CIV-00025

DEMAND FOR JURY TRIAL

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

20 **REDACTED SECOND AMENDED COMPLAINT**

Electronically
FILED
by Superior Court of California, County of San Mateo
ON 7/19/2024
By /s/ Haley Correa
Deputy Clerk

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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
28

1 created and implemented programming to ensure that Safelite did not lose money when a technician
2 swapped out parts.

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

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

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

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

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

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

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

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

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

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

16 **1. “Auto Sub” Workflow**

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

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

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

25 42. The job order is then sent to the field and, if there are no issues with the order, the
26 field associate will route the job, including sending the job to the warehouse to obtain the needed
27 parts. Here, because the job requests “FLEXIMOLD,” the molding taken from the warehouse – or
28

1 already at the location – will be universal molding instead of the part-specific molding. The parts
2 and the job are then reviewed, and the job is then “checked out” for installation.

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

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

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

11 2. “Tech Sub” Workflow

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

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

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

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

26 ¹ In other cases, the technician uses universal molding, but never even bothers to change the part
27 specific molding in the system. These specific instances cannot be verified other than through
28 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 50. When the technician completes the install, the technician “checks in” the job for
2 review. The store manager will verify that the paperwork matches the point of sales information.
3 Once verified, the completed job is invoiced.

4 51. In the point of sales system, FLEXIMOLD shows as the part invoiced, but with the
5 price of previous part carried over. However, the invoice that is generated by the system for
6 transmittal to the payer will replace the name “FLEXIMOLD” with the name of the original part-
7 specific molding once it finds the corresponding information based on part number and via the
8 NAGS catalog.

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

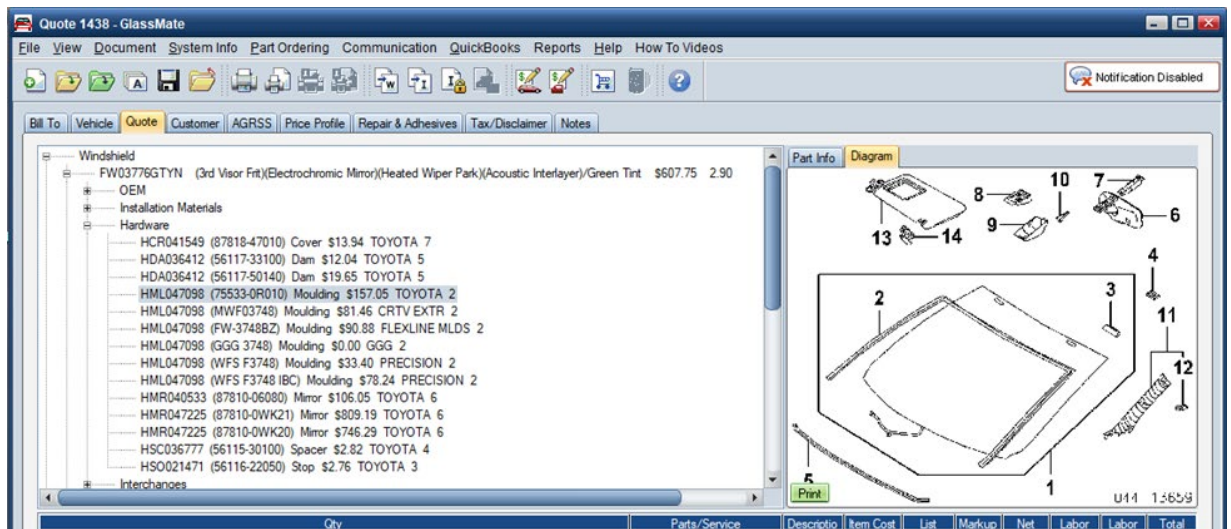
10 3. Example of Charges

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

14 a. Example 1: Invoice 229967

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

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



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

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

15 58. The following figure is a screenshot from Safelite’s point of sale system for invoice
 16 229967, showing that FLEXIMOLD was used, but was billed to the insurer, Safeco, at the price for
 17 the most expensive molding option, the OEM part, at a rate of \$157.05.

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 scripting 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	

Work Order Information

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

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	00000		\$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.

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

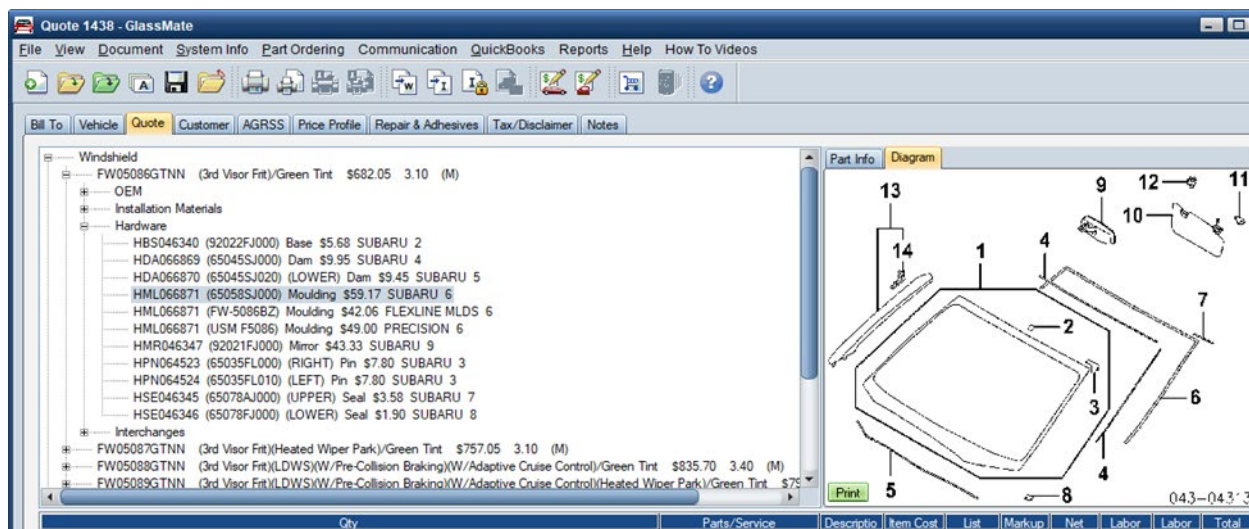
PF1  PF2  PF3  PF4  PF5  PF7  PF8
HELP  RETURN  END  COMMENTS  REPRINTS  PG BWD  PG FWD
MORE PART RECORDS EXIST

```

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.



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

24 64. As can be seen in the foregoing figure, FLEXIMOLD is not an option in the NAGS
25 database. There is no NAGS part number or list price for FLEXIMOLD, because FLEXIMOLD or
26 universal molding is not an approved NAGS part for any specific vehicle or application. In other
27 words, universal molding is generally considered not suitable for most vehicles given the
28 abundance of vehicle-specific molding available on the market. In rare circumstances, for unique

1 vehicles, use of universal molding may be acceptable, but even then, would need to be billed based
 2 on the actual cost of the molding used, with supporting documentation.

3 65. The following figure is a screenshot from Safelite's point of sale system for invoice
 4 154185, showing that FLEXIMOLD was used, but was billed to the insurer, Farmers Insurance, at
 5 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 top navigation bar includes tabs for Summary, Diary/Notes, Shop Approval Notes, Tasks, Audit Log, Invoices, Documents, and Pending Parts. The main content is divided into several sections:

- Call Information:** Referral Number: 121201, Referral Date: 11/14/2019, Processed: Y, Request Type: CQ, Referral Status: ORDER.
- Order Information:** Client Name: FARMERS INSURANCE - 200122 (INSURANCE), Customer Name: WASSENAAR, LAURA.
- Work Order Information:** Work Order Number: 313549, CTU Number: 01844, Provider Number: 005153, Invoice Number: 154185.
- Parts List:** A table with columns for Glass / Part Type, Part #, SPS Labor, and Price. The row for 'MOULDING FLEXIMOLD' is circled in red, showing a price of \$59.10.

Glass / Part Type	Part #	SPS Labor	Price
WINDSHIELD	FW05089GTNNOEM N		\$910.76
ADAS RECALIBRATION	RECAL STATIC		\$250.00
MOULDING	FLEXIMOLD		\$59.10

16 66. The following figure is a screenshot from the back-end audit log of Safelite's point
 17 of sale system for invoice 154185, showing that the Part Number field was changed from the OEM
 18 part number, 65058SJ000, to "FLEXIMOLD." The price, however, remained the same as the
 19 NAGS list price for the OEM part number.
 20
 21 ///
 22 ///
 23 ///

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.

```

00 PS                               INVOICE INQUIRY SCREEN                PSC1010 08
                                ADDITIONAL PARTS                PSM1010  MAP4

INVOICE : 05153154185    TYPE: INVOICE    INSURED: WASSENAAR, LAURA
-----
PART USED: FLEXIMOLD      WINDSHIELD~3/4
PART BILL: 65058SJ000    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 $:    59.10    .0    59.10    .0    59.10    59.10    N
LABR $:    .00     .00    .00     .00    QTY:    1
KIT $:    .00     .00    .00     .00    COST:    .00
-----
PART USED: PF-RPL-FARMERS  PROCESSING FEE-RPL FARMER
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 $:    10.55    .00    .00     .00    QTY:    1
KIT $:    .00     .00    .00     .00    COST:    .00

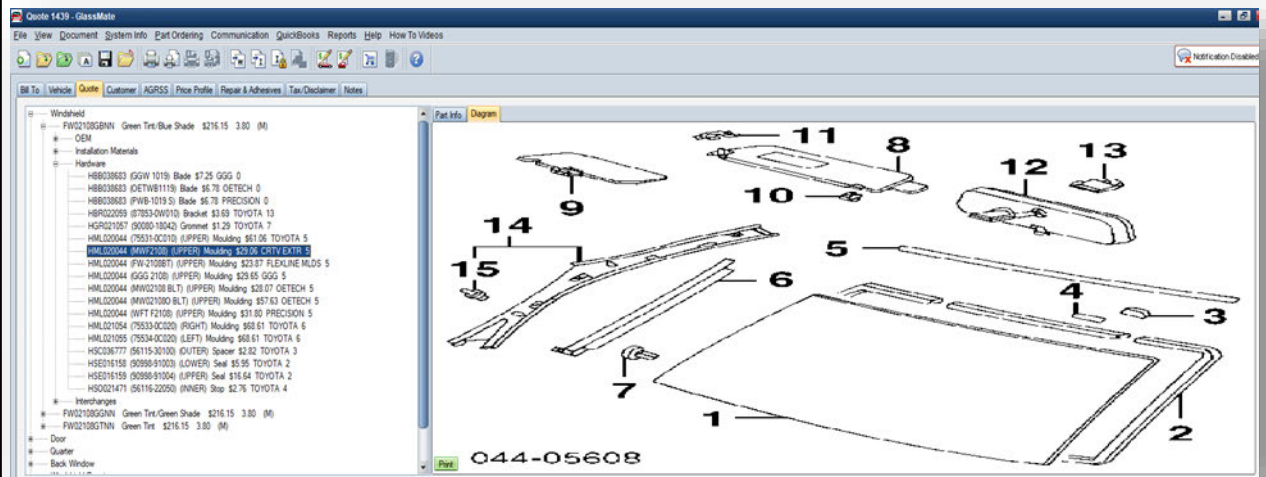
PF1 PF2 PF3 PF4 PF5 PF7 PF8
HELP RETURN END COMMENTS REPRINTS PG BWD PG FWD

```

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.



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

19 71. As can be seen in the foregoing figure, FLEXIMOLD is not an option in the NAGS
20 database. There is no NAGS part number or list price for FLEXIMOLD, because FLEXIMOLD or
21 universal molding is not an approved NAGS part for any specific vehicle or application. In other
22 words, universal molding is generally considered not suitable for most vehicles given the
23 abundance of vehicle-specific molding available on the market. In rare circumstances, for unique
24 vehicles, use of universal molding may be acceptable, but even then, would need to be billed based
25 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 following information:

- Call Information:** Referral Number: 146583645, Referral Date: 12/3/2019, Processed: Y, Created: 12/3/2019 5:29 PM, Created By: X5S, Request Type: CQ, Last Updated: 1/28/2020 11:31 AM, Last Updated By: 121, Referral Status: ORDER.
- Order Information:** Client Name: STATE FARM INSURANCE - 800002 (INSURANCE), Customer Name: MORGAN, MICHAEL, Dispatch Number: 549698868, WO Sent Status: Y, Order Status: ORDER, Claim Number: Policy Number: PO Number: Fleet Unit Number: Repair Deductible: \$ 0.00, Replace Deductible: \$ 0.00, Price Difference Amount: \$0.00, Date Of Loss: 12/3/2019, Quote Parts Amount: \$330.81, Quote Tax Amount: \$30.43, Quote Total Amount: \$361.24, Accept Cash Quote: False, Collection Amount: \$ 0.00, Selected Quote Offer: UNKNOWN, Type: INS RETAIL.
- Work Order Information:** Work Order Number: 302628, CTU Number: 01826, Provider Number: 001826, Job Status/Sub-status: Invoiced, Service Type: I, Invoice Number: 568839.
- Order Summary:** 2008 TOYOTA TUNDRA PICKUP 2 DOOR EXTENDED CAB, VIN #: 5TBR3413YS054932. Includes a vehicle image.
- Parts List:**

Glass / Part Type	Part #	SPS	Labor	Price
WINDSHIELD	FW02108GGN	N		\$30.81
MOULDING	FLEXIMOLD			\$29.06
- Service Provider:** 001826 - SAFELITE AUTOGLASS - NEW ORLEANS, LA SOR-CTU, Service Center ID: 050054, Provider Phone: Primary: (504) 456-2003, Provider Address: 901 LABARRE RD, METAIRIE, LA 70001.
- Comments to Provider:** WAITER
- Recalibration Status:**

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.

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	ISabrtxTaxed	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 : 01826568839  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
```

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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.

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

1 would use FLEXIMOLD as the part, the part billed would be the dealer part that was removed from
2 the work order and not installed on the vehicle. Safelite’s mainframe developer, Randy McCombs,
3 stated that it had been happening this way for as long as he had been with the company, which was,
4 at the time, for over 20 years.

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

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

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

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

28

1 86. In late November-early December 2019, Relator met with Mr. Cardi and relayed to
2 him his findings. Mr. Cardi became visibly upset upon hearing Relator’s research to date. Mr. Cardi
3 agreed that the next steps were for Relator to finish his investigation and, thereafter, to meet with a
4 larger group to review his findings, assess the risk, and decide how to fix the issue. Although he
5 appeared interested in fixing the problem going forward, Mr. Cardi expressly indicated that the
6 company would not provide any compensation for their years of overbilling, stating “we aren’t
7 going to go backwards.”

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

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

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

19 90. On January 23, 2020, Relator reached out to the Safelite Solutions’s billing team to
20 obtain more information on how the universal moldings were being billed so that he could use that
21 information to try to fix the problem. In an email conversation with Denise Shoopman, the billing
22 manager at Safelite Solutions, Relator found out that when Safelite used universal molding for
23 vehicles insured by State Farm Insurance,³ “[w]e do not bill FLEXIMOLD to Lynx Quest
24

25 ² Unlike in the UK, where the billing is made directly to the insurance company, here, Safelite
26 Solutions serves as the third-party administrator and intermediary between Safelite AutoGlass
27 and the insurance company. And since Safelite Solutions is the intermediary and bills the
28 insurance companies itself, and is further the investigator of insurance fraud, insurance companies
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 Commerce [State Farm’s Third-Party Administrator] as they require POPs [proof of purchases].
2 Many times, I believe we just select another less expensive molding that we know we can get paid
3 on.” Upon receiving that email, Relator spoke with Ms. Shoopman, who told him that a “former
4 executive” had instructed them to bill for the original part. Relator further found out that this billing
5 practice had been happening for years.

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

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

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

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

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

1 96. When Relator returned to work in July 2020, Relator spoke with Mr. Lanno to
2 discuss Relator’s open projects, including the project to fix the billing issue. That was when Mr.
3 Lanno informed Relator that he and Mr. Groves had “put that in place years ago and it is fine as it
4 is.” Mr. Lanno further informed Relator that the programming was implemented to help with
5 inventory and to ensure that Safelite did not lose money when a technician swapped out parts. When
6 Relator indicated that he should talk to Mr. Miggo about what he had just learned, Mr. Lanno
7 threatened Relator, indicating that his career would “end up in the ditch.”

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

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

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

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

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

1 children at home, and because the first option was essentially a demotion, Relator chose to pursue
2 the job with Belron.

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

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

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

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

25 106. The group worked on the issue through June 30, 2021. But there was no mention of
26 notifying past customers or paying anything back to the customers, and Relator continued to
27 encounter roadblocks. Thus, Relator brought his concerns to Belron management. Belron
28 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. SANITIZATION AND ILLEGAL BILLING OF “CARE AND CLEANING”**
12 **SERVICE**

13 **A. THE DEVASTATING IMPACT OF COVID-19 AT SAFELITE**

14 110. On March 11, 2020, the World Health Organization declared Covid-19 a pandemic.
15 Within weeks, most Americans were under-a-shelter in place or stay-at-home order, and individuals
16 and businesses alike were told by the CDC to maintain protocols for disinfecting surfaces and
17 washing hands.

18 111. The Covid-19 pandemic had an immediate and devastating impact on Safelite’s
19 business and revenues. On March 30, 2020, Safelite’s then-President and CEO, Tom Feeney,
20 announced major changes at the company, noting that “demand for our services has dropped
21 significantly.” By early April 2020, Safelite’s revenues had already cratered by 55%.

22 112. At Safelite’s corporate parent, Belron, executive management was similarly
23 concerned since its lucrative Vehicle Glass Repair and Replacement (“VGRR”) segment was driven
24 primarily by Safelite’s revenues in the United States. Similarly, Belron’s financial results (which
25 included Safelite) were presented by its corporate parent, D’leteren Group, a publicly traded
26 corporation in Belgium, and demonstrated a substantial reduction in North American revenues.

1 **B. SAFELITE’S SANITIZATION SOLUTION FOR LOST BUSINESS**

2 113. Within Safelite’s headquarters in Columbus, Ohio, senior executives recognized that
3 they needed to win back customers who were understandably concerned about the hygiene and
4 sanitation practices of the businesses they dealt with. In late March or April 2020, Safelite’s
5 executives quickly came up with a solution purportedly premised on ensuring the safety of its
6 customers and technicians during Covid-19: the Care and Cleaning service.

7 **1. The Care and Cleaning Service**

8 114. The Care and Cleaning service was designed by Safelite executives, including Jon
9 Cardi, Steve Miggo, Renee Cacchillo, Tim Spencer, Cindy Elliott, Ryan Trierweiler, and Tom
10 Feeney, and designed for technicians to sanitize vehicles during the window installation process.
11 Care and Cleaning and was also known internally as “touch point sanitization” or “Covid-19
12 Vehicle Cleaning” or the “ECTC Service.”

13 115. Safelite, along with its corporate parent Belron, actively promoted Safelite’s
14 sanitization service as a demonstration of their commitment to customer and technician safety. For
15 example, Belron’s Integrated Report 2020, entitled “Making a difference with real care,” reported
16 on the ongoing status of its businesses during Covid-19, including Safelite, and lauded their quick
17 response to the Covid-19 crisis “to put in place enhanced hygiene and safety measures for our
18 teams.”

19 116. According to Belron’s CEO, Gary Lubner, the field workforce was “equipped with
20 protective equipment and safety processes and procedures were implemented across branches and
21 mobile services to protect both our customers and technicians. This included sanitization of all
22 touchpoints in a vehicle both at the start and end of every job, which was quickly integrated as a
23 standard part of the Belron Way of Fitting.”

24 117. Similarly, at Safelite, technicians were supposed to be supplied with and required to
25 use special sanitation wipes, created and distributed by Safelite, to clean the vehicle both before
26 they began a job and after the job was finished prior to returning the vehicle to its owner. Pursuant
27 to a company policy, two wipes were to be used at the beginning and two more at the end, or a total
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1 of four wipes per vehicle. This policy also provided Safelite headquarters with a means of tracking
2 inventory at its supply facilities and usage in the field operations.

3 118. However, as described below, the ECTC Service was performed on few vehicles,
4 and had little to do with ensuring customer safety and sanitization. Instead, driven by the lucrative
5 sanitization fees, Safelite continued to bill its unwitting customers and their insurers for the ECTC
6 Service even when Safelite knew it had not been performed. Within a short time, the ECTC Service
7 became the golden goose driving profits for Safelite, Belron and D'leteren Group during the
8 pandemic.

9 **2. Safelite Prematurely Launches ECTC Service Before Wipes Even Available**

10 119. Safelite launched the ECTC Service in late April or early May 2020, *before* it had
11 wipes in stock, let alone distributed to its field force. Indeed, Safelite did not even have a plan yet
12 to supply the proper wipes needed to disinfect vehicles for Covid-19. At shops, technicians
13 received only ad hoc instructions to use whatever products, if any, that they had at their disposal,
14 including a drop of soap on a rag or hand towel to clean the vehicles.

15 120. While Safelite knew that technicians had not received any wipes or other products
16 that could kill Covid-19, Safelite continued to bill insurers a sanitization fee for months. Initially,
17 the charge was added by a designated Safelite employee—usually a customer advocate in each
18 store or for the district—who was instructed to assume that each car had been sanitized and to
19 manually add the \$25 ECTC Service fee to each job on Safelite's point-of-sale system known as
20 "SV2," a proprietary software managed at its Columbus, Ohio headquarters.

21 **3. Safelite Manipulates SV2 Software To Automatically Bill For ECTC Service And Prevent Field Technicians From Removing Charge**

22 121. During the initial weeks of the program, Safelite's Information Technology team,
23 including members of its SV2 team at the corporate headquarters in Ohio, were working on a more
24 "permanent" solution so that a Safelite employee did not have to manually enter the fee for each
25 job. The SV2 team ultimately modified the SV2 software to ensure that the ECTC Service fee was
26 automatically added to every job, regardless of whether it had been performed.
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1 122. As the pandemic progressed and the ECTC service continued to be automatically
2 applied to each insurance bill, some technicians tried to remove the automatically-applied ECTC
3 Service fees from work orders because the cleaning was not being performed and technicians did
4 not want to charge customers and their insurance companies the fee.

5 123. In June or July 2020, Safelite emailed all field leaders and associates, including store
6 managers, regional supply chain managers, district managers, regional vice presidents, operations
7 managers, assistant store managers, and customer advocates, due to corporate concern that fees
8 were being removed and the lost revenue tied to their removal. According to field leaders, many
9 regional vice presidents and district managers instructed their technicians to assume the vehicles
10 were cleaned and continue to bill the fee on every job. Conversely, nothing was done to investigate
11 why technicians were removing the fees or to ensure that technicians were actually performing the
12 cleaning.

13 124. During this same time, Safelite's team "hard-coded" the SV2 software, preventing
14 technicians from removing the ECTC Service fee from the invoice, even if the service had not been
15 performed. This coding was implemented by Safelite Solutions' SV2 point of sale team. The Head
16 Business Analyst/Systems Architect was charged with implementing programming changes within
17 SV2. This hard-coding also had to be approved by Chief Operating Officer Steve Miggo or
18 Executive Vice President Ryan Trierwhiler.

19 125. [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED] The fee was automatically applied to all insurance-paid
24 work orders.

25 **4. Safelite-Designed Wipes Finally Produced But Fail To Reach Field**

26 126. To help ensure their ECTC Service fees withstood scrutiny from insurers, Safelite
27 chose to design and develop its own sanitization wipes in-house. The wipes, called "Touch Point
28 Sanitization Wipes," were designed by Paul Syfko, Head of Technical Innovation at Belron, and

1 submitted for approval by the United States Food and Drug Administration (“FDA”). According
2 to the National Drug Code Directory maintained by the FDA, the “Start Marketing Date” was May
3 1, 2020, which is the date the author indicated that it started marketing the packaged product—not
4 necessarily when it was approved or manufactured.

5 127. Safelite hired a third party, Stephen Gould, to manufacture the wipes. The wipes
6 ultimately were packaged in a canister with the following label:



19 128. While insurers had been billed the sanitization fee for months, the Safelite wipes did
20 not become available to Safelite stores and technicians until September 2020.

21 129. At this time, Safelite stores were responsible for requesting wipes from the
22 warehouses—but because the service was not being performed, it was open and notorious at
23 Safelite that stores were not requesting wipes. Indeed, internal Safelite documents show that for
24 some months, zero wipes were sent to stores, even as tens of thousands of ECTC Service charges
25 were being billed to insurance companies for work at those stores. At the same time, regional vice
26 presidents—reporting directly to Safelite’s headquarters—were still being told by their superiors
27 to assume the car was cleaned and bill for it.
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1 130. Safelite’s executives knew that they were billing for ECTC Services that were not
2 being provided. Despite hard-coding the fee, Safelite’s home office continued to receive reports
3 from the field, district managers, and regional vice presidents that the wipes were not being used.
4 Similarly, the supply chain team, headed by Dino Lanno, did not follow up with the field to ensure
5 that wipes were being requested and timely delivered. While the ECTC Service had now been in
6 place for several months, Safelite still had no auditing or enforcement mechanisms to ensure the
7 ECTC Service was being completed.

8 **C. SAFELITE CONTINUES TO BILL FOR ECTC SERVICE, DESPITE**
9 **KNOWING THAT IT WAS NOT BEING PERFORMED**

10 131. By adding the ECTC Service to each and every insurance-paid job, regardless of
11 whether it was performed, Safelite knowingly chose to accept an unchecked and largely cost-free
12 extra line of profit. Keeping fees for the service intact became a priority as Safelite sought to
13 increase profitability despite the decline in business due to Covid-19.

14 **1. Employees Were Instructed To Include ECTC Service Charges On Bills**

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[Redacted text block]

133.

2. Collection Of Unearned ECTC Service Fees Became Running Joke Amongst Management

134. By the end of 2020, the widespread non-use of sanitization wipes had become well known to and a running joke with upper management at Belron and Safelite. In meetings that Relator attended, Belron leaders began meetings acknowledging that technician failure to use the wipes could become an issue if word got out, but ended the same meetings gloating about the incredible profits that the ECTC program was generating for Safelite. These meetings included bi-weekly team meetings with Eric Duarte, Head of Group Supply Chain at Belron and monthly global operations team calls with Richard Tyler, Group Customer Director for Belron Global. On one such monthly call in or about December 2020 or January 2021, Tyler noted that Safelite was making more on ECTC Service fees alone than many of the Belron units were making in total profits, and while it was concerning that the service was not being done, Belron was happy to be collecting the millions in profit.

135. Safelite management was equally aware of the issue. Indeed, through the entirety of the ECTC Service program, Relator and others, including Paul Syfko, personally observed that the wipes that Safelite had invented and successfully obtained FDA approval for were not being used. The point of contact for Safelite at Stephen Gould, which manufactured the wipes, also told Relator about his own experience, where a Safelite mobile repair vehicle came to repair his wife's

1 windshield he and his wife observed first-hand that no wipes were used and no effort was made to
2 sanitize the car, a story that Relator elevated to Safelite senior management, including VP of
3 Finance Mike Lyons. This experience was consistent with reports and experiences all over the
4 country, where technicians and store managers reported wipes sitting unused in back rooms, and
5 district managers and regional VPs reported that the wipes were not being shipped to stores.

6 **3. Company-Wide Survey Confirms Wipes Not Being Used**

7 136. In January 2021, after months of reports that wipes were not being used, Safelite
8 executives requested an update on warehouse inventory data which tracked the number of wipes
9 “sent” from warehouses (where wipes were stored) to retail locations. This information revealed
10 an enormous discrepancy in the number of wipes being sent to retail locations compared to the
11 number of wipes being billed to insurer clients. Notably, this same information had been compiled
12 since September 2020, when the wipes were first rolled out, and demonstrated that the wipes were
13 not being used on many, if not most, jobs at Safelite. Nonetheless, Safelite continued to bill the fee
14 on all insurance jobs and, on information and belief, never provided a refund.

15 137. On January 25, 2021, Safelite Senior Vice Presidents Garth Beck and Chad Flowers
16 sent an email to all district managers, with a copy to all regional vice presidents (“RVPs”), stating
17 that “Sanitizing wipes are available in all districts and should be used for Care and Cleaning service
18 (ECTC) on every job.”

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From: Field Communications
Sent: Monday, January 25, 2021 5:39:21 AM (UTC-08:00) Pacific Time (US & Canada)
To: zz#All District Managers
Cc: zz#All RVPs; Beck, Garth; Flowers, Chad; Loyal, Dan; Lanno, Dino; Labarca, Toni; SupplyChainTeam
Subject: DM Action Required | Sanitization Wipe Survey



From the Desks of SVPs Garth Beck & Chad Flowers...

Sanitizing wipes are available in all districts and should be used for Care and Cleaning service (ECTC) on **every** job.

The consumption data does not indicate the expected usage. If the wipes are not being used, we want to understand why and if something different is being used.

These wipes were purchased with to help provide our associates with a sanitized work environment as we work through this pandemic. We also need to ensure we are providing all services for which we are charging customers. Touchpoint cleaning needs to be top of mind and performed on every repair and replacement job.

Take Action:

1. Attached is a spreadsheet showing wipe movement by supporting warehouse since the wipes were introduced in September. The wipes “sent” represent the amount of product billed out from warehouses to their retail locations. Two wipes should be used when beginning a job, and two wipes once the job has been completed.
2. After you review the details for your district, we ask that you please complete the following [survey](#) with your honest feedback **by next Monday, February 1, 2021**.

Thank you.

138. As confirmed by the email, “The consumption data does not indicate the expected usage”—reflecting that Safelite’s own data showed a massive discrepancy between the number of wipes being shipped to technicians for the ECTC Service and the number being used. The email goes on to state that “We also need to ensure we are providing all services for which we are charging customers,” again acknowledging what was already known to executives at Safelite, i.e., that Safelite was *not* providing “all services” that it was charging customers.

139. Beck and Flowers then asked respondents to “Take Action” and to complete and return an attached spreadsheet “showing wipe movement by supporting warehouse since the wipes were introduced in September.” In addition to confirming that wipes were not available until

1 September 2020, the email also acknowledges that “The wipes ‘sent’ represent the amount of
 2 product billed out from warehouses to their retail locations. Two wipes should be used when
 3 beginning a job, and two wipes once the job has been completed.” As readily demonstrated by the
 4 attached spreadsheet, each and every California district was substantially behind its expected wipe
 5 usage for the months of September, October, November and December 2020:

		September				
		155,288	35,700			23%
Market	RVP	Wipes Need	Wipes Se	60ct	150ct	% Target
Bakersfield	Harvey	12180	0	0	0	0%
San Diego	Harvey	17836	4080	68	0	23%
Sun Valley	Harvey	30132	2400	40	0	8%
San Fran	Harvey	31236	11520	192	0	37%
Sacramento	Harvey	40568	10200	170	0	25%
Ontario	Harvey	23336	7500	125	0	32%

		October				
		193,068	42,720			22%
Market	RVP	Wipes Need	Wipes Se	60ct	150ct	% Target
Bakersfield	Harvey	15160	0	0	0	0%
San Diego	Harvey	21824	1440	24	0	7%
Sun Valley	Harvey	38524	4080	68	0	11%
San Fran	Harvey	39636	11520	192	0	29%
Sacramento	Harvey	49220	15360	256	0	31%
Ontario	Harvey	28704	10320	172	0	36%

		November				
		135,960	78,120			57%
Market	RVP	Wipes Need	Wipes Se	60ct	150ct	% Target
Bakersfield	Harvey	11576	4260	26	18	37%
San Diego	Harvey	16392	7740	129	0	47%
Sun Valley	Harvey	26732	18750	60	101	70%
San Fran	Harvey	27560	17760	216	32	64%
Sacramento	Harvey	33184	17970	232	27	54%
Ontario	Harvey	20516	11640	194	0	57%

		December				
		152,496	28,860			19%
Market	RVP	Wipes Need	Wipes Se	60ct	150ct	% Target
Bakersfield	Harvey	12628	5400	50	16	43%
San Diego	Harvey	18280	2880	48	0	16%
Sun Valley	Harvey	30888	11700	75	48	38%
San Fran	Harvey	31536	0	0	0	0%
Sacramento	Harvey	37420	7080	88	12	19%
Ontario	Harvey	21744	1800	30	0	8%

		TOTAL			
		636,812	185,400	29%	
Market	RVP	Need	Actual	% to Target	Rank
Bakersfield	Harvey	51544	9660	19%	53
San Diego	Harvey	74332	16140	22%	48
Sun Valley	Harvey	126276	36930	29%	26
San Fran	Harvey	129968	40800	31%	23
Sacramento	Harvey	160392	50610	32%	21
Ontario	Harvey	94300	31260	33%	19

140. The spreadsheet plainly reflects that Safelite was not “sending” as many wipes as they were billing for, and that Safelite’s management knew it. For example, in California, from September through December 2020, 636,812 wipes were needed, but only 185,400 were “sent.” Even assuming that the wipes sent were actually used, that was only enough wipes to cover 30% of the jobs that Safelite billed for the ECTC Service.

141. The responses to the survey confirmed that the ECTC Service was not being provided. However, based on responses to the survey, and in an effort to somehow cover their tracks, Safelite executives told the supply chain team to start forcing the shipment of wipes out into the field (sending wipes even if not requested). The number of wipes sent to the shops was based on the number of wipes that were already billed by that shop, irrespective of how many wipes were used.

1 142. Safelite’s operations in California were overseen by Rick Harvey, the Regional Vice
2 President for California. As RVP for California, Harvey oversaw all “operations” in California and
3 Reno, including sales teams, store and warehouse staffing, inventories (in stores and warehouses),
4 meeting goals, and preparing and reviewing financials. Essentially, Harvey was responsible for
5 managing Safelite’s business for the entire state of California, on a day-to-day basis. All Safelite
6 store and district managers in California reported to Harvey. Additionally, Harvey was responsible
7 for managing all front-line hourly technicians, i.e., the employees installing windshields in the field.
8 At the peak of his tenure, Harvey managed more than 700 people, but on average, over his seven
9 years as RVP, Harvey managed 400-500 people in California. Harvey reported (for the majority
10 of his time at Safelite) to Garth Beck. Beck was located in Utah and was the Western Senior VP
11 responsible for Safelite’s business in the western half of the US. During Harvey’s last year with
12 Safelite, he reported to Chad Flowers, who was located at the corporate office in Ohio.

13 143. In 2021, in an effort to obtain more information about usage of the wipes in the field,
14 Harvey initiated a policy requiring his district managers to report to him on a weekly basis regarding
15 whether they were using the wipes. This program was meant to ensure that stores were using the
16 wipes as required, or at least to determine gaps in usage. However, after a month of weekly
17 reporting program, there was still no progress in wipe usage, and instead, more excess wipes were
18 sitting in storage.

19 144. Internally at Safelite, it was well known that wipes were not being used. From
20 technicians in the field, all the way to the corporate offices, it was understood, and even joked
21 about, that the wipes were not being used. In many cases, wipes that were “sent” to a retail location
22 were just placed into storage and *not used*. Store managers even complained about the wipes taking
23 up space and eventually drying out because they were not being used.

24 145. Safelite’s Executive Sales Team also referenced the special wipes in negotiations
25 with insurance companies to convince them to pay for the ECTC Service. If the wipes were not
26 being used (which they weren’t), those relationships, and the economic benefits associated with
27 them, would suffer.

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1 146. At all levels of Safelite it was well known that the ECTC Service was not being
2 performed, but nonetheless billed for. For example, Harvey regularly discussed the ECTC Service
3 billing issues with his superior, Garth Beck. During these meetings, Harvey and Beck reviewed
4 inventory and financial data from Safelite’s corporate headquarters. This information included data
5 on all inventory for the retail side of the business (*i.e.*, products sold to customers) as well as
6 products shipped through warehousing. The data came from Safelite’s corporate finance
7 department and included financial information on the ECTC Service. In particular, the financial
8 information stated how much money Safelite was making on ECTC Service charges to insurance
9 companies.

10 147. During Harvey’s regular (sometimes weekly) meetings with Beck, the two discussed
11 the fact that the wipes were not being used—but never discussed reimbursing insurance companies
12 or taking real steps to ensure compliance with the program. In advance of these meetings, Harvey
13 received emails from executives at Safelite’s corporate office confirming that California
14 technicians were not doing the service and needed to improve. Later emails confirmed that the
15 technicians were still not improving.

16 148. During subsequent meetings and calls, the same executives congratulated
17 themselves and celebrated the amount of profits created from the ECTC Service. At no point during
18 these meetings in 2020 or 2021, did executives discuss changing the billing practice even though it
19 was widely known that insurance companies had been billed for services that were not provided.

20 **D. SAFELITE ACTIVELY CONCEALS DISCREPANCIES IN SUPPLIES**

21 149. In March 2021, John Stacy joined Safelite to take over the supply chain team. In
22 his onboarding meeting with Relator, when asked whether Relator could do anything to help him,
23 Stacy asked Relator to help him figure out what to do with all of the outstanding wipes. Stacy knew
24 there were already far too many excess wipes piling up in Safelite store backrooms and warehouse
25 storage facilities. He needed to figure out what to do with the outstanding wipes that had already
26 been ordered from Stephen Gould, as Stephen Gould representatives notified Safelite that it could
27 not keep the custom manufactured wipes at its facility indefinitely. Safelite’s ultimate solution was
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1 to ship the unused wipes to Safelite’s main distribution center in Braselton, Georgia, where the
2 company paid storage fees for the wipes, specifically created to kill Covid-19 and protect
3 customers, to sit by the truckload in a warehouse and dry up.

4 150. In April 2021, while talking to Toni Labarca at her desk about a different topic,
5 Relator saw an email from someone in the field come into Labarca’s inbox about the ECTC Service.
6 Labarca raised her concerns about the ECTC Service to Relator, noting that the feedback she was
7 hearing from the field in response to the surveys she sent out in January was that very few cars
8 were being cleaned properly. As discussed above, the results of this survey were well known to
9 Safelite senior management, who were using them in their discussions with RVPs. Labarca then
10 stated that she could not believe that Safelite had not stopped the program, given the responses to
11 the survey, and that someone needed to do something about it. Following this conversation, Relator
12 escalated his concerns to Belron leadership, including the fact that Safelite had billed millions of
13 dollars for a service it clearly had not performed. Labarca thereafter asked Relator to stop coming
14 to her desk so that others would not “get any wrong perceptions.”

15 151. By August 2021, Safelite had already ordered millions of wipes from Stephen
16 Gould, but tried to walk back their order, refusing to pay for or collect additional outstanding wipes.
17 At that time, Safelite owed Stephen Gould \$1.6 million for wipes that they had ordered in
18 accordance with their estimation of the number of wipes that would be needed to complete jobs up
19 to that point. Dino Lano and Jerry Stanly eventually used their leverage to require that Stephen
20 Gould give Safelite a \$300,000 discount and to resell the chemicals used in creating the wipes.
21 Stephen Gould still had truckloads of completed wipes sitting at their facility and was unable to
22 resell the custom wipes. In December 2021, the representative for Stephen Gould reached out
23 directly to Relator for help to try to convince Safelite to pay its outstanding balance of \$1.3 million.
24 Relator talked to VP of Finance, Mike Lyons about Stephen Gould’s concerns and only then was
25 the bill paid.

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1 157. By virtue of the conduct alleged herein, Defendants, and each of them, have
2 repeatedly violated California Penal Code section 550 by engaging in the following prohibited acts
3 or conduct:

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

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

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

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

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

19 160. Further, injunctive relief, including a preliminary injunction, is warranted to prohibit
20 Defendants from engaging in conduct that violates Penal Code section 550 and Insurance Code
21 section 1871.7.

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PRAYER FOR RELIEF

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

- 1. For civil penalties of \$10,000 be imposed for each and every fraudulent claim Defendants presented or caused to be presented to an insurance company or a consumer;
 - 2. For an assessment sufficient to disgorge its unlawful profit and provide restitution for its fraudulent conduct;
 - 3. For treble the amount of the assessment;
 - 4. For pre- and post-judgment interest, along with attorney’s fees, costs, and expenses necessarily incurred in bringing and pressing this case;
 - 5. For an injunction prohibiting Defendants from violating California Penal Code section 550 and Insurance Code section 1781.7;
 - 6. For Relator to be awarded the maximum percentage of any recovery allowed to him;
- and
- 7. For such other further relief as the Court may deem just and proper.


DEMAND FOR JURY TRIAL

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

Dated: July 19, 2024

Respectfully submitted,

COTCHETT, PITRE & MCCARTHY, LLP

By: 
 MARK C. MOLUMPHY
 TYSON C. REDENBARGER
 GIA JUNG

Attorneys for Plaintiff and Relator Brian Williams