

More Indictments On The Way, Says U.S. Atty.

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The first of a series of indictments against contractors working on federally financed projects was handed out Wednesday — and more may come.

The United States Atty.'s office here, after a five-month investigation, said the 12-count criminal indictment against Irriscape Construction of Escondido is the first of a "continuing probe into corruption in the construction industry on federally involved projects," according to a press release.

"There will be a series of these cases coming through in the next two months," said Judith Hayes, assistant U.S. Atty. "There are other cases this department is looking into. The Dept. of Labor is continuing the investigation."

The joint probe by the Inspector General for the Department of Housing and Urban Development (HUD) and the Labor Department is investigating "in the area of 10" contractors and subcontractors for prevailing wage violations, Hayes said.

Investigations Continue

Robert Smith, 29, of 1208 Sunrise Mountain Drive in Escondido, and Karl Scott, 45, of 1020 Redwood Ave., Apt. D-2, in El Cajon, principals of Irriscape, are alleged to have hired illegal aliens, paid less than prevailing wages and worked employees paid the prevailing wage 50 hours for 40 hours pay on the low-income, 500-unit Mariner's Cove Apartment Project.

The developers of the apartment project, Lincoln Property Associates, obtained a \$18,300,000 construction loan that was guaranteed by the Department of Housing and Urban Development. Contractors on federal projects are required to pay a predetermined prevailing wage rate under the Davis-Bacon Act.

Other offenses alleged of Irriscape, a landscape and irrigation subcontractor, include requiring workers to agree to be paid wages two months after they performed work, submitting false and fraudulent payroll certificates to the federal government and directing illegal aliens to leave the jobsite when compliance officers inspected the project.

The employees who complained about payment conditions were threatened with dismissal and were told they would be replaced by workers who would work for less, according to the indictment.

The Irriscape case is believed to involve between \$40,000 and \$70,000 in wages owed employees, she said.

Smith will appear voluntarily before U.S. Magistrate Harry McCue today at 10:30 a.m. for arraignment on the indictment. There is a bench warrant out for Scott's arrest.

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Indictments

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Investigating the framing subcontractor, Rainbow Construction, and Henry Rock, the president of the firm, for not paying prevailing wages.

Eight carpenters have filed a mechanic's lien against the project for \$51,090.82 alleging nonpayment of wages.

In documents filed with U. S. Rep. Duncan Hunter, R-Coronado, the eight carpenters allege Henry Rock paid \$5 or \$10 an hour, altered time cards, threatened to fire workers who complained, paid from a checking account with insufficient funds and told one journeyman carpenter, "Don't forget, this is a HUD job. If anyone asks, you're making \$20.99 an hour," even though he was being paid \$6 an hour.

One carpenter claims his credit has been ruined. Another says he has been forced out of a house because of inability to pay rent.

The phone for Rainbow Construction in Nuevo, near

Riverside, has been disconnected.

P.B.M.C. Inc., a subsidiary of Lincoln Property Associates and the general contractor for the project, declined to comment about the indictment or investigation. "No comment. That is my orders and I won't give you my name either," said a man who answered the telephone.

Bob Hudson, an aide with Congressman Hunter's office, said, "We are pleased to see HUD and the U.S. Atty.'s office are taking these workers' complaints seriously now. The law requires contractors and subcontractors to pay certain wages on federal government jobs. It is time they are put on notice that they are going to follow the law or pay the penalties."

Each count of the 12-count indictment carries a possible maximum custody of five years. The possible maximum fine for each person is \$110,000, said Hayes.

Also, on the same Mariner's Cove project the Transcript has learned that the Labor Dept. is in-

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