

Contractor indicted in wage law case

By Laura L. Castro
Staff Writer

A former San Diego contractor was indicted by a federal grand jury yesterday on 15 counts of violating a federal prevailing-wage law.

The indictment of Alan Jay Bianco, owner of Bianco Welding in Oceanside, followed a yearlong investigation into alleged violations of the Davis-Bacon Act by nine San Diego area companies, assistant U.S. attorney Eve Birmingham revealed yesterday.

That investigation concluded that 256 construction workers are owed \$712,000 in wages from nine San Diego area companies, including Bianco Welding, all of which allegedly failed to pay prevailing wages on

federal construction projects, Birmingham said.

The Davis-Bacon Act requires payment of "prevailing" wages and fringe benefits to workers employed in the construction of federal government buildings or public works. Other laws incorporate the Davis-Bacon prevailing-wage requirement for federally assisted projects such as highways, airports, housing, hospitals and schools.

The U.S. attorney's office plans to file charges Monday against eight of the companies, including some company owners and foremen, Birmingham said.

"These people are being charged with filing false reports on the amount of money paid to workers.

They were not paying prevailing wages," she said, noting that the false statements constitute a felony under the U.S. code.

As a result of yesterday's indictment of Bianco, a warrant for his arrest will be issued Monday as well, she said. Bianco is now living in Illinois, she added.

Bianco, who was indicted on five counts of false statements and 10 counts of kickbacks, allegedly violated wage laws in 1983 when he worked as a subcontractor on a project that called for increasing security and hardening magazines containing explosives at Camp Pendleton.

Only Bianco of the nine companies has refused to settle the case without litigation, Birmingham said. Unlike

Bianco Welding, the other companies are expected to be charged with only one count of making false statements, she added.

The maximum penalty for false statements in reporting wages is a five-year prison sentence and/or a \$10,000 fine, the assistant U.S. attorney said. The maximum penalty for operating a kick-back scheme is a five year prison sentence and/or \$5,000 fine, she said. They also can be barred from bidding on other U.S. contracts for three years.

The amount of prevailing wages not paid by Bianco — \$8,392 — is the smallest single amount owed by any of the companies. The largest single amount, according to Birmingham, See Davis on Page E-2

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is \$399,665 believed owed 86 employees who worked on a \$1.7 million project at Camp Pendleton, she said.

"In all the cases, except Bianco's, the contractors will be able to pay back the money owed to workers," Birmingham said. She said there is

not a problem with recovering the funds, because the federal agencies that contracted the projects withheld final payment on the contracts until the investigation was completed.

The Department of Labor's Office of the Inspector was the primary investigative agency into the wage law violations following complaints by several workers about the companies, Birmingham said. However, eventually the violations were investigated by the Department of Labor's Wage and Hour Division, the Federal Bureau of Investigation, the Naval Investigative Service, and the U.S. attorney's office, Birmingham said.

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