

East County firms accused of underpaying employees

By Jo Moreland
of The Daily Californian

The U.S. attorney's office is prosecuting three East County firms among nine area businesses accused of underpaying employees.

Two of the defendants are in El Cajon — Thomas Electric of 1154 N. Marshall Ave. and United Constructors of 702 Carlow Way. The third business is Hacienda Landscape of 3230 Kempf Ave. in Lemon Grove.

The nine construction firms are accused of paying employees less than the prevailing area wage on government contracts.

That violates the Bacon-Davis Act and gives violators a competitive edge in contract bidding, according to chief Assistant U.S. Attorney Peter Bowie.

"We found some that were not too far under the prevailing wage," said Bill Landreth, special agent with the Department of Labor, at a Monday press conference.

"But then we found some that were at the gross extremes."

He said the variation could be up to \$4 an hour, with more money possibly lost to employees, depending on their benefits. Workers were threatened to make them submit to

the low pay, investigators said.

A federal grand jury on Friday indicted Alan Jay Bianco of Bianco Welding of Oceanside on 15 counts of filing false payroll reports and taking kickbacks from public works employees.

Bianco has refused to make restitution. Bowie said the other firms have agreed to cooperate in restitution and the business officials will be surrendering themselves this week.

The government is seeking restitution of \$712,401 to 256 underpaid workers between 1982 and 1984.

Landreth said the 18-month investigation started after underpaid employees and contractors who lost bids complained.

Hacienda Landscape had a \$763,350 prime contract on Interstate 15 and a \$190,943 subcontract on Interstate 8, east of College Avenue to west of Fletcher Parkway.

Investigators said Hacienda is believed to have underpaid 86 employees \$137,577.

The federal agents said Thomas Electric, with a \$90,554 subcontract on the Golden Age Garden Apartments in San Diego, underpaid 10 employees \$21,411.

Company president Glenn Thomas also is charged with making a false report to the U.S. Department of Housing and Urban Development in certifying that the workers were paid prevailing wages in the San Diego area.

United Constructors had a \$162,000 subcontract on the Golden Age Public Housing Project, according to the investigators. They said the firm underpaid 18 employees \$24,940.

Landreth said the government intends to seek to bar all nine companies from bidding for three to five years on government contracts.

The other companies include RGR of Ramona, accused of underpaying 29 workers \$40,021 on the \$2,631,330 Montecito Village Apartments public housing project.

Baker Electrician and TWN, both of San Diego, are named as underpaying \$18,760 and \$28,780, respectively. Meredith-Worley Inc. of Vista, is accused of shortchanging employees \$399,665, and Rainbow Construction of Hemet, \$32,855.

Filing false payroll reports is punishable by up to five years in prison and a \$10,000 fine. Taking a kickback from an employee has a penalty of up to five years and \$5,000.

20