

9 Contractor Firms Accused Of False Payroll Reporting

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U.S. Attorney Peter K. Nunez' office has filed criminal charges against nine contractor firms and their principals for alleged falsification of federal payroll reports and failure to pay "prevailing wages" as required by the Davis-Bacon Act on federally funded construction projects in San Diego County.

Assistant U.S. Attorney Eve Bermingham said the government is seeking restitution of \$712,401 to disburse to 256 underpaid workers on the projects and said filing of complaints in the cases were intentionally lumped together to call public attention to the practice.

"The workers are not the only victims," she said. "Perhaps hurt the most are honest contractors who are finding themselves unable to compete against others who are bidding low with the intent of not paying the prevailing wage as required."

Ms. Bermingham said the government also suffers from such action because employees hired at substandard wages often do not provide the same quality job as those who would be employed at the higher wage rate mandated by the federal law.

"We want local contractors to realize that the government is not going to tolerate this type of behavior," she said. "More contractors will be charged as on-going investigations are concluded."

Alan Jay Bianco of Bianco Welding in Oceanside, a principal in one of the companies, was in-

dicted by the federal grand jury last Friday on five counts of filing false payroll reports and 10 counts of taking kickbacks from public works' employees.

Bianco had held a government contract for hardening of explosives magazines and to increase security at the U.S. Marine Corps base at Camp Pendleton. Each of the five counts of filing of false payroll reports with which he is charged carries a maximum penalty of five years in prison and up to a \$10,000 fine. Each of the 10 counts of taking kickbacks carries a maximum penalty of five years and a maximum fine of \$10,000.

Bianco now is reported to have closed his business and to be living in another state — but to be represented by an Oceanside attorney in the case.

Other contractor firms and their principals charged — all of whom have agreed to plead guilty to a single count of filing false payroll reports in plea bargaining with the U.S. Attorney's office — include:

Meredith-Worley Inc. of Vista; its two principals, Ralph Meredith and Herman Worley; and one of its foremen, Tom Franklin, were accused of shortchanging 86 employees by \$399,665. It had a \$1.7 million contract for painting of various buildings at Camp Pendleton.

Thomas Electric of El Cajon was accused of underpaying 10 of its employees \$21,411 for work on the Golden Age Garden Apartments project at 740 S. 36th St., San Diego. Glenn Thomas, president, also was charged with making a

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false report to the U.S. Department of Housing and Urban Development.

United Constructors of El Cajon, which also had a subcontract on the Golden Age Garden Apartments, was accused of underpaying 18 employees \$24,940.

Rainbow Construction owner Henry Rock of Hemet, a subcontractor for carpentry work on the Mariner's Cove project at Nimitz Boulevard and W. Point Loma Boulevard in San Diego, was accused of underpaying eight employees \$32,855.

He was arraigned yesterday afternoon before U.S. Magistrate Edward Infante, who appointed Attorney Ezekiel Cortez of Public Defenders of San Diego to represent him. Infante ordered Rock to enter a plea to his charges at 9 a.m. Feb. 11 before U.S. Senior District Court Judge Howard B. Turrentine.

Hacienda Landscape of Lemon Grove and Ramon Aguilar, one of its partners, were accused of underpaying \$137,577 to 86 employees in conjunction with that company's prime contract on Interstate 15 in the Miramar and Poway areas and a \$190,943 subcontract on Interstate 8 east of College Avenue to west of Fletcher Parkway.

William Baker, former owner of Baker Electrician on University Avenue in San Diego, was accused of underpaying \$18,760 to three employees in conjunction with a \$99,850 electrical subcontract on the \$1.5 million Cerro Pueblo housing project for low-income elderly people at 2825-45 Clairemont Dr., San Diego.

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RGR of Ramona; its president, Mike Good; and its foreman, Don Buss, were accused of underpayment of \$40,021 to 29 workers on the \$2,631,330 Montecito Village Apartments public housing project at 1464 Montecito Road, Ramona, which was financed by the federal Department of Housing and Urban Development.

TWN was accused of underpaying \$28,780 to 10 of its employees in conjunction with its work on a \$129,037 Navy contract for electrical remodeling at the Marine Corps Recruit Depot in San Diego.

Several different times have been established for the company officials and other individuals charged to enter pleas — in conjunction with their plea bargaining — in the federal court.

Ms. Bermingham said the charges were filed following an investigation by offices of the Inspectors General of the Department of Labor and Department of Housing and Urban Development and the Labor Department's Wage and Hour Division. Assistance was provided by the FBI and Naval Investigative Service.

The Davis-Bacon Act requires that construction workers on federally financed or assisted jobs be paid prevailing area wages. The Labor Department sets the prevailing rates and is charged with monitoring compliance by contractors.

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