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PRESS RELEASE
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FOR IMMEDIATE RELEASE
Case # 15CF1672

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THREE DEFENDANTS CHARGED WITH CONSPIRING TO UNDERPAY EMPLOYEES ON PUBLIC WORKS PROJECTS

SANTA ANA, Calif. – Three defendants have been charged for underpaying employees on public works projects. No Sung Pak, 74, Hollywood, and Michael John Ferrin, 40, San Pedro, and Scott Sung Yang, 44, Los Angeles, are each charged with five felony counts of taking and receiving a portion of a worker's wage on public works and one felony count of recording a false forged instrument. Pak is additionally charged with 29 felony counts of willful failure to pay tax, two felony counts of misrepresenting facts to State Compensation Insurance Fund (SCIF), two felony counts of misrepresenting facts to workers' compensation insurance company. If convicted, Pak faces a maximum sentence of 27 years and four months in state prison, and Ferrin and Yang each face a maximum sentence of five years and four months in state prison. The defendants are out of custody on \$50,000 bail and were arraigned today. They are scheduled for a preliminary hearing on Sept. 1, 2015, at 8:30 a.m. in Department C-55, Central Justice Center, Santa Ana.

In 2005, Yang owned and operated Mackone Development. Yang is accused of working with Ferrin as his project superintendent to oversee his projects. Pak, who owns the business Pak's Cabinets, is accused of working for Mackone Development as a subcontractor on several public works projects.

In 2012, Yang was awarded a public works project at Harvey Street Elementary School in Santa Ana as the prime contractor. Yang is accused of hiring Ferrin as his project superintendent to oversee the project and Pak as his subcontractor for the project. Pak is accused of using the employees from his business to help complete the public works project.

Between Jan. 1, 2005, and July 29, 2012, the defendants are accused of conspiring together to underpay workers on numerous public works project. The defendants in this case are accused of conspiring together to pay workers anywhere from \$10 to \$14 per hour after contractually agreeing to pay a wage of about \$44 per hour.

Between April 2009 and April 2015, Pak is accused of requiring his workers to work 6-day weeks with daily shifts lasting 12 to 14 hours. Pak is accused of paying his workers by check for the first 40 hours a week and paying them cash for any overtime they worked and failing to report the payments to SCIF or the Employment Development Department.

The Center for Contract Compliance forwarded this case to the Orange County District Attorney's Bureau of Investigation, who investigated this case.

Deputy District Attorney Donde McCament of the Insurance Fraud Unit is prosecuting this case.

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