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DISTRICT ATTORNEY
Tony Rackauckas, Orange County DA

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CONSTRUCTION COMPANY OWNER AND FOREMAN CHARGED FOR DEFRAUDING EMPLOYEES BY TAKING \$330,000 IN WAGES FROM TWO PUBLIC WORKS CONTRACTS

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Orange County District Attorney Press Release

Tony Rackauckas, District Attorney
401 Civic Center Drive West
Santa Ana, CA 92701

**For Immediate Release
Case # 13CF3959**

**Contacts: Susan Kang Schroeder
Chief of Staff
Office: 714-347-8408
Cell: 714-292-2718**

**Farrah Emami
Spokesperson
Office: 714-347-8405
Cell: 714-323-4486**

December 23, 2013

CONSTRUCTION COMPANY OWNER AND FOREMAN CHARGED FOR DEFRAUDING EMPLOYEES BY TAKING \$330,000 IN WAGES FROM TWO PUBLIC WORKS CONTRACTS

SANTA ANA – A construction company owner and his foreman were arraigned today for defrauding employees out of \$330,000 in wages and keeping the money for themselves from two public works contract. Mustafa Mohamed Bdaiwi, 41, Irvine, and Antonio Naranjo Jr., 40, Costa Mesa, are charged with 11 felony counts of taking and receiving a portion of a worker's wage on public works project, two felony counts of recording a false and forged instrument, and sentencing enhancements for property loss over \$200,000. If convicted on all counts, they face a maximum sentence of 12 years and four months in state prison. The defendants are each being held on \$330,000 bail and must prove the money is from a legal and legitimate source before posting bond. They are scheduled for a pre-trial hearing Jan. 3, 2014, at 8:30 a.m. in Department C-57, Central Justice Center, Santa Ana.

At the time of the crime, Bdaiwi is accused of owning a construction company, Malcon Civils Inc. Naranjo Jr. is accused of working for Bdaiwi as his project administrator. In December 2010, Bdaiwi is accused of being awarded a project by the City of Irvine and given contracts to do work at an Irvine elementary school. Bdaiwi and Naranjo Jr. are accused of constructing a wall, which later began to lean over and subsequently needed to be removed due to faulty construction and causing a safety hazard. The

defendants are also accused of being awarded a project by the City of Hemet, and upon completion, embezzling the funds meant to be used to pay their workers for the construction.

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Between Jan. 11, 2011, and Aug. 10, 2011, Bdaiwi and Naranjo Jr. are accused of requiring workers to return a portion of their wages and threatening to terminate their employment if they did not comply. Over the course of the two projects, the defendants are accused of submitting fraudulent and forged certified payroll records showing the correct amount due to his staff for proper bookkeeping. The defendants are accused of having the employees return some of their wages back to them and keeping that money for their own personal use.

The defendants are being prosecuted by the Orange County District Attorney's Office (OCDA) for embezzling funds from their workers during the construction projects in Irvine and Hemet.

In 2011, the Center for Contract Compliance started an investigation into Bdaiwi and Naranjo Jr. and shortly thereafter contacted the OCDA to further investigate the case.

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

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