

ORANGE COUNTY DISTRICT ATTORNEY
PRESS RELEASE
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FOR IMMEDIATE RELEASE
Case # 13CF3959

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CONSTRUCTION COMPANY OWNER SENTENCED FOR DEFRAUDING EMPLOYEES BY TAKING OVER \$220,000 IN WAGES FROM TWO PUBLIC WORKS CONTRACTS

SANTA ANA – A construction company owner was convicted and sentenced today for defrauding employees of over \$220,000 in wages and keeping the money for himself from two public works contracts. Construction company owner Mustafa Mohamed Bdaiwi, 43, Irvine, pleaded guilty today to one felony count of taking and receiving a portion of a worker's wage on public works project, nine misdemeanor counts of willful failure to pay employment tax, one felony count of misrepresenting facts to state compensation insurance fund, one felony count of recording a false and forged instrument, and a sentencing enhancement for property loss over \$200,000. He was sentenced to one year in jail, five years of formal probation and ordered to pay \$220,463.38 in restitution.

Co-defendant and construction company foreman Antonio Naranjo Jr., 41, Costa Mesa, pleaded guilty March 20, 2015, to 11 felony counts of taking and receiving a portion of a worker's wage on public works project and two felony counts of recording a false and forged instrument and was sentenced to four years and six months in state prison. Naranjo Jr. is currently serving two years and eight months in state prison for a residential burglary conviction in 2012 (Case #12HF3186) and will now serve seven years and four months in state prison.

At the time of the crime, Bdaiwi owned a construction company, Malcon Civils Inc. (MCI). Naranjo Jr. worked for Bdaiwi as his project administrator at MCI. In December 2010, Bdaiwi was awarded a project by the City of Irvine and given contracts to do work at an Irvine elementary school. Bdaiwi and Naranjo Jr. constructed 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 were also awarded a project by the City of Hemet, and upon completion, embezzled the funds meant to be used to pay their workers for the construction.

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

In 2011, the Center for Contract Compliance began an investigation into Bdaiwi and Naranjo Jr. and shortly thereafter contacted the Orange County District Attorney's Office to further investigate the case.

Circumstances of the Residential Burglary (Case #12HF3186)

On March 15, 2012, Naranjo broke into his neighbor's Newport Beach home and stole an iPad from the living room and jewelry from the victim's bedroom. The case was reported to the Newport Beach Police Department (NBPD), who investigated the burglary. NBPD officers identified and arrested Naranjo Jr. after discovering the defendant's DNA on items in the victim's bedroom.

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

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