



## Department of Industrial Relations & Orange County District Attorney *Press Release*

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### FOR IMMEDIATE RELEASE

Case # 14ZF0330

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## INDICTMENT TRANSCRIPTS UNSEALED AGAINST FATHER AND SON FOR \$300,000 THEFT OF EMPLOYEE WAGES ON PUBLIC WORKS PROJECTS

SANTA ANA – Grand jury transcripts were unsealed today in an indictment against a father and son for embezzling over \$300,000 from employee wages on public works jobs. Daniel Jacob Siapin, 58, and his son Gabriel Daniel Siapin, 35, both of La Habra Heights, were indicted by the Orange County Grand Jury on Feb. 25, 2014, on 28 felony counts of taking and receiving a portion of worker's wage on public works with a sentencing enhancement for property loss over \$200,000. If convicted, they face a maximum sentence of 24 years in state prison. The defendants are out of custody with \$120,000 placed in a trust account in lieu of bail and are scheduled for a pre-trial hearing May 2, 2014, at 8:30 a.m. in Department C-5, Central Justice Center, Santa Ana.

At the time of the crime, Daniel Siapin owned Siapin Horticulture, a landscaping, irrigation, and maintenance company, which he ran with his son Gabriel Siapin.

The defendants are accused of violating the law on a public works job, which requires a minimum "prevailing wage" be paid to workers. Prevailing wage consists of a base salary and "fringe benefits," or benefits in addition to base pay such as vacation pay and pension money. Fringe benefits must be paid directly to the worker or may be put into a fund for later withdrawal by the worker if they do not work a full 40 hours a week.

The California Labor Commissioner's office and the Orange County District Attorney (OCDA) received a complaint alleging underpayments of prevailing wages to workers on the Lakeside Middle School alterations project located in Lakeside, California. In a collaborative effort, the California Labor Commissioner provided Orange County with evidence to support allegations of underpayments of fringe benefits to workers on three different projects, including Lakeside.

In February 2010, the City of Los Angeles compliance division assessed penalties and wage fines against the defendants' company for not paying their employees the prevailing wage on a public works job. A civil assessment was levied against the defendants.

In June 2010, both Daniel and Gabriel Siapin are accused of meeting with employees and offering to contract with a third party administrator to hold the employees' fringe benefits in a savings account.

Between 2011 and February 2013, Siapin and Siapin are accused of failing to deposit over \$300,000 in employee fringe benefits into the savings account from work performed in Orange County and other Southern California counties. The defendants are accused of embezzling the money.

The State Labor Commissioner's office levied civil wage and penalty assessments for past wages following a 17-month in-depth investigation.

"Prevailing wage laws ensure that workers on public works projects are paid a just day's pay for a hard day's work, and those who violate those laws engage in wage theft," said Labor Commissioner Julie A. Su. "Wage theft is a crime and my office is working with District Attorneys across the State to investigate and prosecute these cases. I am proud of and grateful for our collaboration with the Orange County District Attorney to bring scofflaw employers to justice."

The OCDA and the Labor Commissioner work together on joint investigations to ensure that all labor laws are enforced on public works jobs, including payment to workers of the wages they've earned. The Labor Commissioner's office, also known as DIR's Division of Labor Standards Enforcement, adjudicates wage claims, investigates discrimination and public works complaints and enforces state labor law.

The OCDA criminally investigated the case. Deputy District Attorney Donde McCament of the Workers' Compensation Fraud Unit is prosecuting this case.

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