



FOR IMMEDIATE RELEASE
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Contact: Frank Mateljan
(213) 978-8340 (O)
(213) 479-5675 (M)

L.A. CITY ATTORNEY ROCKY DELGADILLO FILES MULTIPLE CRIMINAL CHARGES AGAINST SIX UNLICENSED CONTRACTORS

LOS ANGELES – Los Angeles City Attorney Rocky Delgadillo, the City's chief prosecutor, today announced that his Corruption, Fraud, and Enforcement Unit, as part of an ongoing partnership with the Contractors State License Board (CSLB) tasked with cracking down on unlicensed contractors across the City, has filed charges against six unlicensed contractors.

In one case, Sebastian Ruiz, 31, an unlicensed contractor and president of Ruiz Nilchian Construction Inc., contracted to remodel a victim's home for \$35,000. The victim paid Ruiz \$34,000 up front before he ultimately abandoned the job, leaving most of the work incomplete. Investigators discovered Ruiz had fraudulently used another contractor's license number at the time.

Ruiz was charged with one count of contracting without a license, diversion of contractor funds, fraudulent use of another contractor's license, and charging an excessive down-payment. Arraignment for Ruiz is scheduled for May 8 in Department 81 of the Los Angeles Superior Court.

In another case, Kenneth John, 56, an unlicensed contractor doing business as K&H Plumbing HV AC, entered into a contract to replace a furnace and air conditioning unit on a commercial building. John was able to collect the full amount for the job after he misrepresented to the victim that the work was complete, when in fact, only the old unit had been removed.

John was charged with one count of fraudulently using another contractor's license, grand theft and attempted grand theft. Arraignment is scheduled for May 8 in Department 81 of the Los Angeles Superior Court.

Each count of unlicensed contracting and advertising without a contractor's license is punishable by up to six months in jail and a \$1,000 dollar fine. The other offenses are each punishable by up to one year in county jail. Additionally, crimes of charging an excessive down payment and frontloading have maximum fines of up to \$5,000 and fraudulently using an incorrect license number have fines of up to \$10,000. Unlicensed contracting with a prior conviction is punishable by a mandatory minimum of a \$4,500 fine and 90 days in county jail.

Investigations for each of the cases were conducted by officials from the CSLB and the results were forwarded to the City Attorney's Corruption, Frauds and Enforcement Unit of the Criminal and Special Litigation Branch for prosecution.

In April 2006, City Attorney Delgadillo announced a partnership between his office and the CSLB to streamline the procedure for processing consumer complaints, enabling the CSLB to refer cases to the City Attorney's Office within 60 days of receipt. As a result of the partnership, the City Attorney's Office has filed 130 cases resulting in over \$800,000 in restitution orders for victims.

In order to avoid the most common complaints against unlicensed contractors, the City Attorney's Office and the CSLB are urging consumers to understand and exercise their rights and responsibilities, including:

- *The right to hire licensed contractors;*
- *The right to check a contractor's license at www.cslb.ca.gov or by calling 1-800-321-CSLB (2752);*
- *The right to pay only 10 percent or \$1,000, whichever is less, as a down payment;*
- *The right to a written contract that specifies project costs, the down payment, a payment schedule and start and completion date.*

The State Senate Oversight Committee ranks contractor fraud among the Top Five consumer complaints in California – a problem that costs consumers nationwide more than \$100 billion annually.

To report unlicensed contracting activity, please call the CSLB's Statewide Investigative Fraud Team, 562-345-7600, or the Consumer Protection Division of the Los Angeles City Attorney's Office, 213-978-8070.

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Summary of Contractor Cases

James E. Donnelly, 69

Arrestment: 5/8/08, Dept. 81

Facts: Defendant, an unlicensed contractor, entered into contract to measure and install windows for a residence. He illegally took the full payment up-front. Defendant measured the windows incorrectly and consequently abandoned the job.

Charges: One count each of BP 7028(a) [contracting without a license, punishable up to a fine of \$1,000 and/or 6 months county jail.]; BP 7159.5(a)(3) [charging an excessive down payment, punishable by up to a fine of \$ 5,000 and/or 1 year county jail.]; and PC 484b [diversion of contractor funds, punishable by up to fine of \$1,000 and/or 1 year county jail.]

Kenneth John, 56

Arrestment: 5/8/08, Dept. 81

Facts: Defendant, an unlicensed contractor doing business as K & H Plumbing HVAC, entered into contract to replace a furnace and air conditioning unit on a commercial building. Defendant misrepresented to the victim that the work was completed when in fact, only the old unit had been removed. Based upon this misrepresentation, the victim paid the full amount to the defendant.

Charges: BP 7028(a), BP 7027.3 [fraudulent use of another's license, punishable by up to a fine of \$ 10,000 and/or 1 year county jail.]; PC 487(a) [grand theft, punishable by up to fine of \$1,000 and/or 1 year county jail.]; and PC 487(a)/664 [attempted grand theft, punishable by up to fine of \$ 500 and/or 6 months county jail.]

David Kittridge Lenington, 64

Arrestment: 5/8/08, Dept. 81

Facts: Defendant, an unlicensed contractor doing business as European Stoneworks and fraudulently using another's license number, contracted to install tile in victim's home for \$12,252. Defendant illegally charged and received \$ 4,084 as a down payment and never started the project.

Charges: BP 7028(a), BP 7027.3, BP 7159.5 (a)(3), and PC 484b.

Hosayn Mandi, 49, and New Line Interiors, Corp.

Arrestment: 5/8/08, Dept. 81

Facts: Defendant, an unlicensed contractor and owner of New Line Interiors, Corp. contracted to build and install cherry veneer cabinets for victim's bathroom. Defendant demanded and received an excessive down payment.

Charges: BP 7028(a), BP 7159.5 (a)(3)

Sebastian Alex Ruiz, 31, and Ruiz Nilchian Construction, Inc.

Arrestment: 5/8/08, Dept. 81

Facts: Defendant, an unlicensed contractor and President of Ruiz Nilchian Construction, Inc., contracted to remodel victim's home for \$35,000. Victim paid

incomplete. Defendant fraudulently used another's license number.
Charges: BP 7028(a), PC 484b, BP 7027.3, and BP 7159.5 (a)(3).

Alexander Felix Rodriguez, 50

Arrestment: 5/8/08, Dept. 81

Facts: Defendant, an unlicensed contractor entered into two contracts with the victim to perform iron work (1st project) and install heating and air conditioning units (2nd project). Victim paid a total of \$38,920 before defendant abandoned the contract without ever installing the heating and air conditioning units. Defendant fraudulently used another's license number and demanded and received an illegally excessive down payment of \$20,000 to do the heating/ AC work. Defendant was convicted of contracting without a license in another matter during the time he contracted with the victim.

Charges: BP 7028(a)[1st project], BP 7028(a) with a prior conviction [2nd project], BP 7027.3, PC 487(a), PC 484b, BP 7159.5(a)(3).