

Daily Brief

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CEO Roger Snoble

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• Court of Appeal Confirms MTA Judgment Against Subcontractor

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The Court of Appeal today affirmed MTA's judgment for \$5.2 million against Oved & Associates, Pinhas Oved and their principals, for violation of the California False Claims Act. Oved and Associates was a subcontractor to many of the MTA's contractors on the Red Line, such as Tutor-Saliba-Perini and Kajima Ray/Wilson. Oved sued Kajima for contract damages and Kajima cross complained against the MTA for indemnity. After investigating Oved's claims and finding them false, MTA then cross complained against Oved for violation of the California False Claims Act. During the course of trial preparation, MTA requested Oved's electronic accounting files in an effort to prove that the company's claims were false. However, Oved's employees destroyed this evidence before it could be reviewed. With this in mind, MTA moved for termination of Oved's case due to willful destruction of evidence and entry of judgment on MTA's cross complaint. Termination was granted and judgment was entered against Oved for \$5.2 million.

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