

## **Court Raises MTA's Award from Tutor Lawsuit to \$63 Million**

By ED SCANNELL

(March 28, 2002) A Superior Court judge has ordered the construction joint venture Tutor-Saliba-Perini (TSP), its various entities, and bonding companies to pay \$21.7 million in attorney fees that the MTA incurred as the result of a lawsuit filed by TSP related to its role in building the Metro Red Line.

The decision, which brings the judgment total against TSP to \$63 million, also covered a counter suit filed by the MTA under the California False Claims Act.

In his ruling, Judge Joseph R. Kalin said the MTA had incurred \$10.8 million in legal expenses that were "reasonable and necessary" and that were less than those charged for the quality of legal work provided under similar circumstances. As a result, he doubled the award to \$21.7 million.

"We all can be proud that the MTA has stood its ground in the fight to hold Tutor-Saliba-Perini accountable for the illegal and unethical way it conducted business with this agency," said Board Chairman John Fasana.

"The MTA works with hundreds of contractors who play by the rules, get paid in full and enjoy a reasonable profit," said Fasana. "We welcome their participation as we go about the business of improving mobility in the county today and into the future."

### **Sending a strong message**

"As the MTA has said many times before, the case against Tutor-Saliba-Perini was not just about money," he added. "We hope to send a strong message to these contractors and all the others that do business with the MTA or any other public agency in Los Angeles County that they must abide by the law or face stiff consequences."

Kalin's ruling stems from a series of legal actions dating from the mid-1990s. In 1995, Tutor-Saliba-Perini sued the MTA for \$20 million in damages for refusal to pay a number of claims involving construction of three Metro Red Line stations on Wilshire Boulevard.

The MTA filed a cross complaint in 1999 under the contract and False Claims Act, accusing TSP of unfair business practices and making false claims regarding construction costs.

In July 2001, after several weeks of testimony, Kalin ruled that TSP and its attorneys had "intentionally concealed, withheld and destroyed records and documents relevant and crucial to the trial." All damage evidence was then presented and the jury awarded the MTA damages totaling \$29.5 million. Two other awards of \$2.4 million and \$9.3 million also were made.

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