


[Home](#)
[CEO Hotline](#)
[Viewpoint](#)
[Classified Ads](#)
[Archives](#)
[Metro.net](#) (web)

Resources

[Safety](#)
[Pressroom](#) (web)

[CEO Hotline](#)
[Metro Projects](#)
[Facts at a Glance](#)
(web)

[Archives](#)
[Events Calendar](#)
[Research Center/
Library](#)
[Metro Cafe](#) (pdf)

[Metro Classifieds](#)
[Retirement
Round-up](#)

Metro Info

[Strategic Plan](#) (pdf)

[Org Chart](#) (pdf)

[Policies](#)
[Training](#)
[Help Desk](#)
[Intranet Policy](#)

Need e-Help?

Call the Help Desk
at 2-4357

[E-Mail Webmaster](#)

The Facts of Metro's Case Against Oved & Associates

By ED SCANNELL

(June 29, 2004) The ruling against Oved & Associates and its principals stems from a series of legal actions.

In a lawsuit against Kajima-Ray/Wilson, a general contractor on the Metro Rail project, Oved alleged claims totaling nearly \$4 million. Instead of defending against Oved's claims, Kajima-Ray/Wilson entered into an agreement to waive any defenses to Oved's claims and "pass through" the claims to Metro.

More on this story at
myMetro.net

[Court Orders Red Line](#)
[Subcontractor to Pay](#)
[Metro \\$5.2 Million](#)

In defending against the lawsuit, County Counsel's Office examined the conduct of Oved and its relationship with a Disadvantaged Business Enterprise (DBE) firm known as Star Iron Works.

The examination uncovered evidence of a sophisticated scheme that used separate, but commonly controlled, corporations to inflate claims, which Oved submitted to Metro.

Based upon this discovery, Metro filed a claim against Oved under the California False Claims Act seeking damages for the cost of investigating Oved's claims and penalties for the submission of false claims.

County Counsel's Office then found evidence that a representative of Oved had misrepresented its eligibility for DBE certification and obtained lucrative subcontracts intended for DBEs.

Metro also learned that Oved had taken over a legitimate minority contractor, Star Iron Works, and used it as a front to pass through inflated claims. Oved then siphoned off funds from Star Iron Works and left it in a state of financial ruin.

Much like Metro's case against the inflated demands of Metro Red Line contractor Tutor-Saliba-Perini, Oved's claims against Metro were terminated after the court found Oved's litigation conduct had been purposefully abusive and had prejudiced the ability of Metro to properly present its case.

The court found Oved had unreasonably resisted court orders to turn over financial information, "stonewalled" Metro's investigation and altered electronic evidence after the court had ordered the evidence preserved.