

# City of L.A. Sues Ex-Employee to Recover \$800,000 in Misappropriated Funds

By Catherine Ho

Daily Journal Staff Writer

A former manager at the Housing Authority of the City of Los Angeles steered nearly \$800,000 meant to help disabled low income residents to members of his family, according to the city.

The complaint, filed June 19 in Los Angeles County Superior Court, alleges Victor Taracena, a former construction project manager at the public housing agency, misappropriated money by directing almost \$800,000 worth of contracts — without open competition or through rigged bidding — to construction and design companies run by his family members.

In one case, a losing bid on a contract awarded to his family's company was submitted by a non-existent company. Other bids were fabricated, and came from companies that denied knowing bids were submitted in

their names.

Investigators with the U.S. Department of Housing and Urban Development's Office of the Inspector General are looking into the allegations, according to the Los Angeles County district attorney's office.

Taracena, 38, never disclosed his familial relationship with the construction firms, and the companies were overpaid or paid for work they did not do, according to the complaint. As a result, money which should have been used for American with Disabilities Act compliance and the benefit of disabled lower income citizens was misappropriated, the complaint states.

"Anytime you have employees abusing the Housing Authority for their own personal gain, you have dollars that should go to the benefit of low income residents who don't receive as much as they could from the services the Housing Authority can provide," said Charles Slyngstad Jr. of Morris Polich &

Purdy, who is representing the city.

Taracena could not be reached for comment Wednesday. Marshall Rubin, who represented Taracena when allegations against him were first raised in 2007, said Taracena is no longer his client, and declined to comment. Rubin said he does not know who, if anyone, is currently representing Taracena. A response to the complaint has not been filed.

Taracena awarded more than 150 contracts worth roughly \$500,000 to companies run by his family, and awarded seven other contracts worth \$289,000 to "non-family firms that had little or no expertise in the work they were hired to do," the housing authority alleged. The contracts involved the design and construction of facilities to accommodate people with disabilities, including retrofitting, wheelchair ramps, toilets and grab bars in city housing developments.

Most of the jobs were for less than \$2,500 — the maximum limit for jobs that managers could direct at their discretion without soliciting bids, according to the complaint.

The complaint seeks \$800,000 in damages and injunctive relief and names Taracena, Bennett Taracena and Diego Taracena, and four firms — Pratt-Jennings-Holmes, Decker & Durden Engineering, Trevor and Associates, and So-Called Artists.

Taracena was fired in June 2007 after an internal investigation uncovered his use of fake companies and false documents to steer money to himself and others between 2003 and 2007, said Annie Kim of the Housing Authority.

His duties before he was terminated included using funding to bring the city's housing developments into compliance with ADA.

[catherine\\_ho@dailyjournal.com](mailto:catherine_ho@dailyjournal.com)