

Head of construction firm arrested - She is - Times-Picayune, The (New Orleans, LA) - February 19, 2010 - page B 01

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The head of a Kenner construction firm involved with numerous public construction jobs in the metro area has been arrested, accused of not paying subcontractors for nearly \$500,000 worth of work during the past five years.

Jan Buras, president of JaRoy Construction Inc., was arrested Thursday by the state attorney general's office and the Kenner Police Department on charges of misapplication of payments to subcontractors on more than 20 construction jobs in Orleans, Jefferson and Lafourche parishes.

On one project in particular, the Terrytown Playground Gymnasium on the West Bank of Jefferson Parish, JaRoy bilked numerous subcontractors out of nearly \$400,000 worth of work, according to the warrant. Several of the cases are already tied up in civil litigation between the subcontractor and JaRoy Construction.

The arrest stemmed from an investigation began in the summer by the attorney general's office, which had found problems with the foundation at a fire station the company was building in St. Bernard Parish. The faulty construction could have posed serious risks for firefighters if the project had moved forward.

From there, the investigation into JaRoy "just sort of took on a life of its own," said Assistant Attorney General David Caldwell.

Donald "Chick" Foret, an attorney for Buras, characterized the charges more as business disagreements than criminal acts.

"There are legitimate disputes, many of which are involved in civil litigation, as to the amounts owed for the work that was performed by various subcontractors," Foret said. "I find it hard to comprehend how a crime was committed when there are genuine disputes between the parties. JaRoy Construction welcomes the opportunity to present its position as to these pending disputes."

According to a warrant from the attorney general's office, investigators are also looking into allegations that JaRoy was involved in schemes to rig public bids with other contractors and then employ the losing bidders as subcontractors. One allegation in particular involves a "bribery" or "kickback" scheme involving the expansion of the administration offices for the **Crescent City Connection**, a division of the Department of Transportation and Development.

The warrant mentions information about the state project manager for the administration building receiving "a check, or cash, gifts, goods or free work performed on his personal home in exchange for his assistance in the passing of the state's estimated cost to complete the project prior to formal bidding."

Caldwell said no formal charges have been filed on those allegations, but that "there are other

areas that need to be looked at, and I think we would be remiss at this point if we didn't look at it."

"This case has a lot of tentacles that can reach out to other people and to other agencies," Caldwell said.

The bridge administration building project was bid by JaRoy at nearly \$3.8 million -- \$700,000 higher than the department's estimate of \$3.1 million. The high price tag drew the ire of some critics, including Rep. **Patrick Connick**, R-Harvey, who last year requested that the legislative auditor review all contracts related to the **Crescent City Connection**.

The project is expected to be complete by next summer, said Sherry Dupre, a DOTD spokeswoman. She said the agency was unaware of what project manager the attorney general's office is referencing.

Buras is being held at the Jefferson Parish Correctional Facility. No bond had been set as of Thursday evening because of the other charges pending in Orleans and Lafourche parishes.

Despite the issues with the fire station in St. Bernard, the parish awarded JaRoy another contract to build its new public works yard off Paris Road in Chalmette. The company is still handling Fire Station No. 5 in Chalmette, after correcting problems with a missing piling, and also is handling construction on Fire Station No. 8 in the lower end of the parish.

Other JaRoy projects where subcontractors were not paid, according to the arrest warrant, include work at the Audubon Aquarium of the Americas, the Treme Senior Citizens Center, the University of New Orleans, West Jefferson Medical Center, the Jefferson Parish Local History Center and a Federal Express warehouse at Louis Armstrong New Orleans International Airport.

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Chris Kirkham can be reached at ckirkham@timespicayune.com or 504.826.3321.

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