

 **Back**

 **Search**

 **Contents**

**BNA, Inc.**

# Construction Labor

**REPORT**

**Volume 51 Number 2525**  
**Wednesday, May 25, 2005**  
ISSN 1523-5688

**Page 429**

**State News**

## **California**

### **Framing Firm Owners Sentenced to Prison, Ordered to Pay \$3.4 Million for Felony Fraud**


SAN FRANCISCO--The former owners of a building framing company were sentenced and ordered to pay \$3.4 million in restitution for felony workers' compensation fraud and tax evasion (*California v. Wright*, Cal. Super. Ct., Alameda Cty, No. 145375A, 5/18/05; *California v. Wright*, Cal. Super. Ct., Alameda Cty, No. 145375B, 5/18/05).

The owner of Highland Framers of Northern California Inc., Jay Neal Wright, and his son and co-owner, Jay Neal Wright II, pleaded no contest in March on a June 2003 grand jury indictment alleging they were operating shell corporations to avoid paying employment taxes and higher compensation premiums, , the California Department of Insurance said May 19.

Jay Neal Wright was sentenced to three years in state prison and ordered to pay \$3.1 million in restitution. Jay Neal Wright II was sentenced May 18 to five years' probation and ordered to pay \$300,000 in restitution, the Insurance Department said.

The Wrights in 1993 allegedly told insurers and state tax authorities they had divested themselves of their carpentry labor force and were using outside subcontractors, according to the state.

A State Compensation Insurance Fund investigation followed suspicions of fraud after large losses in the 1990s. State investigators from several agencies found the alleged subcontractors, including Valley Framing of California Inc. and Highland Valley Framers Inc., operated under direct financial and operational control of Highland Framers and the Wrights, the Insurance Department said.

The sentences are the third handed down after a long investigation into Highland Framers, once one of the largest framing companies in Northern California. The Insurance Department said a former attorney who helped Highland Framers create the shell corporations, Timothy Miller, pleaded guilty in 2001 to a felony premium fraud count in a plea agreement in which he was ordered to serve five years' probation, pay \$50,000 in restitution, and testify against the Wrights. 

*By Joyce Cutler*

---

Contact customer relations at: [customercare@bna.com](mailto:customercare@bna.com) or 1-800-372-1033

ISSN 1523-5688

[Copyright](#) © 2005, The Bureau of National Affairs, Inc.

[Copyright FAQs](#) | [Internet Privacy Policy](#) | [BNA Accessibility Statement](#) | [License](#)

Reproduction or redistribution, in whole or in part, and in any form, without express written permission, is prohibited except as permitted by the BNA Copyright Policy, <http://www.bna.com/corp/index.html#V>

 **Back**

 **Search**

 **Contents**