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\$5 Million Fine for Hiring Illegal Immigrants

By THE ASSOCIATED PRESS

SAN DIEGO, Dec. 14 (AP) — A Southern California fence-building company and two executives pleaded guilty in federal court Thursday to knowingly hiring illegal immigrants and agreed to pay a combined fine of \$5 million, the government's latest coup in a crackdown on businesses.

If the judge follows the government's recommendation to sentence the company officials to at least six months in jail, the case could become a rare example of executives being sent to prison for hiring illegal immigrants.

The business, Golden State Fence Company of Riverside, pleaded guilty to knowingly hiring illegal immigrants, a misdemeanor, and agreed to pay \$4.7 million to the federal government. It admitted hiring illegal workers from January 1999 to November 2005.

Mel Kay, 64, the company's founder, chairman and president, and Michael McLaughlin, 42, manager of the company's Oceanside office, pleaded guilty to the same charge but as a felony. Mr. Kay agreed to pay a \$200,000 fine and Mr. McLaughlin a \$100,000 fine.

The men, who admitted hiring at least 10 illegal immigrants in 2004 and 2005, were released on their own recognizance. Sentencing is set for March 28.

Golden State Fence, which currently employs 750 people, saw sales soar to \$150 million in 2004 from \$60 million in 1998, according to a biography of Mr. Kay provided by the company. Among its projects was construction of part of a 14-mile border fence in San Diego in the late 1990s.