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Fraud charges filed against 2 workers accused of misusing agency's credit cards

At least \$3 million in goods were allegedly purchased at inflated prices through dummy corporations. A third man is also charged.

By David Zahniser, Los Angeles Times

October 29, 2010

Criminal charges were filed Thursday against two employees of the Department of Water and Power, accusing them of setting up a scheme to defraud the utility using the agency's corporate credit cards. Among the purchases was new furniture for the executive offices of the DWP headquarters, Los Angeles County Deputy Dist. Atty. Gary Nielsen said.

Prosecutors filed one felony count of conflict of interest, one felony count of misappropriation of public funds and two felony conspiracy counts against Anthony Carone, 49, and Akbar Fonooni, 55.

The two men are accused of using about a dozen DWP "P-cards," or purchasing cards, to buy at least \$3 million in products on the utility's behalf between July 2003 and December 2009. They allegedly bought goods at an inflated price and pocketed the difference, Nielsen said.

Carone set up a company called Spectrum Sales as well as other "dummy" companies that took part in the transactions, he said. "To disguise the fact that he was buying from himself, he would put a middleman between his company and the DWP," Nielsen said.

Four felony charges were also filed against Troy Mitchell Holt, 45, whom investigators described as a friend of Carone. At least \$1.4 million in purchases were routed through J.J. & R. Sales, a company set up by Holt, authorities said.

DWP spokesman Joe Ramallo said the utility cooperated fully with the investigation. "We are outraged by these alleged crimes and will seek to recover at least \$3 million that was stolen over a six-year period," he said.

The charges come 10 months after prosecutors [served search warrants](#) on DWP offices, as well as at the homes of Carone, a plumbing supervisor, and Fonooni, a fire protection engineer.

Carone was arrested Thursday by La Verne police and is being held on \$1.5-million bail. Fonooni left the country earlier this year, district attorney's spokeswoman Sandi Gibbons said. In May, his Facebook page said he was in Tehran and looking for an apartment. An arrest warrant has been issued for Holt. As part of the yearlong case, prosecutors went through DWP purchasing card records, the defendants' bank records and sales invoices found at the homes of all three defendants.