



Maricopa County Attorney

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News Release

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First Employer Sanctions Case Filed

Scottsdale Art Factory accused or hiring illegal workers after January 2009 raid

County Attorney Andrew Thomas announced his office has filed the state's first employer sanctions case, a civil complaint against an employer accused of violating the Legal Arizona Worker's Act. The civil action alleges the Scottsdale Art Factory's manager, Michelle Hardas, allegedly hired illegal labor deliberately by using a "subcontractor" which was in reality an employee who was not authorized to work in the United States.

In January 2009, the Maricopa County Sheriff's Office made a number of identity theft arrests after learning illegal immigrants were employed at the business. The civil complaint alleges that an illegal worker who voluntarily returned to Mexico, Hilario Santiago-Hernandez, returned to Arizona and created a company to provide services and labor solely for the Scottsdale Art Factory. The complaint alleges that "Santiago Furniture", which was formed in April 2009, was established to circumvent the Legal Arizona Worker's Act. The complaint also accuses Hardas of attempting to get Santiago-Hernandez to hire an unauthorized employee under Santiago-Hernandez's shell company to do work at the Scottsdale Art Factory. Hardas allegedly suggested Santiago-Hernandez charge the unauthorized alien a five percent kickback.

The complaint alleges:

"Hardas has used the provision of limited liability companies, designed to protect legitimate businesses, as a way of gaining an unfair economic advantage over legitimate businesses by continuing to hire employees who are not authorized to be employed in the United States."

The complaint was filed on November 18 following an investigation by the Maricopa County Sheriff's Office. The investigation included the use of undercover video in which Hardas told an undercover informant she was *"trying to get around the system ... and change the rules so that I can make you be hired."*

In the video, Hardas characterizes the subcontractor arrangement this way, *"it's like having a real business even though ... we're just using it to put the money through...."*

The video also quotes Hardas as telling Santiago-Sanchez what to say when contacted by law enforcement, *"I don't work here. ... Sometimes I come in the shop and I help a little bit, but mostly I just bring in furniture – drop off furniture – drop off doors that I made. I was just here making a door. Got to go. You don't need to see my papers. I got to go."*

The civil complaint asks the court to order the business to fire illegal workers and comply with state law. The complaint also seeks a minimum ten day suspension of the defendant's business license. Deputy County Attorney Peter Spaw is prosecuting the case.

Since 2008, when the Legal Arizona Workers Act became law, there have been 26 investigations with a total of 327 arrests. Of those, 212 were for identity theft or forgery. An additional 98 suspects were found to be in the United States illegally. Several others had outstanding warrants. Today's complaint marks the first civil action taken against an employer and we expect more to follow. Unfortunately, just as prosecutors are starting to make progress there are efforts at the State Legislature and the Board of Supervisors to sweep the funds that were set aside by statute to enforce the Legal Arizona Workers Act in addition to prosecuting other crimes resulting from illegal immigration. In addition to prosecuting defendants in employer-sanctions related cases, the County Attorney's Office has used these funds to prosecute 866 human smuggling defendants, 381 kidnapping defendants, and 436 illegal immigrants accused of Misconduct Involving Weapons.

County Attorney Thomas stated, "This first employer-sanctions case is the capstone on our office's efforts to stop illegal immigration. The idea that state and local law enforcement can successfully and legally combat illegal immigration has moved from a provocative theory a few years ago to reality today."

Thomas especially thanked Senator Russell Pearce for backing the employer-sanctions legislation and Sheriff Joe Arpaio for continuing with employer raids despite protests.

Sheriff Arpaio stated, "It's sad with the high unemployment rate in this country that employers hire illegal aliens, taking jobs away from US citizens."

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