



The City of New York
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**DOI STATEMENT ON CITY DEMOLITION CONTRACTORS FOUND GUILTY
OF \$650,000 WAGE FRAUD AND WITNESS-TAMPERING SCHEME**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation (“DOI”), issued the following statement on today’s jury verdicts finding the father-and-son-operators of a demolition firm guilty of several federal crimes they committed in connection with their work on an upper-Manhattan housing development project funded by the City and the federal government. JOVER NARANJO, 37, and LUPERIO NARANJO, 65, both of Queens, were found guilty of conspiracy, fraud, and witness-tampering charges for underpaying their workers by approximately \$650,000, submitting false payroll reports to the City’s Department of Housing Preservation and Development (“HPD”), instructing their workers to lie to investigators, and firing a worker who told the truth. The guilty verdicts were rendered today in Manhattan federal court before U.S. District Judge Jed S. Rakoff. The criminal conduct was uncovered by a multi-agency investigation. The office of Preet Bharara, United States Attorney for the Southern District of New York, prosecuted the case. Sentencing is scheduled to take place on March 24, 2014.

DOI Commissioner Rose Gill Hearn said, “Integrity is a requirement for every company that does business with the City and is paid by the taxpayers. These defendants instead cheated their workers, made false statements to the City, and told their workers to lie. They now stand guilty of federal crimes and face possible prison sentences. DOI thanks United States Attorney Preet Bharara, his prosecutors, the City and federal investigators, and HPD for their assistance, all of whom worked together to ensure justice and make clear that individuals who flout the rules for honest dealing on public contracts will be caught and called to account.”

In 2009, the defendants’ firm, Enviro & Demo Masters, Inc., was retained as a subcontractor to demolish several buildings in upper Manhattan to prepare for the construction of new affordable housing. The firm was required to pay its workers prevailing wages in accordance with federal law. The crimes for which the defendants were convicted were committed in the course of their firm’s work on that project.

Assistant United States Attorneys Brian Jacobs and Brent Wible prosecuted this case under the direction of Brendan McGuire, Chief of the Southern District’s Public Corruption Unit.

The investigation was conducted by DOI, the U.S. Department of Labor, Office of the Inspector General, and the New York Area Office of Criminal Investigation Division for the U.S. Environmental Protection Agency.

DOI is one of the oldest law-enforcement agencies in the country. The agency investigates and refers for prosecution City employees and contractors engaged in corrupt or fraudulent activities or unethical conduct. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City.

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