

Attorney General

Eliot Spitzer

Contact: Juanita Scarlett
(212) 416-8060 – AG

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Emily Gest
(212) 825-5931 – DOI

THREE CONTRACTORS ARRESTED FOR UNDERPAYING EMPLOYEES AND FALSIFYING BUSINESS RECORDS IN CONNECTION WITH NEW YORK CITY HOUSING AUTHORITY CONSTRUCTION PROJECTS

State Attorney General Eliot Spitzer and New York City Department of Investigation Commissioner Rose Gill Hearn today announced that three construction contractors were arraigned on felony and misdemeanor charges arising out of their falsification of records that made it appear that \$367,000 in legally required prevailing wages were paid to 19 workers on New York City Housing Authority projects, when, in fact, such wages were not paid.

Mohammed Abdur Rashid, and his company Columbus General Construction Inc., and Tarcisio Ferreira and Harrison Jarvis, whose construction companies are now defunct, were charged with failure to pay wages, falsification of business records, false filings and perjury in connection with Housing Authority contracts at the Edgemere and Arverne Houses (Ocean Bay) located in Far Rockaway.

The defendants entered “not guilty” pleas in Queens County Criminal Court, and were ordered to return to court on October 15, 2003.

“The message is clear: falsifying records and failing to pay the prevailing wages on a public work project are serious violations of the law. Contractors who engage in such tactics can expect criminal sanctions,” Spitzer said.

“These contractors unjustly chose to enrich themselves rather than pay employees their rightful wages. DOI will not tolerate this type of fraud or other acts of dishonesty and will investigate them with vigor. Upon recovering any improprieties, DOI will seek to prevent the company in question from obtaining future contracts with the City,” said Commissioner Gill Hearn.

The joint investigation by the Attorney General's office and the Department of Investigation's Office of the Inspector General for the Housing Authority revealed that between July 2, 2001 and December 31, 2002, Rashid, Ferreira, Jarvis, and their respective companies employed nineteen workers at the Edgemere and Arverne Houses. The work was subject to federal and state prevailing wage laws, which dictate the hourly rates that must be paid to employees working on public projects. In each case, the defendants are alleged to have failed to pay workers prevailing

wages, and attempted to conceal their wrongdoing by filing false payroll showing that their employees were paid properly. The workers received between \$70 to \$110 per day instead of up to \$48.53 per hour, which they were entitled to by law.

The Attorney General is also seeking restitution for the underpayment of wages to employees, which totals more than \$367,000.

As a result of the continuing cooperation between the OAG and DOI, over one million dollars in wage restitution orders have already been obtained this year.

Charges against the defendants are as follows:

Mohamed Abdur Rashid – one count of Grand Larceny in the Second Degree, a class C felony; one hundred-five counts of Offering a False Instrument For Filing in the First Degree, a class E Felony; one hundred-five counts of Falsifying Business Records in the First Degree, a class E felony; ninety-eight counts of Perjury in the Second Degree, a class E Felony; and six counts of Failure to Pay Wages in Accordance with the state labor law, a Class A Misdemeanor. If convicted, Rashid could be sentenced to five to fifteen years on the grand larceny charge and up to four years on the false filing and perjury charges.

Tarcisio Ferreira and Harrison Jarvis – multiple counts of Offering a False Instrument For Filing in the First Degree; Falsifying Business Records in the First Degree; Perjury in the Second Degree, and Failure to Pay Wages in Accordance with the state labor law. Ferreira was also charged with one count of Grand Larceny in the Third Degree, a class D felony. If convicted, Ferreira could be sentenced to three to nine years on the grand larceny charge and up to four years on the false filing and perjury charges. Jarvis could be sentenced to up to four years on the false filing and perjury charges.

The charges in this case are accusations and the defendants are presumed innocent unless and until proven otherwise by a court of law.

The case was referred by the Greater New York Laborers-Employers Cooperation and Education Trust (LECET) and the New York City and Vicinity Carpenters Labor-Management Trust Fund in conjunction with their TRADES campaign.

The case is being handled by Assistant Attorneys General Richard Balletta, James W. Versocki, and Devin Rice of the AG's Labor Bureau, under the supervision of Bureau Chief M. Patricia Smith. The investigation was conducted by Investigator Ed Elie of the AG's Criminal Investigations Bureau, along with the DOI Assistant Commissioner Steven A. Pasichow and Investigators Claudel L. Chery and Irene Serrapica of the New York City Housing Authority Inspector General's office.