



Department of Investigation

Press Release

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Nassau Contractor Charged With Cheating Employees ***-Failed To Pay Workers Over \$156,000 In Prevailing Wages On City Projects-***

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EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), and ROBERT M. MORGENTHAU, Manhattan District Attorney, today announced that NADIR UYGAN, a Nassau County building contractor, and NAGAN CONSTRUCTION, INC. (NAGAN), his Inwood, Long Island, construction company, have been charged with defrauding employees out of \$156,000 by failing to pay them prevailing wages on 5 City construction projects in the Bronx, Brooklyn, Queens, and Manhattan.

Commissioner Kuriansky said, "Firms doing business with the City are legally bound to pay their employees the fair and prevailing wage. Here, however, the defendant chose to enrich himself at the expense of his own workers. These charges serve notice to all would-be contractors that the City simply will not tolerate wage fraud or any other cheating on public projects."

The 5 public works projects, which cost the City a total of \$1,681,000, included: Entrance ramps at various housing developments in Brooklyn (\$569,000), and a front building entrance at the Harrison Avenue Rehab housing development in the Bronx (\$270,000) for the Housing Authority (NYCHA); renovations at Coler Memorial Hospital on Roosevelt Island (\$161,000) for the Health and Hospitals Corporation (HHC); and construction of comfort stations in East River Park in Manhattan (\$356,000) and in Highland Park in Queens (\$325,000) for the Department of Parks and Recreation (DPR).

According to Commissioner Kuriansky and District Attorney Morgenthau, between 1991 and 1995, NAGAN CONSTRUCTION, INC., had been awarded 11 City contracts, totalling \$2,608,000, to perform general construction work at various locations. These contracts obligated the firm to pay its workers legally prevailing wages, including salary and fringe benefits. Prevailing wages are set by the government to reflect the average pay rate for unionized workers in various trades. The company was also required to submit certified payroll reports to NYCHA, HHC, and DPR, reflecting the prevailing wage and fringe benefits actually paid to each employee on each public contract.

Commissioner Kuriansky said DOI initiated an investigation after a worker complained that NAGAN had failed to pay him his proper wages.

The investigation disclosed that UYGAN, NAGAN's president, had submitted fraudulent certified payroll reports to all 3 City agencies, claiming that he had paid his workers the appropriate prevailing wage when, in fact, he had paid them substantially less -- over \$156,000 -- than the law required.

In one instance, for example, UYGAN allegedly submitted certified payroll statements to the 3 agencies falsely claiming that on June 14, 1995, a particular employee had worked a total of more than 24 hours at several locations, and had been paid wages ranging from \$27.48 to \$34.34 an hour. However, the investigation revealed that this employee, who at different times between August 1994 and April 1997 had been classified as an engineer, carpenter, or laborer on the various NYCHA, HHC, and DPR projects, was typically paid \$1,600

a month or \$9.23 an hour -- an amount well below the prevailing wage for each of those trades -- and never worked more than 8 ½ hours a day.

UYGAN, 50, the company president, of 226 Wanser Avenue in Inwood, Long Island, and his firm, NAGAN CONSTRUCTION, INC., same address, were both charged with Scheme to Defraud in the First Degree, a Class E felony, and Offering a False Instrument for Filing in the Second Degree, a Class A misdemeanor. If convicted, UYGAN faces up to 4 years in prison, and his company faces a fine of up to \$312,000, double the gain from the commission of the offense.

The investigation was conducted by Steven A. Pasichow, DOI's Assistant Commissioner and Inspector General for NYCHA, and members of his staff, including Assistant Inspector General Irene Serrapica.

The case is being prosecuted by Manhattan Assistant District Attorney Olivia Sohmer.