



**The City of New York  
Department of Investigation**

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**FORMER CITY CONTRACTOR PLEADS GUILTY TO UNDERPAYING WORKERS**  
*-- Cheated more than 70 workers \$425,000 in wages--*

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation (DOI), announced today that a City Contractor and its principals have pled guilty for failing to pay prevailing wages to approximately 70 workers who installed thousands water meters in homes and apartment buildings in Manhattan, Bronx, Queens and Brooklyn. In total, the workers were underpaid \$425,000 for work performed between September 1997 and April 2002.

OLYMPIA MECHANICAL PIPING & HEATING CORPORATION, of Brooklyn, today pled guilty to Grand Larceny in the Second Degree, Offering a False Instrument for Filing and for failing to comply with New York State payroll tax law. As a result of this plea, the company will be debarred from municipal and state public works projects for five years.

Olympia Vice President SOLOMON WERZBERGER, 36, of Monsey, NY, and Olympia Chief Financial Officer STEVEN TISCHLER, 39, of Brooklyn, pled guilty June 30 to Scheming to Defraud in connection with underpaying the workers. As part of the plea, OLYMPIA, WERZBERGER and TISCHLER must pay \$425,000 in restitution to the workers who were underpaid. These defendants will be sentenced on August 18.

DOI's investigation began after two former Olympia employees reported that they had been offered bribes by WERZBERGER and TISCHLER to withdraw their prevailing wage complaints and lawsuits against the company in which they had demanded their rightful wages.

Since 1997, the New York City Department of Environmental Protection paid OLYMPIA a total of \$8 million to install nearly 5,000 water meters under nine separate contracts. DEP awarded the contracts as part of its long-term project to convert City water users from estimated billing to metered billing. The contracts required OLYMPIA to use plumbing mechanics that would be paid the mandatory prevailing wage of roughly \$32 an hour. However, DOI investigators developed evidence indicating that the workers were paid as little as \$8 per hour in cash, off the books, and never earned over-time pay. OLYMPIA falsely indicated that its workers were paid the appropriate wages on the requisite Certified Payroll forms the company filed with DEP.

DOI will initiate a VENDEX caution in the City's VENDEX system so that all City agencies will be aware of the company's history before engaging them in business. DEP did not renew its contracts with Olympia when they expired in 2002.

The Office of Manhattan District Attorney Robert M. Morgenthau indicted OLYMPIA, WERZBERGER and TISCHLER in March 2003. This investigation was conducted jointly by DOI's Deputy Inspector General for DEP Chris Staackmann, as well as New York State Police Investigator Joseph D'Urso and Manhattan Assistant District Attorneys Susan Krischel and Thomas Mooney.

***Get the worms out of the Big Apple. To report someone ripping off the city, call DOI at (212) 825-5959.***