



Ken Thompson
District Attorney

DISTRICT ATTORNEY

KINGS COUNTY

350 Jay Street
Brooklyn, NY 11201
(718) 250-2000
www.BROOKLYNDA.ORG

Press Office
(718) 250-2300

FOR IMMEDIATE RELEASE

Wednesday, September 16, 2015

School Construction Authority Contractor Pleads Guilty in Connection With Stealing \$45,000 in Purported Employee Wages and Benefits, Underreporting Income on City Tax Filings

Defendant Agrees To Pay \$500,000 in Taxes and Penalties, \$45,000 Restitution

Brooklyn District Attorney Ken Thompson, together with New York City Department of Investigation Commissioner Mark Peters, today announced that the owner of a security firm that contracted with the New York City School Construction Authority to provide security guards at school construction sites pleaded guilty in connection with stealing approximately \$45,000 in purported wages and benefits and underreporting income on New York City tax filings.

District Attorney Thompson said, “Instead of paying his employees the stated wages under the contract, the defendant shorted his workers and pocketed the difference, and cheated the City out of \$500,000 on top of that. He will now be held accountable for his criminal conduct.”

Commissioner Peters said, “This contractor cheated the School Construction Authority of tens of thousands of dollars by falsifying his payroll records and then underreported his income to steal hundreds of thousands of dollars in City tax funds. He now stands convicted of these serious crimes and, just as important, the City will recoup these stolen funds.”

The District Attorney identified the defendants as Toyin Sobanke, 54, of 6658 Avenue M, in Bergen Beach, Brooklyn and his corporation, Tiger Security Group, Inc., which is located at the same address. Sobanke and his corporation each pleaded guilty today to one count of second-degree scheme to defraud and one count of second-degree criminal tax fraud before Brooklyn Supreme Court Justice Matthew Sciarrino.

As a condition of the plea, Sobanke and Tiger Security agreed to pay \$45,368.14 restitution to the School Construction Authority. They also agreed to pay \$500,000 in taxes and penalties to the New York City Department of Finance for underreporting income in 2009 and 2010, and failing to file a return for 2012.

The District Attorney said that, according to the guilty plea, between January 1, 2009 and December 31, 2013, the NYC SCA paid Tiger Security more than \$10 million for security guard services on construction projects at New York City public schools, including P.S. 10 in Park Slope, P.S. 95 in Gravesend and I.S. 78 in Bergen Beach, all in Brooklyn.

From June 29, 2011 to February 10, 2013, defendants Sobanke and Tiger Security falsely stated on invoices and certifications of payroll and daily sign-out logs on multiple construction projects that they paid seven employees up to \$17.41 per hour in wages and benefits for regular time and up to \$23.84 per hour in overtime, when in fact they actually paid the seven employees between \$8 and \$10 per hour without any overtime or benefits.

The District Attorney further said that, according to the guilty plea, the defendants underreported their gross income by more than \$600,000 in 2009, by more than \$1 million in 2010 and did not file any returns in 2012. As a result, it owes approximately \$500,000 in New York City General Corporation Tax.

The case was investigated by NYC SCA Office of the Inspector General Investigators William O'Brien and Lee Callier and Investigative Accountant Ray Dowd, under the supervision of NYC SCA Inspector General Maria Mostajo, who report to the NYC Department of Investigation. It was additionally investigated by Financial Investigator Veronica Beltran of the District Attorney's Asset Forfeiture and Tax Crimes Bureau.

The District Attorney thanked the Department of Finance for its assistance in this investigation.

The case is being prosecuted by Assistant District Attorney Meredith McGowan, Deputy Chief of the District Attorney's Labor Frauds Bureau, under the supervision of Felice Sontupe, Chief of the District Attorney's Frauds Bureau, and Assistant District Attorney Gregory P. Mitchel, Chief of the District Attorney's Asset Forfeiture and Tax Crimes Bureau, and the overall supervision of Executive Assistant District Attorney William E. Schaeffer, Chief of the District Attorney's Investigations Division.

#