



DISTRICT ATTORNEY – NEW YORK COUNTY

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**New York City and State Partners Announce Joint Effort to Combat Wage Theft
in the Construction Industry**

*Indictments Stem from Joint Effort to Prevent Worker Exploitation
through Statewide Wage Theft Initiative*

Manhattan District Attorney Cyrus R. Vance, Jr., New York State Governor Andrew M. Cuomo, New York State Attorney General Eric T. Schneiderman, Acting Brooklyn District Attorney Eric Gonzalez, Bronx District Attorney Darcel D. Clark, Queens District Attorney Richard A. Brown, Staten Island District Attorney Michael E. McMahon, Nassau County District Attorney Madeline Singas, Westchester District Attorney Anthony A. Scarpino, Jr., New York City Department of Investigation Commissioner Mark G. Peters, and New York City Comptroller Scott M. Stringer today announced criminal charges in a series of cases stemming from a joint effort by city and state partners in law enforcement and government to prevent the exploitation of workers through the Wage Theft Initiative and as part of a greater effort to ensure workplace safety, root out corruption, and deter fraud in the construction industry.

“Every week, New Yorkers lose \$20 million in unpaid wages,” said Manhattan District Attorney Cyrus R. Vance, Jr. “And every day, construction workers who risk their lives doing dangerous jobs have to wonder whether they’ll actually be paid for their work. Wage theft is one of the most pervasive problems in New York City and State, and in the construction industry in particular, workers are all too often preyed upon by their employers, who are able to steal millions of dollars in unpaid wages. I’m proud and grateful to stand with our partners in law enforcement and government against this type of fraud. As the giving season approaches, it is my hope that the holidays will be that much brighter for the families of more than 300 New Yorkers who will be receiving \$500,000 in back pay owed to them.”

Governor Cuomo said: “New York believes in a fair day’s pay for a fair day’s work and has zero tolerance for those who seek to rob employees and deny them the wages they are rightfully owed. This crackdown sends a strong and direct message that workers will be protected and the principles of fairness and equality will continue to be upheld in this great state.”

Attorney General Schneiderman said: “The law is clear: New Yorkers are entitled to a fair day’s pay for a fair day’s work. My office has zero tolerance for wage theft. Since 2011, we’ve recovered nearly \$30 million in stolen wages for more than 21,000 workers – and we’ll continue to ensure that New York’s working families are given the fair shake they deserve.”

Acting District Attorney Eric Gonzalez said: “In Brooklyn, we are committed to protecting workers and ensuring that they are not cheated out of their hard-earned wages. We have been fighting to hold employers accountable for a long time, and will continue to do so. We are proud to be a part of the Wage Theft Initiative to make certain that businesses across the state are put on notice that stealing from workers is a crime and will be prosecuted.”

Bronx District Attorney Darcel D. Clark said: “Anyone who would exploit construction workers who perform difficult, often dangerous jobs building our city’s skyline will be prosecuted and face punishment. The Statewide Wage Theft Initiative empowers us to fight more effectively as partners to ensure wage-fairness, and to stem corruption and fraud in this vital industry. As in the past, the Bronx District Attorney’s Office is prepared to investigate and prosecute all offenders who consciously prey on hard-working hardhats. They deserve, as do all workers, to be paid a fair wage for every hour of labor.”

Queens District Attorney Richard Brown said: “The failure to pay wages is a prevalent problem all over New York and in Queens, in particular, due to our large immigrant population. Many immigrant workers who come to the United States are forced to work for private contractors for far below prevailing rates and then only to see their wages withheld or their paychecks bounce for lack of funds. The end result is that the workers are put in the difficult position of complaining and losing their jobs or staying silent and being taken advantage of. In the case being prosecuted in Queens, the employers are alleged to have refused to pay employees the wages agreed upon by both parties.”

Nassau County District Attorney Madeline Singas said: “Every week, crooked contractors steal millions of dollars from hardworking men and women in the construction industry. Wage theft is a growing problem in our state and it is up to us, as district attorneys, to protect victimized workers and prosecute contractors who break the law. I thank DA Vance, the State Department of Labor, and our law enforcement partners for creating the Wage Theft Initiative. Working together, we will remove the bad actors and protect the dignity of the men and women in New York’s building trades.”

DOI Commissioner Mark G. Peters said: “As alleged, these contractors preyed on their workers, using deception and betrayal to steal their pay. This law enforcement initiative to expose and stop construction owners from cheating their employees and then lying to regulators so they can keep going is critical to instilling integrity and stopping these charged crimes. DOI is proud to stand with the Manhattan DA’s Office and all our partners to put an end to this type of worker exploitation.”

New York City Comptroller Scott M. Stringer said: “This is about right and wrong—and it’s about fairness. That’s why I take our authority to set and enforce prevailing wages very seriously, and it’s why my office will continue to work with the Attorney General and District Attorneys to bring unscrupulous employers to justice. We’re going to work together like never before to track down those who commit serious prevailing wage violations and stand up for the law.”

Joint Wage Theft Initiative

In New York State, wage theft accounts for more than \$1 billion in lost wages per year and affects tens of thousands of workers. To address this type of fraud, district attorneys from New York City and State, the New York City Department of Investigation (“DOI”), New York City Comptroller’s Office, New York State Attorney General’s Office, and New York State Department of Labor (“NYS DOL”) joined together to investigate wage-related theft, fraud, and abuse as part of the Wage Theft Initiative.

To date, several cases involving multiple jurisdictions have been brought against defendants across New York City and State, accounting for more than \$2.5 million in stolen wages affecting over 400 workers.¹

¹ The charges contained in the criminal complaints and indictments are merely allegations, and the defendants are presumed innocent unless and until proven guilty. All factual recitations are derived from documents filed in court and statements made on the record in court.

Manhattan

CITY METRO CORP., NIKITAS NIKOLIS, 61, and ANTHONY CAGGIANO, 54, are charged in an indictment filed in New York County Supreme Court with Grand Larceny in the Second and Third Degrees, Scheme to Defraud in the First Degree, and Offering a False Instrument for Filing in the First Degree for stealing over \$241,000 from more than 45 construction workers, who were tasked with performing a concrete installation project at a hotel being built in Midtown Manhattan. Between June 2015 and April 2017, a number of workers were only paid part of their wages, or in some cases, not paid at all. Instead, the defendants diverted portions of the monies that should have been used to pay their employees. Assistant District Attorneys Leah Keith and Carey Ng are handling the prosecution of the case, under the supervision of Assistant District Attorney Diana Florence, Attorney-in-Charge of the Construction Fraud Task Force and Senior Investigative Counsel, and with the assistance of Task Force Coordinator Hildalyn Colon Hernandez, Principal Financial Investigator Robert Pomeroy, and Paralegals Sophia Inkeles and Amanda Bauza.

In a separate case, WHISK REMODELING CORP. was convicted of Offering a False Instrument for Filing in the Second Degree for failing to pay nearly 29 workers approximately \$90,000 in wages. Assistant District Attorney Carey Ng handled the prosecution of the case with the assistance of Paralegal Sophia Inkeles.

In yet another case, SKY MATERIALS CORP. was previously convicted of Offering a False Instrument for Filing in the First Degree for submitting false information about the value of its payroll. The company agreed to pay approximately \$464,000 in back wages to their workers, which has been paid in full. The same company was also convicted of Manslaughter in the Second Degree for the death of a worker at a construction site overseen by the company. Assistant District Attorney Diana Florence, Attorney-in-Charge of the Construction Fraud Task Force and Senior Investigative Counsel, handled the prosecution of the case.

All of the cases were handled under the supervision of Assistant District Attorney Michael Ohm, Deputy Chief of the Rackets Bureau, Assistant District Attorney Judy Salwen, Principal Deputy Chief of the Rackets Bureau, Assistant District Attorney Jodie Kane, Chief of the Rackets Bureau, and Executive Assistant District Attorney Michael Sachs, Chief of the Investigation Division. The following agencies and individuals also assisted with the investigations: DOI, in particular, Special Investigator Janaina Siguencia, Chief Investigator James McElligott, Assistant Inspector General Dan Taylor, Inspector General Gregory Cho, Associate Commissioner Jay Flaherty, Deputy Commissioner & Chief of Investigations Michael Carroll, and First Deputy Commissioner Lesley Brovner; and NYS DOL, in particular, Deputy Commissioner for Worker Protection James Rogers, Assistant Deputy Commissioner for Worker Protection Milan Bhatt, Chief Labor Standards Investigator Frank King, Supervising Labor Standards Investigator Emy Bautista, and Labor Standards Investigator Carlos A. Ortiz.

Brooklyn

In November, MICHAEL RIGLIETTI, 50, and MSR ELECTRICAL CONSTRUCTION COMPANY, pleaded guilty in Brooklyn Supreme Court to Grand Larceny in the Second Degree and agreed to forfeit \$2.5 million for stealing more than \$700,000 from workers by failing to pay the prevailing wage on several public works projects. Between December 2012 and December 2015, the defendants were granted more than a dozen public works contracts from three government agencies, including the New York City School Construction Authority, which contracted the defendants to complete electrical work at multiple public schools in Brooklyn; the New York State Office of General Services, which contracted the defendants to perform work at a psychiatric center in Queens; and the Metropolitan Transportation Authority (“MTA”), which contracted the defendants to perform services at five MTA locations in

Manhattan and Queens. Assistant District Attorney Samantha Magnani, of the Brooklyn District Attorney's Office, handled the prosecution of the case under the supervision of Assistant District Attorney Dana Roth, Deputy Bureau Chief, and Assistant District Attorney Patricia McNeill, Deputy Chief of the Investigations Division.

In a separate case, MEHDI DAYAN and the defendant's company, EEC GROUP TECH INC., pleaded guilty in Brooklyn Supreme Court to Grand Larceny in the Second Degree and Scheme to Defraud in the First Degree and agreed to pay restitution in the amount of \$650,000 for stealing hundreds of thousands of dollars from their employees, who were underpaid for work performed at a construction project in Brooklyn. Assistant District Attorney Meredith McGowan, formerly of the Brooklyn District Attorney's Office, handled the prosecution of the case under the supervision of Assistant District Attorney Dana Roth, Deputy Chief of the Frauds Bureau, Assistant District Attorney Felice Sontupe, Chief of the Frauds Bureau, Assistant District Attorney Patricia McNeill, Deputy Chief of the Investigations Division, and Executive Assistant District Attorney William E. Schaeffer, Chief of the Investigations Division.

Bronx

AVM CONSTRUCTION CORP., GAYATRI MANGRU, RAVI MANGRU, and VICKRAM MANGRU are charged in an indictment filed in Bronx Supreme Court with Falsifying Business Records in the First Degree and Failure to Pay Prevailing Wages and Benefits for failing to pay employees approximately \$281,000 in wages. Between 2014 and 2015, the defendants falsified payroll summaries to indicate that workers were being paid prevailing wages for public works projects, when in fact, workers were paid less than prevailing wages. Assistant Attorney General Matthew Ross is handling the prosecution of the case, under the supervision of Assistant Attorney General Richard Balletta, Criminal Section Chief of the Labor Bureau.

Queens

NIKITAS NIKOLIS and MAGNETIC CONTRACTING CORP. are charged in a criminal complaint filed in Queens County Criminal Court with Grand Larceny in the Second and Third Degrees, Criminal Possession of Stolen Property in the Second and Third Degrees, Scheme to Defraud in the First Degree, and other charges for stealing more than \$90,000 from at least six workers. Assistant District Attorney Neil F. Gitin, Supervisor of the Queens District Attorney's Office's Special Proceedings Bureau, and Assistant District Attorney Kiran K. Cheema, also of the Special Proceedings Bureau, are handling the prosecution of the case under the supervision of Assistant District Attorneys Oscar W. Ruiz and Nicoletta J. Caferra, Deputy Bureau Chiefs, Assistant District Attorney Anthony M. Communiello, Bureau Chief, and Executive Assistant District Attorney for Investigations Peter A. Crusco. The following individuals provided additional assistance with the investigation: Investigator Leslie Harrington, of the New York State Police's Queens Criminal Squad, Senior Investigator David S. Douglas, Lieutenant Frank Vitko, Captain Paul Hogan, and Major Robert Willis, Commanding Officer of Troop NYC.

Nassau

NATIONAL INSULATION & GC CORP. was convicted of Offering a False Instrument for Filing in the First Degree and NICHOLAS GRGAS was convicted of Offering a False Instrument for Filing in the Second Degree for failing to pay at least 6 employees more than \$13,000 in wages. Assistant District Attorney Mayra Ivelisse Lopez handled the prosecution of the case, with the assistance of Detective Investigators Thomas McDonald and Miguel Brodoy, both of the Investigations Bureau.

Westchester

DONATO PAGNOTTA, GIOVANNI DILULLO, and their company, J&D PAINTING CONTRACTORS CORP. (“J&D”) are charged in an indictment filed in Westchester County Supreme Court with Grand Larceny in the Third and Fourth Degrees, Scheme to Defraud in the First Degree, and other charges for stealing approximately \$39,000 from 6 workers. In addition to failing to pay their workers properly, the defendants also failed to contribute to the Unemployment Insurance Fund during the second, third, and fourth quarters of 2016. Assistant Attorney General Jeremy Pfetsch is handling the prosecution of the case, under the supervision of Assistant Attorney General Richard Balletta, Criminal Section Chief of the Labor Bureau. Deputy Commissioner for Worker Protection James Rogers and Assistant Deputy Commissioner for Worker Protection Milan Bhatt, both of NYS DOL, provided additional assistance with the investigation.

Construction Safety Community Project

In January 2016 and following a series of successful trial convictions related to the death of worker Carlos Moncayo at an unsafe construction site in the Meatpacking District, Manhattan District Attorney Cyrus R. Vance, Jr., created the Construction Safety Community Project to train workers to recognize workplace safety hazards and report them to law enforcement. To date, prosecutors and community coordinators assigned to a task force, along with DOI investigators, have given approximately 45 presentations to more than 2,000 workers in both English and Spanish, encouraging them to submit anonymous reports, photos, videos, and other materials documenting unsafe work conditions.

These reports may be investigated by members of the Construction Fraud Task Force, which was formed in partnership with multiple city agencies to identify and pursue criminal cases against those who endanger the wellbeing of others, contribute to industry corruption, and create unsafe spaces in New York City and State.

Criminal Justice Investment Initiative

This year, the Manhattan District Attorney’s Office also announced a \$1.6 million grant to the New York Committee for Occupational Safety and Health (“NYCOSH”) to fund a program benefiting tens of thousands of low wage-earning individuals. The program, which is part of the Manhattan District Attorney’s Criminal Justice Investment Initiative (“CJII”), is designed to end the disproportionate number of immigrant workers who become victims of workplace crimes committed by their employers, including wage theft, provide victims with referrals and access to support services, and increase the reporting of criminal activities by employers.

Report Wage Theft

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