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**FOR IMMEDIATE RELEASE**

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## **Contractor Who Admitted Shortchanging Workers on New York City Housing Authority Construction Project Pays \$650,000 Restitution**

### ***Paid Less Than Half the Prevailing Wage and Pocketed the Rest***

Brooklyn District Attorney Eric Gonzalez and Department of Investigation Commissioner Mark G. Peters today announced that a contractor who previously pleaded guilty to underpaying 27 employees who worked on a construction project in Brooklyn that was financed by the New York City Housing Authority (NYCHA) has paid \$650,000 in restitution to those who were cheated out of wages. The defendant instructed the workers to lie to integrity inspectors about how much they were actually earning.

District Attorney Gonzalez said, “This is the second case in as many months where we have recovered substantial amounts of restitution from contractors who brazenly stole from workers. This case is especially outrageous in that the workers were told they were being cheated and were forced to lie about their wages to integrity inspectors in order to keep their jobs. Such abuse of hard-working laborers will not be tolerated in Brooklyn and will be criminally prosecuted.”

Commissioner Peters said, “With these guilty pleas and restitution, workers will finally receive their rightful wages – wages that were stolen from them by these defendants as part of a prevailing wage scheme. DOI will continue its work fighting prevailing wage and construction fraud. DOI thanks its partners at the Brooklyn District Attorney’s Office for their work on this case.”

The District Attorney identified the defendant as Mehdi (“Morris”) Dayan, 75, of Roslyn, N.Y.; and his company, EEC Group Tech Inc., of Jericho, N.Y. Both defendants pleaded guilty to first-degree scheme to defraud and second-degree grand larceny on September 27, 2017, before Brooklyn Supreme Court Justice Danny Chun. They were ordered to make restitution of \$650,000, which was paid last week. Dayan was sentenced by Justice Chun today to three years’ probation and EEC was sentenced to a conditional discharge.

In October 2017, his co-defendants in the case, Mohammed (“Taju”) Miah, 60, of Canarsie, Brooklyn and his company, T&J Contracting Inc., of Crown Heights, Brooklyn pleaded guilty to a misdemeanor violation of the Labor Law, were debarred from city contracts and forfeited their general contractor licenses. Another co-defendant, Sharifullah Sowpon, 41, the foreman of T&J Contracting, also of Canarsie, Brooklyn, also pleaded guilty to a misdemeanor violation of the Labor Law and was sentenced to a conditional discharge.

The District Attorney said that on December 19, 2013, defendant Dayan, as president and owner of EEC Group Tech Inc., submitted an \$8 million bid to NYCHA for a contract to preform exterior restoration and roofing replacement at two Brooklyn housing developments: the Brown Houses at 1776 Prospect Plaza in Crown Heights and Glenmore Plaza at 89 Christopher Avenue in Brownsville. The bid listed T&J Contracting Inc. as masonry and roofing subcontractor. EEC won the bid on March 28, 2014.

The bid and contract repeatedly stated that the defendants were obligated to pay federal Davis-Bacon prevailing wages to all workers. The hourly rates, including benefits, ranged from \$61.50 to \$82.31. After 40 hours a week, the contract required wages of time-and-a-half the straight-time rate. NYCHA employed an integrity monitor, whose representatives regularly visited the worksite, checked that the correct wages were posted, reviewed payroll reports, interviewed workers and repeatedly admonished the defendants to pay the correct prevailing wages.

Between April 29, 2014 and November 19, 2015, 27 employees on the project worked as mason tenders, roofers, bricklayers, carpenters and stone masons. The defendants listed the names of nearly all of these employees on the certified payroll reports submitted to NYCHA, which stated that the defendants had paid all workers the correct wages. It is alleged that, in reality, the workers were paid between \$15 and \$25 per hour and some were not paid for all the weeks of work.

In an attempt to evade discovery of the scheme, defendants Miah and Sowpon instructed workers to tell the integrity monitors that they were getting paid between \$54 and \$74 per hour and all the defendants made the workers sign an acknowledgement form, stating that each worker received full Davis-Bacon prevailing wages, when that was not true, and released the defendants from any claim for wages. Defendants Dayan and EEC instructed their outside payroll service to create payroll records showing that workers received prevailing wages that matched the certified reports submitted to NYCHA. The investigation revealed that the company never distributed most of these checks to the workers and, despite repeated requests, never provided the integrity monitor with copies of the cashed employee paychecks.

The case was prosecuted by Senior Assistant District Attorney Vivian Young Joo of the District Attorney’s Frauds Bureau, under the supervision of Assistant District Attorney Patricia McNeill, Deputy Chief of the District Attorney’s Investigations Division.