



U.S. Department of Justice

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FOR IMMEDIATE RELEASE

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PRESS RELEASE

**CONSTRUCTION COMPANY EXECUTIVE PLEADS GUILTY TO DEFRAUDING
THE NEW YORK CITY SCHOOL CONSTRUCTION AUTHORITY**

Defendant Failed to Pay Workers the Prevailing Wage on Public Works Projects

Rakesh Kumar, the owner of Orba Construction Company (Orba), a public school construction company, pleaded guilty today in federal court in Brooklyn to conspiracy to commit mail fraud for orchestrating a scheme to defraud the New York City School Construction Authority (SCA) by failing to pay the prevailing wage to Orba's construction workers. When sentenced, Kumar faces up to 20 years' imprisonment and, as part of the plea agreement, has agreed to pay \$666,219 in restitution to six Orba employees and their unions. Kumar has already begun the process of making his victims whole. Additionally, Kumar has agreed to forfeit \$510,000 and pay an additional \$48,330 to the SCA. Today's plea was entered before United States District Judge Dora L. Irizarry.

Seth D. DuCharme, Acting United States Attorney for the Eastern District of New York, Michael Mikulka, Special Agent-in-Charge, U.S. Department of Labor, Office of the Inspector General (DOL-OIG), and Margaret Garnett, Commissioner, New York City Department of Investigation (DOI), announced the guilty plea.

As alleged in the indictment and other court filings, Kumar submitted false certified payrolls to the SCA for work performed by Orba employees on SCA-funded projects. These payroll forms falsely stated that Orba had paid its employees the prevailing wage as required by New York State labor law and labor agreements with the SCA, when, in fact, the employees had been paid far less, often in cash or by checks issued by another company that Kumar owned.

"Kumar took advantage of hard-working people, exploiting their labor for his own financial gain," stated Acting United States Attorney DuCharme. "This Office and our law enforcement partners at the U.S. Department of Labor and the New York City Department of Investigation will continue to vigorously pursue criminals who cheat their own employees in order to enrich themselves."

“Rakesh Kumar, through the company Orba Construction, submitted fraudulent certified payrolls on various publicly funded school projects in the New York City area. Orba Construction underpaid contributions to a union affiliated benefit plan by submitting false remittance reports. We will continue to work with our law enforcement partners to ensure workers are paid proper wages and receive benefits that they are entitled to for the work they perform,” stated DOL-OIG Special Agent-in-Charge Mikulka.

“For years the defendant cheated workers out of their rightful pay, stealing their livelihood through a series of falsified payroll records and underreported hours. DOI is proud to have worked with the U.S. Attorney for the Eastern District of New York to ensure Rakesh Kumar is held accountable for defrauding the New York City School Construction Authority and for taking advantage of the hardworking individuals on our City’s public works projects who deserve their fair prevailing wage,” stated DOI Commissioner Garnett.

The government’s case is being handled by the Office’s Public Integrity Section. Assistant United States Attorney Martin E. Coffey is in charge of the prosecution.

The Defendant:

RAKESH KUMAR (also known as “RIKKI”)

Age: 64

Basking Ridge, New Jersey

E.D.N.Y. Docket No. 19-CR-101 (DLI)