



D.A. Bragg Announces Indictment of Company for Stealing \$1.7 Million from Worker Wages

AUGUST 17, 2022

*Electrical Company SAMCO Stole Wages
Paid by City to Workers on NYCHA and SCA Projects*

Manhattan District Attorney Alvin L. Bragg, Jr., and New York City Department of Investigations Commissioner Jocelyn E. Strauber announced the indictment of SAMCO ELECTRICAL CORPORATION (“SAMCO”), principals SILVANO TRAVALJA and GIOVANNA “JOANNE” TRAVALJA and project foreman ZDRAVKO MAGLIC (“the defendants”) for stealing more than \$1.7 million in wages from workers on School Construction Authority (“SCA”) and New York City Housing Authority (“NYCHA”) projects. The contracts required SAMCO to pay prevailing wages and supplemental benefits to workers, but SAMCO instead supplied non-union, unqualified labor through two shell companies. In an attempt to cover up the scheme, MAGLIC and SAMCO bribed an SCA investigator.

The defendants are charged in a New York Supreme Court indictment with Conspiracy in the Fourth Degree, Grand Larceny in the First Degree, Grand Larceny in the Second Degree, Scheme to Defraud in the First Degree and 18 counts of Offering a False Instrument for Filing in the First Degree. MAGLIC and SAMCO are also each charged with one count of Bribery in the Third Degree.^[1]

“As alleged in this indictment, the defendants cheated employees and the people of New York City by pocketing wages owed to workers,” said **District Attorney Bragg**. “Diverting taxpayer dollars meant to fund high-quality work on our schools and public housing developments is a serious

¹The charges contained in the indictment 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.

violation of the public trust. We will hold accountable all individuals and companies that attempt to fleece workers and the public.”

“As charged, Samco Electric Corp. and its principals and project manager underpaid workers on City public housing and school construction projects, thereby stealing over \$1 million in payments intended for those workers and defrauding the City School Construction Authority (SCA) and the City Housing Authority,” said **DOI Commissioner Strauber**. The defendants’ alleged scheme involved the use of a non-union company that the SCA had not qualified to work on school projects and repeated falsification of documents submitted to SCA and the City Housing Authority. In an effort to hide the misconduct, an SCA investigator was allegedly bribed to ignore these labor violations. Working in partnership with the Manhattan District Attorney’s Office, DOI will continue to enforce the labor laws that preserve the integrity of construction work in New York City.”

“Thank you to the Manhattan District Attorney’s office, the Department of Investigation, and the SCA’s Inspector General for their collaboration on this important investigation,” said **Nina Kubota, SCA President and CEO**. “The SCA takes very seriously the public trust to spend resources wisely and ensure all workers are protected.”

SAMCO is a licensed union electrical company that had multiple subcontracts with the SCA and NYCHA, two city agencies, which required workers receive prevailing wages and supplemental benefits.

According to court documents and statements from prosecutors, from 2017 to 2021, the defendants submitted certified payroll reports to the SCA and NYCHA, claiming they had paid the proper prevailing wages and supplemental benefits to their workers. These reports listed employees, the number of regular and overtime hours they worked, and their hourly rates of pay and benefits.

The investigation revealed that the defendants falsified these reports and instead staffed jobs with non-union labor from two shell corporations: Powertech Electrical Contractors (“Powertech”) and Cro-El Systems Corp. (“Cro-El”). As a result of this scheme, workers were paid between \$25-\$50 an hour – far less than the prevailing wage of \$110-\$116 per hour. As a result, the defendants stole more than \$1.7 million in contract payments intended for workers.

SAMCO and the individual defendants went to great lengths to cover up their criminal activity, including giving workers identification cards with their photos but the false name of a union employee. Workers were instructed to use those cards if they were questioned by inspectors. Additionally, the certified payroll reports often listed that the same employees were working on different projects at the same time. The reports also listed project foreman MAGLIC on the reports when he was out of the United States at least 11 times.

Furthermore, from March 2021 through June 2021, MAGLIC allegedly gave an SCA investigator \$4,000 as bribes after he learned of SAMCO’s criminal practices. Following a March school visit from the investigator, MAGLIC met the investigator in person and expressed remorse about using the non-union workers, admitted it was wrong, and then, unsolicited, handed the investigator an envelope containing \$2,000, stating that he knew he could go to jail.

The SCA investigator and MAGLIC met again in April 2021 at P.S. 5 in Manhattan. MAGLIC thanked the investigator for “helping out and doing the favor” and asked, “You guys plan on checking us?” He then told the investigator, “So if you’re in, listen, this is for payment, nobody

knows, only me and you ... I can give you monthly payment, \$1,000.” MAGLIC then gave the inspector another \$1,000 in cash.

MAGLIC and the investigator met a final time in June 2021 at P.S. 5, where MAGLIC gave the investigator another \$1,000 in cash and stated, “You helped me ... I appreciate especially for first time,” and explained that he had “one, two shop guys” whom he uses “sometimes.”

MAGLIC’s bribes were accepted by the SCA investigator as part of the continued investigation.

In 2020, shell-company Powertech was dissolved after a Powertech employee filed suit against his employer and it was revealed that non-union employees were actually working on the SCA job. Cro-El was then incorporated to continue the criminal scheme.

The SCA suspended SAMCO from its projects in September 2021 after learning of the alleged criminal activity.

Rachana Pathak, Supervising Attorney of the Construction Fraud Task Force is handling the prosecution of this case under the supervision of Assistant District Attorneys Judy Salwen (Principal Deputy Bureau Chief of the Rackets Bureau, Mike Ohm (Deputy Bureau Chief of the Rackets Bureau), Jodie Kane (Chief of the Rackets Bureau), Christopher Conroy (Senior Advisor to the Investigation Division) and Executive Assistant District Attorney Susan Hoffinger (Chief of the Investigation Division). Investigative Analyst Danielle Corbett assisted with the investigation.

D.A. Bragg thanked the New York City Department of Investigation’s (DOI’s) Office of the Inspector General for the New York City School Construction Authority, specifically Vice President and Inspector General Felice Sontupe, Assistant Inspector General and Chief of Operations William Schaeffer, Assistant Inspector General Nicholas Scicutella, Investigators Leonard Rein and Kevin Clancy, and Financial Auditor Raymond Dowd, as well as the SCA Risk Management Department, SCA Labor Law Compliance Bureau and the SCA Finance Department. D.A. Bragg also thanked DOI’s Inspector General for the New York City Housing Authority Ralph Iannuzzi and Investigative Auditor Lester Dier.

Defendant Information
SILVANO TRAVALJA
College Point, N.Y.

Charges:

- Grand Larceny in the First Degree, a class B felony
- Grand Larceny in the Second Degree, a class C felony
- Conspiracy in the Fourth Degree, a class E felony
- Scheme to Defraud in the First Degree, a class E felony
- Labor Law § 220(3)(d)(1)(4), a class C felony
- Labor Law § 220(3)(d)(1)(2), a class E felony
- Offering a False Instrument for Filing in the First Degree, a class E felony, 18 counts

GIOVANNA “JOANNE” TRAVALJA
College Point, N.Y.

Charges:

- Grand Larceny in the First Degree, a class B felony
- Grand Larceny in the Second Degree, a class C felony
- Conspiracy in the Fourth Degree, a class E felony
- Scheme to Defraud in the First Degree, a class E felony
- Labor Law § 220(3)(d)(1)(4), a class C felony
- Labor Law § 220(3)(d)(1)(2), a class E felony
- Offering a False Instrument for Filing in the First Degree, a class E felony, 18 counts

ZDRAVKO MAGLIC

Hawthorne, N.Y.

Charges:

- Grand Larceny in the First Degree, a class B felony
- Grand Larceny in the Second Degree, a class C felony
- Bribery in the Third Degree, a class D felony
- Conspiracy in the Fourth Degree, a class E felony
- Scheme to Defraud in the First Degree, a class E felony
- Labor Law § 220(3)(d)(1)(4), a class C felony
- Labor Law § 220(3)(d)(1)(2), a class E felony
- Offering a False Instrument for Filing in the First Degree, a class E felony, 18 counts

SAMCO ELECTRIC CORPORATION

Charges:

- Grand Larceny in the First Degree, a class B felony
- Grand Larceny in the Second Degree, a class C felony
- Bribery in the Third Degree, a class D felony
- Conspiracy in the Fourth Degree, a class E felony
- Scheme to Defraud in the First Degree, a class E felony
- Labor Law § 220(3)(d)(1)(4), a class C felony
- Labor Law § 220(3)(d)(1)(2), a class E felony
- Offering a False Instrument for Filing in the First Degree, a class E felony, 18 counts