

ALVIN L. BRAGG JR., DISTRICT ATTORNEY

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D.A. BRAGG ANNOUNCES GUILTY PLEAS OF COMPANY AND EMPLOYEES FOR STEALING MORE THAN \$1 MILLION FROM WORKERS

Electrical Company Stole Worker Wages Paid by City on NYCHA and SCA Projects

Manhattan District Attorney Alvin L. Bragg, Jr., and New York City Department of Investigations Commissioner Jocelyn E. Strauber today announced the guilty pleas of SAMCO ELECTRICAL CORPORATION ("SAMCO"), principals SILVANO TRAVALJA and GIOVANNA "JOANNE" TRAVALJA and project foreman ZDRAVKO MAGLIC ("the defendants") for stealing more than \$1 million in wages from workers on School Construction Authority ("SCA") and New York City Housing Authority ("NYCHA") projects.

MAGLIC pled guilty today to one count of Attempted Grand Larceny in the Second Degree and Bribery in the Third Degree will be sentenced to 6 months in jail and five years of probation on June 20, 2023. SILVANO and GIOVANNA TRAVALJA, along with SAMCO, each pled guilty to one count of Grand Larceny in the Second Degree and were sentenced January 5. As part of the plea, they paid a required \$900,00 in stolen wages to workers and are now barred from all SCA and NYCHA contracts for five years.

"It is unacceptable to steal from employees," said **District Attorney Bragg**. "New Yorkers work hard to provide for their families, and they should get paid what they are owed. Not only did the perpetrators of this scheme take from workers, but they also ripped off New York taxpayers, who thought their money was going to our schools and public housing developments. Addressing the rampant issue of wage theft will continue to be a priority for my administration, and I thank our attorneys for a thorough investigation that has delivered real accountability."

DOI Commissioner Strauber said, "The defendants schemed to steal public funds from SCA and

NYCHA, and falsified payroll reports to cover up their failure to pay the legal prevailing wages. In addition, Zdravko Maglic, the project manager, bribed an SCA investigator with cash-stuffed envelopes to look the other way. He acknowledged at that time that he could go to jail for his actions; today he pleads guilty to two felony charges. DOI thanks the Manhattan District Attorney's Office for their continued commitment to exposing and stopping wage theft and successful prosecution of this case."

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. SAMCO instead staffed jobs with non-union labor from two shell corporations: Powertech Electrical Contractors ("Powertech") and Cro-El Systems Corp. ("Cro-El"). The defendants paid their workers less than a quarter of what they were entitled to and pocketed more than \$1 million in contract payments intended for its workers.

As admitted in their pleas, from 2017 to 2021, the defendants submitted falsified certified payroll reports to the SCA and NYCHA, claiming they had paid the proper prevailing wages and supplemental benefits to their workers. These reports purportedly listed employees, the number of regular and overtime hours they worked and their hourly rates of pay and benefits.

Additionally, as admitted in MAGLIC's plea, from March 2021 to June 2021, MAGLIC paid \$4,000 in bribes to an SCA investigator on three different dates.

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

Senior Investigative Counsel Rachana Pathak, Chief of the Worker Protection Unit, handled 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). Worker Protection Unit Coordinator Danielle Corbett assisted with the investigation.

D.A. Bragg thanked the New York City Department of Investigation's Office of the Inspector General for the New York City School Construction Authority, specifically Financial Auditor Raymond Dowd; Investigators Leonard Rein and Kevin Clancy and the SCA Risk Management Department; SCA Labor Law Compliance Bureau; and SCA Finance Department under the supervision of Acting Inspectors General William Schaeffer and Gerard McEnroe. The case was also investigated by Investigative Auditor Lester Dier and Laureen Hintz, Counsel to DOI's New York City Housing Authority Inspector General's office, under the supervision of Inspector General Ralph Iannuzzi, Deputy Commissioner/Chief of Investigations Dominick Zarrella and First Deputy Commissioner Daniel G. Cort.

Defendant Information:

SILVANO TRAVALJA	
College Point, N.Y.	
Convicted:	
Grand Larceny in the Second Degree, a class C felony	
GIOVANNA "JOANNE" TRAVALJA	
College Point, N.Y.	
Convicted:	
Grand Larceny in the Second Degree, a class C felony	
ZDRAVKO MAGLIC	
Hawthorne, N.Y.	
Hawtionie, N.T.	
Convicted:	
Attempted Grand Larceny in the Second Degree, a class D felony	
Bribery in the Third Degree, a class D felony	
SAMCO ELECTRIC CORPORATION	
Convicted:	
Grand Larceny in the Second Degree, a class C felony	

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