

ALVIN L. BRAGG JR., DISTRICT ATTORNEY

FOR IMMEDIATE RELEASE

June 23, 2023 Contact: Kay Nguyen, nguyenk@dany.nyc.gov

D.A. BRAGG ANNOUNCES JAIL SENTENCE FOR PROJECT FOREMAN INVOLVED IN \$1 MILLION+ WAGE THEFT SCHEME

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 six-month jail sentence of SAMCO ELECTRICAL CORPORATION ("SAMCO") project foreman ZDRAVKO MAGLIC, 56, for his role in stealing more than \$1 million in wages from workers and bribing a New York School Construction Authority investigator.

MAGLIC pleaded guilty in April 2023 to one count of Attempted Grand Larceny in the Second Degree and Bribery in the Third Degree.

As principals of SAMCO, SILVANO and GIOVANNA TRAVALJA, along with the company, each pleaded guilty to one count of Grand Larceny in the Second Degree and were sentenced on January 5, 2023. As <u>part of the plea, they paid a required \$900,00</u> in stolen wages to workers and are now barred from all SCA and NYCHA contracts for five years.

"Wage theft is a crime that takes one billion dollars a year from New York workers. The Manhattan District Attorney's Office will continue to protect New York workers and hold bad actors accountable," said **District Attorney Bragg**. "I thank the talented prosecutors and analysts and our Construction Fraud Task Force partner, the New York City Department of Investigation, for working to deliver accountability."

Commissioner Strauber said, "This defendant, a project foreman, gave cash bribes to a City investigator to protect the defendant's wage-theft scheme on School Construction Authority and New York City

Housing Authority projects from interference. As a result, he now faces six months in jail, an appropriately serious consequence for bribery and theft of taxpayer dollars intended for workers on City construction projects. I thank the Manhattan DA for their partnership on this important case and for their commitment to root out this kind of corruption."

SAMCO is a licensed union electrical company that had multiple subcontracts with two city agencies, the School Construction Authority ("SCA") and New York City Housing Authority ("NYCHA"). Those City projects required that 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 MAGLIC's plea, from March 2021 to June 2021, MAGLIC paid \$4,000 in bribes to an SCA investigator on three different dates.

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

Following a March 2021 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 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.

SAMCO principals SILVANO and GIOVANNA TRAVALJA, along with the company, each pleaded 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.

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

This prosecution was made possible by the investigative efforts of the <u>Construction Fraud Task Force</u>, a partnership of New York City, New York State and federal agency partners that investigate criminal health and safety lapses in the construction industry, including worksite fatalities and safety hazards, and issues of construction corruption and fraud in the New York City metro area.

Assistant D.A. 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 (Acting Chief of the Investigation Division and Chief of the Rackets Bureau. 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 and Deputy Commissioner/Chief of Investigations Dominick Zarrella.

Defendant Information:

ZDRAVKO MAGLIC Hawthorne, N.Y.

Convicted:

- Attempted Grand Larceny in the Second Degree, a class D felony
- Bribery in the Third Degree, a class D felony

Sentenced:

• 6 months jail, 5 years' probation

###