



**ALVIN L. BRAGG JR.,  
DISTRICT ATTORNEY**

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**FOR IMMEDIATE RELEASE**

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**D.A. BRAGG ANNOUNCES INDICTMENTS IN WIDE-RANGING CONSTRUCTION  
INDUSTRY FRAUD SCHEME**

*Construction Execs and Subcontractors Conspired to Fraudulently Use Minority and Women-Owned Business Enterprises as Pass-Through Entities to Obtain Contracts for Affordable Housing Developments*

*Engaged in Payroll and Insurance Fraud and Other Forms of Corruption*

*Announcement Comes During National Construction Safety Week*

Manhattan District Attorney Alvin L. Bragg, Jr., today announced a series of indictments charging eight individuals and six companies with pervasive fraud and corruption within the construction industry, including schemes that defrauded city and state agencies and affected the development of numerous affordable housing projects in New York City and the tri-state area.

“The common factor in all of these alleged schemes is greed at all costs,” said **District Attorney Bragg**. “When the field is rigged, law-abiding companies and legitimate MWBEs are cheated out of much-needed contracts. And when executives care more about their bottom line than their employees and the law, hard-working New Yorkers suffer. These indictments send the message that the Manhattan D.A.’s Office does not tolerate fraud in any form.”

**New York City Department of Investigation Commissioner Jocelyn E. Strauber** said, “These defendants, as charged, enriched themselves at the expense of a program intended to assist minority and women-owned businesses, by deceiving City and State government entities, part of a series of frauds that shortchanged workers and undermined fair competition. I want to thank the Manhattan District Attorney’s Office and all the agencies that worked on this wide-ranging investigation for their commitment to expose

and prevent construction fraud.”

“We have zero tolerance for anyone seeking to defraud the City and harm minority and women-owned businesses. HPD is serious about protecting the integrity of our MWBE programs,” said **New York City Department of Housing Preservation and Development Commissioner Adolfo Carrión Jr.** “We stand by our commitment to diversifying who the city does business with and we thank the Manhattan District Attorney’s office for bringing these bad actors to light.”

**New York State Homes and Community Renewal Commissioner RuthAnne Visnauskas** said, “We applaud District Attorney Bragg and his office for uncovering and prosecuting this alleged fraud and malfeasance and protecting the integrity of Minority and Women-Owned Business Enterprises that lawfully abide by a program intended to promote employment and business opportunities on State contracts for minority and women-owned businesses. HCR will continue to assist and cooperate with the ongoing investigation.”

“Insurance fraud, including workers’ compensation fraud, costs honest companies and employees tens of millions of dollars every year,” said **Gaurav Vasisht, Executive Director & CEO of the New York State Insurance Fund.** “We work hard to educate injured workers, companies, and the medical community on spotting and reporting fraud, and we’re grateful to D.A. Bragg and his office for indicting the bad actors in this scheme.”

The indictments were the result of a long-term investigation by the Manhattan D.A.’s Office’s Rackets Bureau, which began when investigators identified a possible criminal enterprise after observing suspicious check-cashing activity. In turn, this led to separate investigations into recipients of bribes and the alleged Minority and Women-Owned Business Enterprises (M/WBE) fraud schemes.<sup>[1]</sup>

One indictment charges JM3 CONSTRUCTION LLC, its principal LAWRENCE WECKER, 82, MICHAEL SPEIER 46, JOSEPH GUINTA, 57, LISA ROSSI, 52, and MARCOS PINHEIRO, 65, as well as their companies (collectively referred to as the JM3 CONSTRUCTION ENTERPRISE), with Enterprise Corruption, alleging that they engaged in multiple criminal schemes to increase their business and revenues to the detriment of their workers and fair competition within the industry. [This indictment](#) charges the defendants with 60 total counts, including conspiracy, insurance fraud, grand larceny, money laundering, falsifying business records, commercial bribing, scheme to defraud and offering a false instrument for filing.

According to [court documents](#) and statements made on the record, WECKER owned and operated JM3 CONSTRUCTION LLC, a large, non-union drywall and carpentry company that specialized in government-subsidized affordable housing projects in New York County and the greater New York City area. WECKER, with assistance from SPEIER, directed business operations and was responsible for:

- Reporting truthful information about JM3's use of Minority and Women-Owned Business Enterprises (M/WBE) subcontractors and suppliers to city and state agencies.
- Providing truthful payroll information for workers' compensation insurance purposes.
- Giving accurate accounting information to clients.
- Properly paying subcontractors.

From 2015 through 2021, the JM3 CONSTRUCTION ENTERPRISE engaged in a multitude of criminal schemes, including falsifying the business records related to the large, multi-million-dollar cash payrolls of JM3 CONSTRUCTION LLC and two subcontracting companies (JACG CONSTRUCTION LLC and MGS CONSTRUCTION CORP.) led by two men on the JM3 CONSTRUCTION LLC payroll — GUINTA and PINHEIRO. PINHEIRO was responsible for generating the cash by using a series of shell companies to cash checks which were made to appear as payment for legitimate subcontractor services. JM3 CONSTRUCTION LLC, JACG CONSTRUCTION LLC and MGS CONSTRUCTION CORP. used this cash to fund their payrolls.

During the course of the investigation, JM3 CONSTRUCTION LLC's cash payroll typically amounted to \$150,000 a week, which also included the company making large, weekly cash payments to certain subcontractors, including PINHEIRO and GUINTA. None of the cash was reported to the companies' workers' compensation insurance providers or tax authorities. The companies and their owners also took steps to hide and cover up workers' injuries so that clients and insurance providers would not discover the cash payroll.

Both MGS CONSTRUCTION CORP. and JACG CONSTRUCTION LLC had workers' compensation insurance policies with the New York State Insurance Fund ("NYSIF"). They made false statements to NYSIF about their companies' workforce size and payroll amounts. The indictment alleges that MGS CONSTRUCTION CORP. defrauded NYSIF of more than \$1.7 million and continued to work following the cancelation of its insurance policy, thereby putting its workers at risk. JACG CONSTRUCTION LLC is alleged to have defrauded NYSIF of more than \$360,000 in premiums.

The JM3 CONSTRUCTION ENTERPRISE engaged in a pervasive and multi-faceted M/WBE fraud scheme to obtain lucrative, government-subsidized affordable housing contracts. This involved falsifying business records and offering false instruments for filing with governmental entities (the New York City Department of Housing Preservation and Development and the New York State Department of Homes and Community Renewal) to make it appear that M/WBE firms were providing goods and services on projects. In fact, JM3 CONSTRUCTION LLC and/or other non-M/WBE firms provided the goods and services.

Among the projects in which the JM3 CONSTRUCTION ENTERPRISE engaged in M/WBE fraud were:

- National Urban League, 126 West 126th Street, Manhattan

- The Fountains, 888 Fountain Avenue, Brooklyn
- Vital Brookdale, 535 East 98th Street, Brooklyn
- 79 Avenue D, Manhattan
- Via Vyse, 1812 Vyse Avenue, Bronx
- Story Avenue East, 1520 Story Avenue, Bronx
- 14 LeCount Place, New Rochelle

Several methods of M/WBE fraud schemes were carried out by the JM3 CONSTRUCTION ENTERPRISE, wherein pass-through entities — companies purported to be qualified M/WBEs but which performed no actual construction work — were used by the JM3 CONSTRUCTION ENTERPRISE to gain business. One included the use of ROSSI's company, LNR CONSTRUCTION LLC as a pass-through on projects. In another, the JM3 CONSTRUCTION ENTERPRISE used Eco Geek Living, Inc., a certified M/WBE, as a pass-through to make it appear that Eco Geek Living, Inc. supplied goods/materials and services to JM3 CONSTRUCTION LLC on certain projects. In order to obtain a \$1.5 million drywall contract for a project in Harlem, the JM3 CONSTRUCTION ENTERPRISE used URBAN STRATEGIES OF NEW YORK, INC. as a pass-through.

As alleged in a [separate indictment](#), LASHAWN HENRY, 60, and BRITTANY HENRY, 27, and their company URBAN STRATEGIES OF NEW YORK, INC., accepted cash payments from JM3 CONSTRUCTION LLC, WECKER, and other JM3 representatives in exchange for securing business for JM3 CONSTRUCTION LLC. LASHAWN HENRY and BRITTANY HENRY sought to use their influence with a consulting client, a large affordable housing builder, to steer other contracts to JM3 CONSTRUCTION LLC. Additionally, LASHAWN HENRY, BRITTANY HENRY, and URBAN STRATEGIES OF NEW YORK, INC. conspired with WECKER and falsified records to claim that URBAN STRATEGIES OF NEW YORK, INC. would provide M/WBE subcontractor carpentry work for JM3 CONSTRUCTION LLC, work which it was wholly unqualified to perform. This enabled JM3 CONSTRUCTION LLC to be awarded a contract for a development in Harlem. (For more information, see the accompanying [Statement of Facts](#)).

WECKER and the JM3 CONSTRUCTION ENTERPRISE stole money from their subcontractors and falsified related business records in connection with these thefts. They also rigged construction project bids to ensure that JM3 CONSTRUCTION LLC was awarded projects with inflated amounts to cover substantial bribes. In one instance involving a lucrative drywall contract for nearly \$10 million, the price was inflated by \$400,000 so that JM3 CONSTRUCTION LLC could pay a \$50,000 kickback to ADRIAN ESPARRAGOZA, 48, the general contractor executive who awarded them the project.

ESPARRAGOZA, who is charged in a [separate indictment](#), was an executive of a New Jersey-based construction company and responsible for the bidding and award process and the day-to-day supervision of a major Newark, N.J., project. ESPARRAGOZA is [charged for providing insider information](#) to WECKER and SPEIER to ensure the awarding of the contract in exchange for the kickback. The contract was later transferred to GUINTA's company, JACG Construction LLC, who agreed to honor the bribe

arrangement.

WECKER, SPEIER, and JM3 CONSTRUCTION LLC also lied and stole money meant for subcontractors, including hundreds of thousands of dollars due to a JM3 CONSTRUCTION LLC subcontractor for work done on a luxury condominium project on East 78<sup>th</sup> Street in Manhattan.

Investigators executed a search warrant on WECKER's home in November 2021 and seized a loaded .38 caliber revolver. WECKER is additionally charged with Criminal Possession of a Weapon in the Second and Third Degrees and Criminal Possession of a Firearm.

During the course of the investigation into the JM3 CONSTRUCTION ENTERPRISE and related entities, separate alleged fraud schemes were uncovered.

In a [separate indictment](#), BIG APPLE DESIGNERS, INC. is alleged to have engaged in an M/WBE fraud scheme and falsified business records and [filed false documents with HPD and DHCR](#). The filings stated that the company had purchased materials from Eco Geek Living, Inc., a New York State certified M/WBE firm. In reality, a non-M/WBE firm, supplied the materials.

Affordable housing development projects were affected, including:

- Victory Plaza, 11 West 118th Street, Manhattan
- Nevins Street Apartments, 50 Nevins Street, Brooklyn
- Long Island College College Hospital Redevelopment, 347 Henry Street, Brooklyn

In [another indictment](#), LASHAWN HENRY is charged with an extensive grand larceny and disability fraud scheme for making false statements to the United States Social Security Agency ("SSA"), the New York City Human Resources Administration, New York City Transit and two private companies. LASHAWN HENRY received approximately \$81,000 in disability insurance payments from SSA. Additionally, \$225,000 of her federal loan debt was discharged after she used her SSA award letter to apply to the United States Department of Education for a Total and Permanent Disability discharge. During the period she collected these benefits, LASHAWN HENRY, as principal of URBAN STRATEGIES OF NEW YORK, INC., was receiving substantial contractual consulting fees from a general contracting firm and was using the company to pay her personal expenses.

Investigators from the Manhattan District Attorney's Office intercepted hundreds of communications in which LASHAWN HENRY made statements contradicting her disability claims and other claims made in applications for government public benefits. While conducting surveillances, investigators observed LASHAWN HENRY walking a construction site, attending a political fundraiser, driving her vehicle and entering a waterslide at Dorney Park amusement and water park.

BRITTANY HENRY is charged in a [separate indictment](#) with multiple counts of offering a false instrument

for filing in connection with fraudulent claims for unemployment insurance. From April 6, 2020, to November 8, 2020, BRITTANY HENRY submitted 33 weekly certifications to the New York State Department of Labor stating that she had not worked and was eligible for unemployment benefits. However, during this entire period, she served as Vice President of URBAN STRATEGIES OF NEW YORK, INC and was paid a salary.

About National Construction Safety Week (May 1-5, 2023): National Construction Safety Week is an annual industry-wide education and awareness event. New York City agencies, led by the Department of Buildings, raise awareness across the city to talk to contractors and workers about work site safety. As part of the Manhattan Construction Fraud Task Force, the Manhattan District Attorney's Office investigated wage theft, safety hazards, fatalities and fraud in the construction industry. To report an incident, call 646-712-0298. Our office is a safe place to report crime, regardless of immigration status.

Assistant D.A.s James J. Hanley and Zachary Weintraub are handling the prosecution of these cases under the supervision of Assistant D.A.s Michael Ohm (Deputy Chief of the Rackets Bureau), Judy Salwen (Principal Deputy Chief of the Rackets Bureau) and Jodie Kane (Chief of the Rackets Bureau and Acting Chief of the Investigation Division).

Assistant D.A. Jaime Hickey-Mendoza assisted with the investigations. Investigations were conducted by former Rackets Senior Investigator Amanda Bauza, Rackets Senior Investigator Samuel Morales, Investigators Genesis Cornielle, Danielle Diaz and May Dempsey, Sgt. Daniel Clark-EI and Investigative Analyst Philetus Holt. Trial Preparation Assistants Yanisa Campusano, Samantha Kritzer, and Eleanor Bock assisted with the investigation. Investigative support also came from the High Technology Analysis Unit (Director Steven Moran, Supervising Computer Forensic Analyst Douglas Daus, and Cyber Response Investigator Laurence Hayes) and Forensic Accounting & Financial Investigations Bureau (Senior Financial Investigator Nicholas Cangro and Forensic Accountant Investigator Edward Keegan). The Manhattan District Attorney's Office's Language Services Unit provided valuable support. Former Principal Financial Investigator Robert Ryan and former Trial Preparation Assistant Nicholas Quinn also assisted.

D.A. Bragg thanked the New York State Insurance Fund, especially Jessica Silver, Director of Investigations, NYSIF Division of Confidential Investigations; Senior Investigator Elaine Leach Investigator Dominick Raspante; and Senior Auditor Granville Mo. D.A. Bragg also thanked Assistant Commissioner Dhanraj Singh of the New York City Department of Housing Preservation and Development (HPD), Assistant Vice President Veronica Flanders and Counsel Mark Palomino of the New York State Division of Housing and Community Renewal, Senior Counsel Simon Wynn of the Empire State Development Corp.; Conor Washington, Special Agent in Charge, Eastern Cooperative Disability Investigations Division, Social Security Administration Office of the Inspector General. D.A. Bragg also thanks the New York City Department of Investigation, especially Investigative Attorney Marc Assa and Chief Investigator James McElligott, under the supervision of Inspectors General Michael Morris and Gregory Cho, Deputy Commissioner/Chief of Investigations Dominick Zarrella and First Deputy Commissioner Daniel Cort.

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[\[1\]](#) The charges contained in indictments 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.

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