



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

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**FOR IMMEDIATE RELEASE**

January 9, 2024

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## **D.A. Bragg Announces Guilty Plea of Executive And Company in Wide-Ranging Construction Fraud**

Manhattan District Attorney Alvin L. Bragg, Jr., today announced the guilty pleas of LAWRENCE WECKER, 83, and his company JM3 CONSTRUCTION LLC, for engaging in multiple criminal schemes to increase revenues to the detriment of its workers and fair market competition within the construction industry. WECKER pleaded guilty in New York State Supreme Court to Enterprise Corruption and Attempted Criminal Possession of a Weapon in the Second Degree for fraudulently using minority and women-owned business enterprises as pass-through entities to wrongfully obtain contracts for affordable housing developments, diverting and stealing money related to a New York County construction project, bribing a construction executive in order to obtain a contract, and other forms of corruption. His company, JM3 CONSTRUCTION LLC, pleaded guilty to Scheme to Defraud in the First Degree.

Subcontractor JACG Construction LLC and its owner JOSEPH GUINTA, 48, also pleaded guilty today to one count each of Insurance Fraud in the Third Degree for their role in WECKER's enterprise. WECKER is expected to be sentenced to a promised 2-to-6 years in state prison on April 30, 2024, while GUINTA will be sentenced on March 12, 2024, to a promised sentence of 6 months in jail and 3 years of probation and will be required to make restitution of \$150,000 to the New York State Insurance Fund ("NYSIF"). The charges against an additional six individuals and four companies charged in the New York State Supreme Court indictments remain open and pending.

"By corrupting the market, Lawrence Wecker and Joseph Guinta robbed legitimate MWBEs and smaller contractors of the chance to do business in New York," said District Attorney Bragg. "These defendants engaged in multiple types of fraud and corruption, from committing insurance fraud to doling cash bribes. We will not tolerate fraud in the construction industry, particularly at the expense of New York's workers."

DOI Commissioner Jocelyn E. Strauber said, "These defendants engaged in an array of criminal schemes to exploit their workers and the City's Minority and Women-Owned Business Enterprises (M/WBEs) program, and to fraudulently obtain contracts to build affordable housing in New York City; today they acknowledge and are held accountable for their crimes. DOI thanks the Manhattan District Attorney's Office and all our partners on this important prosecution for their commitment to combat construction fraud in New York City, to protect the City's initiatives to develop affordable housing, and to advance legitimate M/WBEs."

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According to court records and as admitted in the defendants' guilty pleas, WECKER owned and operated JM3 CONSTRUCTION LLC, a large, non-union drywall and carpentry company that specialized in government-subsidized affordable housing projects in Manhattan and the greater New York City area. WECKER, with assistance a codefendant, directed business operations including:

- 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 numerous criminal schemes, including falsifying the business records related to the large, multi-million-dollar cash payrolls of JM3 CONSTRUCTION LLC and subcontracting companies including JACG CONSTRUCTION LLC, led by GUINTA.

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 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.

JACG CONSTRUCTION LLC had workers' compensation insurance policies through NYSIF. It made false statements to NYSIF about the company's workforce size and payroll amounts, defrauding NYSIF of significant 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

Furthermore, JM3 CONSTRUCTION LLC, WECKER paid owners of M/WBEs cash payments to secure business for JM3 CONSTRUCTION LLC, and to falsify records to claim that the M/WBEs would provide carpentry work they were wholly unqualified to perform. WECKER and the JM3 CONSTRUCTION ENTERPRISE also stole money from their subcontractors and falsified related business records in connection with these thefts. Finally, they also rigged construction project bids to ensure that JM3 CONSTRUCTION LLC was awarded projects with inflated amounts to cover substantial bribes.

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, and Sgt. Daniel Clark-El. Trial Preparation Assistants Yanisa Campusano, Samantha Kritzer, and Carla Gemelli 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, Investigative Analysis Philetus Holt, and former Trial Preparation Assistants Nicholas Quinn and Eleanor Bock 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, and Senior Counsel Simon Wynn of the Empire State Development Corp. 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 Christopher Ryan, Deputy Commissioner of Strategic Initiatives.

#### *Defendant Information*

#### LAWRENCE WECKER

Convicted:

- Enterprise Corruption, a class B felony, one count
- Attempted Criminal Possession of a Weapon in the Second Degree, a class D felony, one count

#### JM3 CONSTRUCTION LLC

Convicted:

- Scheme to Defraud in the First Degree, a class E felony, one count

#### JOSEPH GUINTA

Convicted:

- Insurance Fraud in the Third Degree, a class D felony, one count

#### JACG CONSTRUCTION LLC

Convicted:

- Insurance Fraud in the Third Degree, a class D felony, one count

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