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**D.A. BRAGG ANNOUNCES MAJOR EXPANSION OF CONSTRUCTION FRAUD TASK
FORCE**

The Manhattan District Attorney's Office today announced the addition of five new New York State and federal agency partners to the Construction Fraud Task Force ("Task Force"), which identifies, investigates, and prosecutes corruption and fraud in the construction industry. Previously, the task force was comprised solely of city agency partners. The Task Force expansion includes statewide and federal agencies — New York State Department of Labor, the New York State Insurance Fund, the New York State Office of the Inspector General, the Occupational Safety and Health Administration and the U.S. Department of Labor.

The announcement comes during National Construction Safety Week (May 1-5, 2023), 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. To report an incident to the Construction Fraud Task Force, call 646-712-0298. The Manhattan District Attorney's Office is a safe place to report crime, regardless of immigration status.

"The work we do in this space would not be possible without the close collaboration and partnership of our integral local, state and federal law enforcement partners. Construction fraud can fleece the public, hurt law-abiding businessowners and endanger the lives of workers," said **Manhattan District Attorney Alvin Bragg**. "The expansion of the Construction Fraud Task Force demonstrates the seriousness of our commitment to rooting out illegal activity and creating a safe and fair industry."

Coordinated by the Manhattan District Attorney's Office in 2015, the first-of-its-kind investigative partnership brings together New York City, New York State and federal agency partners to 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.

Formed in 2015, the Task Force originally included agencies spanning citywide: the New York City Department of Investigation ("DOI"), the Port Authority of New York and New Jersey Office of the Inspector General, the Metropolitan Transportation Authority ("MTA") Office of the Inspector General and the Business Integrity Commission for the City of New York ("BIC").

DOI Commissioner Jocelyn E. Strauber said, "Construction fraud comes in many different forms, and this task force uniquely brings together a wealth of expertise as it relates to exposing and stopping such wrongdoing while ensuring site safety and protecting public dollars. All New Yorkers, including the men and women who don a hard hat every day, should expect to return home safely to their families. I thank the Manhattan District Attorney's Office for coordinating this partnership, and am also grateful to the array of investigative and law enforcement agencies who have signed up and are committed to protecting all New Yorkers impacted by the building and rebuilding of this great City."

"BIC is proud to be a member of the Construction Fraud Task Force, an important multi-agency effort to address criminality in an industry whose operations greatly impact New Yorkers," said **Elizabeth Crotty, Commissioner and Chair of the Business Integrity Commission**. "Construction Safety Week serves as a reminder that public safety must always be the top priority. As the regulator for the trade waste industry, including many companies that haul debris from construction sites in NYC, BIC takes seriously our responsibility to hold these companies accountable to safety standards and ensure they are operating with integrity. A crucial component of that work is our ongoing collaboration with DANY and our partner agencies on the Task Force."

New York State Department of Labor Commissioner Roberta Reardon said: "The creation of the Construction Fraud Task Force is a major step forward in our efforts to protect New York's workers and ensure that our construction industry is safe and fair. By combining the resources of multiple agencies, we will be able to more effectively identify, investigate, and prosecute those who would put workers at risk or cheat them out of their wages."

"Recent tragedies have reinforced the urgency of improving worker safety and ending construction fraud," said **New York State Inspector General Lucy Lang**. "Our investigative teams of auditors, investigators and attorneys at the Offices of the New York State Inspector General are proud to contribute our expertise to the vital work of the Construction Fraud Task Force, and we look forward to continued collaboration towards safety and integrity for all New York's workers."

Acting MTA Inspector General Elizabeth Keating said: "Combining resources and talents is essential

to combating construction fraud in the New York City area. We look forward to active collaboration with our investigative partners."

"The Port Authority is proud to collaborate with our local, state, and federal partners on this effort to ensure fairness and safety throughout the construction industry," said **John Gay, Inspector General of the Port Authority of New York and New Jersey**.

"OSHA's partnership with the New York County District Attorney's Office Construction Fraud Task Force increases our ability to ensure construction workers are afforded the protections provided by the Occupational Safety and Health Act, and that employers are held accountable for criminal health and safety lapses," said **Douglas L. Parker, Assistant Secretary of Labor for Occupational Safety and Health**.

"The Wage and Hour Division's partnership with the New York County District Attorney's Office helps us to address wage theft in the construction industry and enforce the Fair Labor Standards Act," said **Principal Deputy Administrator of the Wage and Hour Division of U.S. Department of Labor Jessica Looman**. "We look forward to working with the Construction Fraud Task Force to ensure construction workers get all their hard-earned wages."

The investigative agencies comprising the Task Force meet monthly and work collaboratively to probe the commission of crimes including fraud, bribery, extortion, money laundering, bid rigging, larceny, and safety violations, among others. The success of criminal cases brought against individuals and companies is in part attributable to interagency cooperation and the consolidation of information and resources. By working together to investigate those compromising the integrity of the construction and trade industry, the overarching goal of the Task Force is to ensure fairness and safety, as well as deter future fraud and misconduct.

The Task Force will also recommend appropriate industry reforms and public policy and legislative proposals to address systemic problems. Collaboration between the agencies also ensures that city and state agencies are made aware of bad actors within the industry.

Since 2018, the Construction Fraud Task Force has recovered more than \$6 million in stolen wages. Cases investigated and prosecuted in conjunction with Construction Fraud Task Force partners include:

- [People v. Dragonetti Brothers Landscaping & Florist., et al](#)
 - Misclassified 217 workers and evaded more than \$1 million in insurance premiums while working on City of New York contracts for sidewalk and road repair
 - Two individuals & companies pled guilty to felonies, paid \$1.2 million to NYSIF and are now under monitorship

- Debarred from New York City Department of Design and Construction contracts, required to retain an independent monitor and two company principals debarred from the trade waste industry for three years
- [People v. SAMCO Electric Corp., et al.](#)
 - Indicted for stealing more than \$1.7 million in wages from workers and bribing an investigator to cover up a double-breasting scheme where projects were staffed by non-union unqualified labor paid less than what New York City was paying the company in wages.
 - Company and its two principals pled guilty to felonies and paid \$900,000 back to workers who had their wages stolen
 - The foreman also pled guilty to a felony and was sentenced to 6 months in jail
 - Debarred from New York City School Construction Authority contracts for five years
- People v. Ampak Electrical:
 - Wages were stolen from 18 construction workers who worked on the midtown Virgin Hotel project \$112k wage theft scheme
 - Company pled guilty to felony, and paid back \$112k upfront, which was distributed to workers.
 - This case led to the [creation of the Stolen Wage Fund with the New York State Department of Labor](#).
- People v. SSC High Rise:
 - Juan Chonillo, a 39-year-old carpenter, fell 29 floors to his death at 161 Maiden Lane, the site of a 60-story luxury building, in 2018 after he was ordered to “ride” a scaffolding system.
 - The company pleaded guilty to manslaughter and was required to pay \$517,000 in stolen wages to 51 employees and \$325,000 to NYSIF for insurance fraud.
- [People v. 3 Brothers GC Corp., et al](#)
 - This inducement alleges a \$7,000 wage theft scheme and is open and pending.
 - A corporation and its two owners charged with scheme to defraud and insurance fraud for refusing paychecks to day laborers to performing work at 128 West 118th Street in Harlem. On two separate occasions, the workers were physically assaulted when they asked for their money.

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