

# Longtime City Contractor Pleads Guilty to \$1 Million Insurance Fraud

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*Dragonetti Brothers Landscaping Paid \$1.2 Million in Restitution, Barred from New York City Department of Design and Construction and New York City Business Integrity Commission Contracts for 3 Years*

Manhattan District Attorney Alvin L. Bragg, Jr., and New York City Department of Investigation (“DOI”) Commissioner Jocelyn E. Strauber today announced the guilty pleas and sentencing of DRAGONETTI BROTHERS LANDSCAPING, NURSERY, & FLORIST INC. (“DRAGONETTI BROTHERS LANDSCAPING”), and D.B. DEMOLITION, INC. (“D.B. Demolition”), as well as their respective presidents NICHOLAS DRAGONETTI, 49, and VITO DRAGONETTI, 53, for evading more than \$1 million in insurance premiums while working on City of New York contracts for sidewalk and road repair.

Corporate defendant DRAGONETTI BROTHERS LANDSCAPING pleaded guilty to Insurance Fraud in the Second Degree. Corporate defendant D.B. DEMOLITION pleaded guilty to Insurance Fraud in the Second Degree. VITO and NICHOLAS DRAGONETTI each pleaded guilty to Offering a False Instrument for Filing in the Second Degree.

The Manhattan District Attorney’s Office’s Construction Fraud Task Force and DOI led the joint investigation with assistance from the New York State Insurance Fund (“NYSIF”) and the New York City Business Integrity Commission (“BIC”).

“Workers doing dangerous work should be afforded every protection possible, yet these city contractors misclassified their employees for financial gain. As a result, they put their workers at risk, while also undermining the integrity of the public bidding process,” said **District Attorney Bragg**. “Today’s outcome, especially requiring oversight monitors, sends a clear message that companies cannot line their pockets at the expense of their employees.”

“Dragonetti Landscaping, D.B. Demolition, and its principals placed workers’ livelihoods in jeopardy to enrich themselves, pocketing more than \$1 million in unpaid insurance premiums. As part of their guilty plea, the defendants have paid restitution to the New York State Insurance Fund and will be supervised by integrity monitors that report to DOI and BIC,” said **DOI Commissioner Strauber**. “DOI thanks the Manhattan District Attorney’s

Office, its Construction Fraud Task Force, and the City Business Integrity Commission for their commitment to pursuing unscrupulous businesses that seek to profit at the expense of workers on City projects.”

“Holding companies accountable to regulatory standards, especially when a criminal case is involved, is crucial to ensuring public trust and safety,” said **BIC Commissioner and Chair Elizabeth Crotty**. “BIC is proud to have worked with our law enforcement partners at the Manhattan District Attorney, the City Department of Investigation and the New York State Insurance Fund on this investigation and we thank them for their hard work.”

As part of this plea, the defendants have paid \$1.2 million in restitution to NYSIF and have been debarred from all New York City Department of Design and Construction (“DDC”) and BIC contracts for the next three years. This means that any firm, corporation, partnership, or association in which it has a substantial interest (defined as at least ten percent of ownership) is ineligible to apply for or receive any contract or subcontract awarded by DDC and BIC.

In addition, both companies have put a monitor in place to ensure good corporate citizenship/best practices going forward. DRAGONETTI BROTHERS LANDSCAPING must pay for an integrity monitor that reports to DOI and BIC. As a result of that monitorship, the company instituted remedial measures that include barring VITO and NICHOLAS DRAGONETTI or any entities they own from working on DDC projects, establishing a code of conduct and training employees on it, and moving their company to a new facility that is not owned by DRAGONETTI BROTHERS LANDSCAPING or its affiliates.

For three years, the monitor, under DOI and BIC management, will oversee the company’s operations, making sure, among other things, it adheres to all the remedial measures, including instituting and training employees on a new code of conduct; creating a 24-hour hotline number to facilitate reporting of improper conduct; moving the shares of VITO AND NICHOLAS DRAGONETTI into a trust; naming a new Managing Director for DRAGONETTI BROTHERS LANDSCAPING; and hiring a worker’s compensation premium expert to ensure the correct premiums are paid.

Since 1998, DRAGONETTI BROTHERS has secured more than a hundred New York City contracts for park landscaping and maintenance, as well as for sidewalk reconstruction and pedestrian crosswalk ramp construction. Sidewalk and ramp construction workers have higher-risk jobs that include using heavy machinery to demolish and replace pavement and ramps, and accordingly, a higher workers’ compensation insurance classification.

DRAGONETTI BROTHERS bid on and won contracts for excavation, sidewalk reconstruction, and pedestrian ramp replacement for residential blocks throughout the City totaling millions of dollars, and falsely classified 217 laborers, foremen, and heavy-equipment operators as florists, office workers, or sales representatives.

DRAGONETTI BROTHERS evaded more than \$1.1 million in insurance premiums between 2017 and 2019 by intentionally misclassifying numerous employees on its applications to NYSIF for workers' compensation insurance in order to avoid paying required premiums.

During the same time period, D.B. DEMOLITION evaded more than \$81,000 in insurance premiums by also misclassifying several workers in NYSIF paperwork, claiming the individuals were office workers while simultaneously listing them as commercial drivers in paperwork filed with BIC, the agency that oversees the private carting industry in New York City.

Workers are encouraged to send tips related to wage theft, fraud, and safety lapses in the construction industry directly to the Manhattan District Attorney's Office's Construction Fraud Task Force through text or WhatsApp at (646) 712-0298. Workers can send tips anonymously, in any language, and regardless of immigration status.

Assistant D.A. Rachana Pathak (Supervising Attorney of the Construction Fraud Task Force) handled the prosecution of this case 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), Christopher Conroy (Senior Advisor to the Investigation Division) and Executive Assistant D.A. Susan Hoffinger (Chief of the Investigation Division). Task Force Coordinator Danielle Corbett assisted with the investigation, as did Former Assistant D.A. Leah Keith, former Paralegal Stacey Kim and Forensic Accountant Investigator Wei Man Tang.

District Attorney Bragg thanked DOI Inspectors General Juve Hippolyte, Cynthia Irizarry and Ann Petterson, Assistant Inspector General Anastasia Plakas, and Special Investigator Heather Smith; NYSIF and Senior Auditor Granville Mo; and BIC and Associate Commissioner of Legal Affairs and Deputy General Counsel David Mandell for their assistance with the investigation.

### *Defendant Information*

DRAGONETTI BROTHERS LANDSCAPING, NURSERY, & FLORIST  
Convicted:

Insurance Fraud in the Second Degree, a class C felony

D.B. DEMOLITION, INC.

Convicted:

Insurance Fraud in the Second Degree, a class C felony

NICHOLAS DRAGONETTI

Bellmore, NY

Convicted:

Offering a False Instrument for Filing in the Second Degree, a class A misdemeanor

VITO DRAGONETTI

Bellmore, NY

Convicted:

Offering a False Instrument for Filing in the Second Degree, a class A misdemeanor