



The City of New York
Department of Investigation
ROSE GILL HEARN
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DOI INVESTIGATION EXPOSES FRAUDULENT MISUSE OF SIGN HANGER LICENSES

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation (“DOI”), announced that a DOI investigation found that seven individuals fraudulently used City licenses to profit from the unlawful installation of approximately 60 signs in the five boroughs by unlicensed workers at prices exceeding \$1,000 per sign. The seven individuals and four companies they operated or worked with have pleaded guilty to various offenses and violations and have been ordered to pay restitution, forfeiture, and fines totaling nearly \$200,000. Three of the seven defendants were licensed sign hangers who collected between \$100 and \$300 in each instance to enable false permit applications to be filed with the City Department of Buildings (“DOB”) while unlicensed companies and individuals completed the work. The office of New York County District Attorney Cyrus R. Vance, Jr., prosecuted the cases. DOB has inspected the affected signs and found no safety issues.

DOI Commissioner Rose Gill Hearn said, “Licensees and others who cut corners for easy money erode the City’s ability to protect the public from unsafe construction practices. This investigation uncovered and stopped a scheme that created potentially hazardous conditions. DOI will continue to work with the Manhattan District Attorney and the City Buildings Department to safeguard New Yorkers from these kinds of abuses.”

The investigation involved numerous field operations, including five search warrants, and the analysis of thousands of documents.

The following defendants were charged and convicted in Manhattan Supreme Court:

- JOSEPH CALVANO, 48, West Nyack, NY, and his company A.M.A. HOLDINGS, 508 Smith Street, Brooklyn, pleaded guilty today, respectively, to Failure to Safeguard All Persons and Property Affected by Construction Operations, a violation of New York City Administrative Code Section BC 3301.2, and Offering a False Instrument for Filing in the First Degree, a Class E felony, for conduct that occurred in 2009 and 2010 involving the submission of falsified work permit applications to the DOB. As part of the plea agreement, CALVANO agreed to pay forfeiture of \$4,500 and A.M.A. HOLDINGS agreed to pay a fine of \$5,000
- ERIC BERGER, 72, Seaford, NY; PATRICIA BALLATO, 47, Valley Stream, NY; and BERGER SIGNS INC., 90-12 144th Place, Jamaica, NY, pleaded guilty in February 2013. Berger pleaded to Scheme to Defraud in the Second Degree, a class A misdemeanor, and BALLATO and BERGER SIGNS each pleaded to Scheme to Defraud in the First Degree, a class E felony, involving criminal conduct that occurred between January 2008 and March 2011 in which BERGER signed numerous work permit application forms submitted by BALLATO to the DOB and which falsely stated BERGER, a licensed sign hanger, would install signs when, in fact, unlicensed sign companies conducted the installations. BERGER and BALLATO were each paid between \$100 and \$300 for each signature. Business owners paid more than \$1,000 for each sign installation, believing they were procuring licensed work. As part of the agreement, BALLATO agreed to pay forfeiture of \$16,716.
- MICHAEL REGINA, 43, Levittown, NY, an employee of M&G SERVICES, pleaded guilty in February 2013 to Offering a False Instrument for Filing in the Second Degree for conduct that occurred in February 2010 in which he assisted in filing a false work permit application with DOB knowing the application was false

since an unlicensed sign company was conducting the work. As part of the plea agreement, REGINA agreed to pay a fine of \$1,000.

- DOMINICK PAPARELLA, 72, St. James, NY, and his company, M&G SERVICES, 4250 Veterans Memorial Highway, Holbrook, NY, pleaded guilty in January 2013. PAPARELLA pleaded to Scheme to Defraud in the Second Degree and M&G pleaded guilty to Scheme to Defraud in the First Degree for criminal conduct that occurred between January 2008 and March 2011 in which the defendants solicited licensed sign hangers to sign numerous work permit applications that they would install signs, when, in fact unlicensed sign companies were performing the work. M&G paid licensed sign hangers between \$100 and \$300 for each signature and charged that amount to customers. The applications were filed with the DOB. PAPARELLA agreed to pay restitution of \$49,450.
- HERMENDRA “AMIT” PANDEY, 34, Floral Park, NY, pleaded guilty in December 2012 to Offering a False Instrument for Filing in the First Degree for soliciting licensed sign hangers to sign work permit applications which he later filed with DOB knowing that the work was to be done by unlicensed sign installation companies. As part of his plea, PANDEY agreed to pay restitution of \$1,150
- FENGHAIXU ZHANG, 44, Flushing, NY, and the company he co-owns, NEW YORK SIGN CONTRACTORS, INC., 5215 New Utrecht Avenue, Brooklyn, each pleaded guilty in December 2012 to Scheme to Defraud in the First Degree. The criminal conduct occurred between January 2008 and January 2011 in which ZHANG, a licensed sign hanger, signed numerous work permit applications later filed with DOB saying he planned to install signs, when, in fact, unlicensed sign companies conducted the installations. ZHANG was paid between \$100 and \$300 for each signature, and business owners who engaged ZHANG and his company believed they were getting legally installed signs and paid more than \$1,000 to have each sign installed. As part of the plea agreement, ZHANG agreed to forfeit \$119,000.

Commissioner Gill Hearn thanked New York County District Attorney Cyrus R. Vance, Jr., and DOB Commissioner Robert LiMandri and their staffs for their assistance and cooperation in this investigation.

The investigation was conducted by DOI's Office of the Inspector General for DOB.

Assistant District Attorney Anne Ternes, under the direction of Daniel Brownell, Rackets Bureau Chief and Deputy Chief of Investigations for the New York County District Attorney's Office, prosecuted these cases.

DOI is one of the oldest law-enforcement agencies in the country. The agency investigates and refers for prosecution City employees and contractors engaged in corrupt or fraudulent activities or unethical conduct. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City.

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