



The City of New York
Department of Investigation

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**DOI AND NYS ATTORNEY GENERAL ARREST OWNER AND ACCOUNTANT OF
CONNECTICUT-BASED CITY CONTRACTOR ON PAYROLL FRAUD CHARGES**

--DOI found that 84 employees were underpaid approximately \$548,912 in wages between 2005 and 2006--

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced that DOI and the office of New York State Attorney General Andrew M. Cuomo charged YULY ARONSON, owner of MAY CONSTRUCTION CO., INC. ("MAY"), ANTHONY BRANCA, an outside accountant for MAY, and the corporation for falsely billing the City for construction work, fraudulently obtaining more than \$548,000 in City funds and underpaying 84 employees for work involving construction contracts with the New York City Department of Citywide Administrative Services ("DCAS") between April 2005 and December 2006. During that time period, MAY held construction contracts for renovation work at 24 City-owned buildings and courthouses in the five boroughs.

ARONSON, 46, of Norwalk, Conn., and BRANCA, 50, of Bedford Hills, N.Y., and the corporation, have each been charged with Grand Larceny in the Second Degree, a class C felony. In addition, they have each been charged with five counts of Offering a False Instrument for Filing in the First Degree, a class E felony, five counts of Falsifying Business Records in the First Degree, a class E felony, and ten counts of Failure to Pay Wages in Accordance with the Labor Law, a class A misdemeanor. Conviction of a class C felony is punishable by up to 15 years in prison; conviction of a class E felony is punishable by up to four years in prison and conviction of a class A misdemeanor is punishable by up to one year incarceration.

DOI Commissioner Rose Gill Hearn said, "A dishonest contractor that formerly worked for the City stole more than a half-million dollars from the City's taxpayers and its own workers, according to the criminal complaint, by submitting sworn statements and certified payroll records that were not worth the paper they were written on. Any unscrupulous vendor who mistakes the City as an easy mark for a rigged game of phony labor expenses should take note - DOI investigators methodically uncovered the facts and exposed the scam, and this contractor is now facing felony charges. I commend DCAS for the initial tip that led DOI to this broader investigation and thank the office of New York State Attorney General Andrew Cuomo for its painstaking work in initiating this important prosecution."

New York State Attorney General Andrew M. Cuomo said, "Underpaying workers on public contracts is a despicable, yet all too common practice. Contractors who cheat the public works system by keeping wages earned by workers and lying to government agencies must be stopped. My office will aggressively prosecute contractors who steal from hard working employees and from the taxpayers who fund the projects. Contractors on public works projects should be warned to obey the law and pay the prevailing wage, or face the consequences. I thank Commissioner Rose Gill Hearn for her assistance in investigating this vital case."

According to the felony complaint, between April 2005 and December 2006, MAY had five general construction contracts to renovate and repair City office buildings and courthouses in each of the five boroughs. Payment requisitions that contained weekly certified payroll records were created by BRANCA, signed by ARONSON and filed with DCAS, which paid MAY for the contracted work based on those payment requisitions. The requisitions also contained sworn certifications that MAY had complied with New York State Labor Law and paid its workers according to the prevailing wage rates.

DOI's investigation found that ARONSON and BRANCA falsely certified those weekly payroll reports filed with the City. DOI spoke with workers, reviewed DCAS' records and prepared an audit that showed 84 employees at MAY had been underpaid \$548,912 in wages. In some cases, trade laborers, such as a mason tender, laborer and carpenter who according to the payroll reports earned approximately \$42 and \$70 an hour, were only paid \$28 an hour, according to DOI's investigation.

Commissioner Gill Hearn thanks DCAS Commissioner Martha K. Hirst for her and her staff's valuable assistance and cooperation in this investigation. Commissioner Gill Hearn also thanks Comptroller William C. Thompson, Jr. and Department of Finance Commissioner Martha E. Stark for their and their staff's assistance in this investigation.

The investigation was conducted by DOI Analyst John F. Manning, under the supervision of Deputy Commissioner Vincent E. Green, and additional assistance was provided by DOI Confidential Investigator Martin Lintner and Forensics Investigator James Lewis.

The office of New York State Attorney General Andrew M. Cuomo is prosecuting the case, which has been assigned to Assistant Attorney General Meredith McGowan, under the direction of Executive Deputy Attorney General Mylan Denerstein.

Felony complaints are accusations. Defendants are presumed innocent until proven guilty.

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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To report someone ripping off the city, call DOI at (212) 825-5959.**