



The City of New York
Department of Investigation

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**CONSTRUCTION COMPANY THAT WORKED ON TWO CITY PARKS' CONTRACTS
PLEADS GUILTY TO FALSIFYING PAYMENT RECORDS AND MUST
PAY \$260,198 IN BACK WAGES AND CIVIL PENALTIES
*--Paradise Construction is also ineligible from bidding and/or being awarded a public work
contract in the State or City for five years--***

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), CHARLES J. HYNES, Kings County District Attorney, and WILLIAM C. THOMPSON, JR., Comptroller of the City of New York ("Comptroller"), announced today an investigation that culminated in the guilty plea earlier this week of PARADISE CONSTRUCTION ("PARADISE") for submitting falsified payroll documents to the New York City Department of Parks and Recreation ("DPR") in connection with renovation work at a park in Brooklyn and one in the Bronx.

The investigation began after DPR's Labor Law Unit alerted DOI and the Comptroller that it had received a complaint from several PARADISE employees that they were being underpaid for work on renovation projects at Harry Maze Memorial Park in Brooklyn and Patterson Playground in the Bronx. According to the criminal complaint and the plea agreement, PARADISE submitted certified payroll reports to DPR indicating that it had paid at least four workers prevailing wages and supplemental benefits – amounting to approximately between \$48 and \$59 per hour. DOI and the Comptroller found that PARADISE had actually paid the workers in cash between \$10 and \$15 per hour and that the Brooklyn-based construction company owed workers a total of approximately \$236,544 in wages for work on the two parks' contracts for the period between March 2004 and February 2005. In addition, PARADISE was also fined approximately \$23,654 in civil penalties. The

Comptroller withheld \$260,198 from the contractor to ensure funds were available to pay the workers as well as the civil penalties.

PARADISE was charged last month with Offering a False Instrument for Filing in the First Degree, a class "E" Felony. The Kings County District Attorney's Office, the Office of the New York City Comptroller and DOI negotiated a plea agreement with HABEEB CHOWDHRY, the principal of PARADISE, in which the company pleaded guilty to Offering a False Instrument for Filing in the First Degree.

On December 3, 2007, CHOWDHRY and PARADISE's attorney signed a plea agreement and stipulation of settlement acknowledging PARADISE's role in underpaying wages to its workers, agreeing to repay the workers and to pay a civil penalty, which totaled \$260,198. The Comptroller's Office, which is responsible for enforcing the labor law as to companies performing City public works contracts, will distribute the funds to the cheated workers.

In addition, as part of the agreement, PARADISE will be ineligible to submit a bid on, or be awarded, any public work contract or subcontract with the State or City for five years.

PARADISE commenced work on both parks' contracts in March 2004. The reconstruction costs for Harry Maze Memorial Park, located in the Midwood section of Brooklyn, totaled \$713,950 and it was completed in February 2005. The reconstruction costs for a portion of Patterson Playground, located in the Morrisania section of the Bronx, totaled \$612,125 and it was completed in December 2004.

DOI Commissioner Rose Gill Hearn said: "Paradise Construction thought it could cheat its workers and pocket some extra cash. Instead, it now has a felony conviction for filing false documents and it must pay back wages and a sizeable fine. Thanks to the alert staff at the Parks Department, the company's illegal acts were brought to light and the workers will recoup the funds they should have been paid. Construction companies who do business with the City must obey the law. If they don't, they face serious consequences, including ineligibility for future City contracts. I thank the District Attorney's Office and the Comptroller's Office for their hard work on this matter."

Kings County District Attorney Charles J. Hynes said: "For more than a decade my office, the Comptroller, other City agencies and the Department of Investigation have worked together to ensure that public contractors must pay their workforce the prevailing wages. This case proves how effective we can be. Just as workers labor to maintain and improve our City parks and infrastructure we continue to work to see they get the pay they are entitled to by law."

New York City Comptroller William C. Thompson, Jr. said: "We are extremely pleased that our collective efforts have resulted in a felony conviction against Paradise Construction and recovered back wages and interest for the workers who were clearly cheated out of their rightful earnings. For more than a decade, my Bureau of Labor Law has worked with the Kings County District Attorney to address prevailing wage complaints in Brooklyn. Combining the imposition of civil penalties with criminal prosecutions against the most egregious violators of prevailing wage laws has proven to be the most effective legal weapon against dishonest contractors."

Commissioner Gill Hearn thanked Commissioner of New York City Department of Parks and Recreation Adrian Benepe for his staff's quick action as well as their assistance and cooperation on this matter. Commissioner Gill Hearn also thanked Kings County District Attorney Charles J. Hynes and members of his staff, including Assistant District Attorney Eileen Ayvazian, for prosecuting this case, and New York City Comptroller William C. Thompson Jr. and members of his staff, including Labor Counsel Maria C. Choupres and Supervising Auditor Stuart Rimmer.

The investigation was conducted by DOI's Inspector General's Office for the Department of Parks and Recreation, under the supervision of Deputy Commissioner Vincent E. Green and members of his staff, including Deputy Inspector General Theresa Land-Latta, Special Investigator Virginia Giunta and Acting Chief Investigator Roxanne Harmon.

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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