



The City of New York
Department of Investigation

ROSE GILL HEARN
COMMISSIONER

80 MAIDEN LANE
NEW YORK, NY 10038
212-825-5900

Release #84-2009
nyc.gov/html/doi

**FOR IMMEDIATE RELEASE
TUESDAY, AUGUST 4, 2009**

**CONTACT: DIANE STRUZZI
(212) 825-5931**

DOI STATEMENT ON CONSTRUCTION CONTRACTOR'S GUILTY PLEA

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), issued the following statement regarding today's guilty plea of JOHN G. RUGGIERO, who was a Vice President of AFC Enterprises, Inc. of Glendale, Queens, a construction company, to conspiracy to commit mail fraud. RUGGIERO pled guilty in Brooklyn federal court, before District Judge Kiyo A. Matsumoto, to an indictment charging that between 1993 and 2002 RUGGIERO engaged in sham transactions to make it appear that AFC and another company, Rosewood Contracting Corp., were subcontracting certain City work to minority-owned businesses, when in fact they were not. The case stemmed from a joint investigation by DOI and several federal agencies. The United States Attorney's Office for the Eastern District of New York prosecuted the case.

DOI Commissioner Rose Gill Hearn said, "Defrauding the City is a bad move for any contractor. Those who do so stand to lose their freedom, their ill-gotten money, and the City's business. In this case, DOI investigators, who are well-versed in the City's contracting procedures, worked hand-in-hand with our federal partners to uncover the fraud and ensure that those responsible faced justice. I want to thank U.S. Attorney Benton J. Campbell and his staff and all of our federal colleagues for their tenacious work."

Last month, two other executives of AFC and Rosewood, Andrew Catapano and John Mikuszewski, who previously pled guilty to related charges, were sentenced to, respectively, 10 and five months in prison and were ordered to pay fines of \$25,000. They also paid \$120,000 in restitution and forfeited \$1.2 million. In addition, Mikuszewski was required to pay \$79,000 in back taxes. The companies currently have no contracts with the City.

RUGGIERO, 58, of Staten Island, was a Vice President of AFC and was responsible for coordinating the work of its subcontractors on City projects, according to the Indictment. He pled guilty to a charge for which the maximum term of imprisonment is five years and the maximum fine is \$250,000. Under his plea agreement, RUGGIERO will also forfeit \$120,000 and is responsible to pay \$70,000 in restitution.

Commissioner Gill Hearn thanked United States Attorney for the Eastern District of New York, Benton J. Campbell, and the federal agencies that participated in the investigation, particularly the Internal Revenue Service, Criminal Investigation Division, U.S. Department of Transportation, Office of Inspector General, the U.S. Department of Labor, Office of Inspector General, and the Postal Inspection Service. DOI's Inspector General for the Department of Transportation, Mary T. Piechocki, and her staff, particularly Deputy Inspector General John Bellanie and Assistant Inspector General Chuck Joe, under the supervision of Associate Commissioner John Kantor, conducted DOI's investigation.

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.

**DOI's press releases can also be found at twitter.com/doinews
Get the worms out of the Big Apple. To report someone ripping off the City, call DOI at (212) 825-5959.**