



**U.S. Department of Justice**

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Eastern District of New York*

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**FOR IMMEDIATE RELEASE**

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**PRESS RELEASE**

**CONTRACTOR CHARGED IN CONNECTION WITH  
BROOKLYN BUILDING COLLAPSE RESULTING IN  
EMPLOYEE'S DEATH AND WITH MAKING FALSE  
STATEMENTS AND ERISA VIOLATIONS**  
*Site Supervisor Charged With False Statements*

**ROSLYNN R. MAUSKOPF**, United States Attorney for the Eastern District of  
New York, **GORDON S. HEDDELL**, Inspector General, United States Department of Labor,  
**ANN L. COMBS**, Assistant Secretary, United States Department of Labor, Employee Benefits

Security Administration, **DAVID C. WILLIAMS**, Inspector General, United States Postal Service, and **ROSE GILL HEARN**, Commissioner, New York City Department of Investigation, today announced that KANG YEON LEE, a contractor and owner of Big Apple Development and Construction (“Big Apple”), was arrested today and charged with causing the death of a worker by failing to comply with Occupational Safety and Health Administration (“OSHA”) regulations requiring contractors to provide fall protection equipment for their employees. LEE and a Big Apple site supervisor, DAI KI KIM, were also charged with making false statements to the United States Postal Service in connection with certifying the amounts that LEE’s employees were paid for work performed at a federally funded Postal construction project at John F. Kennedy Airport. Finally, LEE was charged with making false statements and concealing information required to be disclosed in connection with an employee benefit plan governed by Title I of the Employee Retirement Income Security Act of 1974 (“ERISA”).<sup>1</sup>

The defendants are scheduled to have their initial appearances on the complaint this afternoon before United States Magistrate Judge Cheryl L. Pollak at the U. S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York.

According to the complaint, the government’s investigation began on May 20, 2004, following the collapse of a balcony that was part of a multi-unit residential building under construction at 9718 Fort Hamilton Parkway in Brooklyn, New York. Big Apple was the general contractor for the project. Four Big Apple workers were pouring a five foot by sixteen foot concrete balcony on the third floor of the structure when the balcony collapsed. Three of the workers fell approximately 35 feet to the courtyard below, while the fourth worker leapt to safety inside the building. One of the workers, Angel Segovia, died from injuries sustained in the fall.

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<sup>1</sup> The charges contained in the complaint are merely allegations, and the defendants are presumed innocent unless and until proven guilty.

Big Apple had not provided any of the four workers with the federally mandated fall prevention equipment. As stated in the complaint, LEE and Big Apple had received prior OSHA citations in 2001 for failing to provide fall protection equipment for Big Apple's workers.

The government's investigation also revealed that in August 2000, Big Apple, then operating as Big Apple Construction and Restoration, was hired by the general contractor at a Postal Service financed construction project at John F. Kennedy Airport to do demolition and foundation work. As a contractor on a federally funded construction project, Big Apple was required to pay its workers the locally-prevailing wage rate determined by the Davis Bacon Act and to submit certified payroll records showing that the workers had been paid in accordance with the law. The complaint charges that LEE and his site supervisor, KIM, falsely certified on payroll records that Big Apple's workers were paid at the required wage rate, when, in fact, the workers were paid significantly less.

Finally, the government's investigation disclosed that from July 1, 1999, through July 31, 2003, Big Apple, then operating as Big Apple Construction Management, was a party to a collective bargaining agreement ("CBA") with the Mason Tenders District Council of Greater New York and Long Island ("MTDC"), a labor organization whose membership includes mason tenders, concrete workers, and laborers. The MTDC Trust Funds (the "Trust Funds") provide pension, welfare, annuity and training benefits to employees and their beneficiaries pursuant to its pension plan. The plan, which is governed by ERISA, is funded by monthly contributions from employers who are signatories to collective bargaining agreements with the MTDC. The complaint charges that LEE failed to make required contributions of at least \$1.1 million to the plan and thereby caused the Annual Report of Employee Benefit Plan that the Trust Funds are required to file with the Departments of Labor and Treasury to inaccurately state the total receivables to the Trust Funds.

“This prosecution demonstrates our commitment to holding criminally responsible to the maximum extent allowed by law those who willfully violate OSHA safety regulations and make false statements to evade paying laborers wages and benefits to which they are entitled,” stated United States Attorney **MAUSKOPF**. “I am hopeful that these charges will deter future violations of this sort, as well as provide some measure of justice to the family of Angel Segovia, the victim of the tragic Fort Hamilton Parkway building collapse.” Ms. **MAUSKOPF** thanked the United States Labor Department’s Occupational Safety and Health Administration, Employee Benefit Security Administration, Wage and Hour Division, Office of the Solicitor, and the United States Department of Homeland Security for providing invaluable assistance to the investigation.

U. S. Department of Labor Inspector General **HEDELLE** stated, “This company showed a pattern of blatant disregard for the rights and safety of workers for fair pay and benefits and most importantly for safety. My office is committed to working with DOL agencies as well as other federal agencies to protect the rights and safety of workers.”

U. S. Department of Labor Assistant Secretary **COMBS** stated “One of the Labor Department's highest priorities is to protect the retirement, health and other benefits of workers and their families. Today’s criminal action demonstrates the government’s commitment to use its collective enforcement authority to protect the benefits of workers from abuse.”

U. S. Postal Service Inspector General **WILLIAMS** stated, “It’s the responsibility of the Office of Inspector General to identify and pursue corrupt contractors who attempt to defraud the Postal Service and, indirectly, the American public. The Postal Service does more than \$19 billion in contracting per year and it’s our job to insure the integrity of this vital program. We believe successful prosecution will send a strong message that will deter potential wrongdoers from committing crimes against the Postal Service and I thank U.S. Attorney Mauskopf for her diligent prosecution of this case. I also commend our special agents and the

investigators from the U.S. Department of Labor and New York City Department of Investigation for their joint efforts in this case.”

N.Y.C. Department of Investigation Commissioner **HEARN** stated, “Today's charges reflect a great collaboration among law enforcement agencies. Let these charges warn other potentially unscrupulous contractors and builders that worker safety and compliance with safety regulations is of paramount importance. It is my hope that families of other construction workers will not face the same loss that the family of Angel Segovia experiences.”

If convicted, LEE faces a maximum sentence of six months’ imprisonment under 29 U.S.C. Section 666 for the death of Angel Segovia, and five years’ imprisonment under 18 U.S.C. Section 1027 for the violation of ERISA. LEE and KIM each face a maximum sentence of five years’ imprisonment under section 1001(a)(3) for false statements to the Postal Service concerning the wages paid to LEE’s employees. LEE and KIM also face a maximum fine of \$250,000 on each count of conviction. In addition, in a related proceeding, LEE has been issued twelve OSHA citations carrying penalties of up to \$157,940 in connection with the Fort Hamilton Parkway building collapse.

The government’s case is being prosecuted by Assistant U.S. Attorney Sarah Coyne.

### **Pedigree Information**

**Name:** KANG YEON LEE  
**DOB:** 2/05/49  
**Residence:** 21803 43<sup>rd</sup> Avenue, Bayside, New York 11361

**Name:** DAI KI KIM, also known as “David”  
**DOB:** 9/06/50  
**Residence:** 3537 172<sup>nd</sup> Street, Flushing, New York 11358