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**REMARKS OF DOI COMMISSIONER MARK PETERS AT ANNOUNCEMENT WITH
NYS ATTORNEY GENERAL ERIC SCHNEIDERMAN REGARDING WAGE THEFT ARRESTS
INVOLVING PUBLIC PROJECTS**

I want to thank Attorney General Schneiderman and his team of prosecutors who worked diligently with DOI to uncover the facts in these criminal cases and stop the abuse of these frontline workers. DOI is fortunate to have such a dedicated law enforcement partner.

Prevailing wage fraud steals from the workers who refurbish and construct our public schools, our City housing, and our other municipal projects. It establishes a workplace built on deceitful practices; laying the foundation for other wrongdoing at these construction sites.

So far this year, DOI has worked with our partner law enforcement agencies on investigations that have led to the arrest of more than 60 individuals for construction-related crimes in four boroughs, including not only wage theft, but bribery, official misconduct, and falsification of safety credentials.

As today's arrests demonstrate, we will continue to be vigilant in this area.

DOI's Citywide oversight allows a unique vantage point to find these types of construction-related crimes. Our expertise in how both the City and the construction industry operate, gives us depth of knowledge. Our broad jurisdiction, with Inspectors General covering the vast landscape of the City – including NYCHA, the School Construction Authority and the City Department of Housing, Preservation and Development – gives us the ability to make connections across agencies and projects.

By way of example, in the case of P.S. 196 K, which was part of the earlier arrests in this initiative involving one of the same defendants, investigators from the Office of the Inspector General for the School Construction Authority acted on a tip and followed up with a routine visit to the site. Ultimately, they uncovered a scheme, as outlined in the indictment, in which several labor brokers were shaking down employees for kickbacks from the employees' paychecks. When the SCA Inspector General uncovered information that those brokers were taking their illegal ruse -- literally on the road to a NYCHA project in Queens -- DOI was able to quickly mobilize investigators from its Office of the Inspector General for NYCHA. These investigators then worked that case to get the facts and stop the fraud at the second site.

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This investigation successfully shut down the ongoing theft and, in the case at P.S. 196 K, exposed and stopped a Draconian environment, where workers were prohibited from drinking water during the hot summer months, so they would not have to take time away from their labor to use the bathroom. Further, workers were told not to bring meals to the construction site. When they did, much like the bully at school, the labor brokers took those meals away.

These workers had little recourse but to follow these dictums. Indeed, that predicament is what makes these cases so difficult to crack and so difficult to persuade witnesses to contact law enforcement. Despite that challenge, workers are stepping forward. For all those who did, I commend you. It was courageous and integral to the success of this investigation.

Another essential aspect of the investigation was DOI's use of Integrity Monitors in overseeing large City-funded projects. These Integrity Monitors report directly to DOI and are on these sites daily, interviewing workers, reviewing logs and records, and keeping in contact with DOI investigators. When one of DOI's Integrity Monitors learned that potential kickbacks were happening on construction at the Pomonok public housing complex in Queens, they reported that information to us. Their tip led DOI investigators to uncover workers who were forced to hand over thousands of dollars from their pay checks under threat of termination, according to the charges.

This type of coordination and cooperation with our partners, including all those standing before you today, is essential to protect workers and all New Yorkers.

I want to thank my colleagues at DOI who meticulously gathered the facts, especially Inspectors General Gregory Cho, Jessica Heegan, Ralph Iannuzzi and Maria Mostajo, Deputy Inspector General David Jordan, Senior Associate Commissioner Michael Carroll, Associate Commissioner William Jorgenson, Chief of Investigations John Kantor, First Deputy Commissioner Lesley Brovner, and the team of investigators – who are too numerous to name individually – but who did such a terrific job.

I also want to thank SCA President Lorraine Grillo and her staff, who worked hand-in-hand with our investigators to make the case; NYCHA Chairwoman Shola Olatoye, and HPD Commissioner Vicki Been for their cooperation and assistance in these investigations.

This joint effort sends the strong message that prevailing wages must be paid; and that this City will work together to identify and stop corruption and fraud, wherever it exists.

Indictments and criminal complaints are accusations. Defendants are presumed innocent until proven guilty.

DOI is one of the oldest law-enforcement agencies in the country and New York City's corruption watchdog. 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 strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.

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