



The City of New York  
Department of Investigation

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**REMARKS OF DOI COMMISSIONER MARK G. PETERS  
FOR ANNOUNCEMENT OF JOINT EFFORT TO COMBAT WAGE THEFT IN THE CONSTRUCTION INDUSTRY**

I want to thank Manhattan District Attorney Cy Vance and all of our law enforcement partners here today on this important wage theft initiative within the construction industry. DOI is proud to stand side-by-side with you and to help protect the rights of workers and the integrity of construction sites.

These cases are significant. They expose how contractors and construction owners used their payroll as a way to cheat their workers, steal their wages, and illegally profit from their own employees. These cases show how worker exploitation degrades integrity on construction sites and undermines the construction industry.

And, finally, these cases show that if we are not vigilant, owners will then lie to government regulators in ways that conceal their bad acts.

There is no other way to describe this conduct than criminal. Two cases that we worked together on with the Brooklyn District Attorney have led to arrests in a total of \$1.7 million in wage theft, where the contractors are charged with falsifying payrolls on City construction jobs. In each of these cases, law enforcement was alerted to potential misconduct by DOI monitors on these construction sites.

In another case DOI investigated with the Manhattan District Attorney, we found that City Metro Corp. lured crews of workers with the promise of a \$45-an-hour job; strung these workers along with a promise to pay them for the work they did; then either did not pay them or provided "empty" checks that employees were instructed to cash only at check-cashing establishments. The result: when the check cashing establishments realized there were no funds to back up the checks, they went after the workers for the funds.

These workers did nothing wrong. They showed up to work. They did their job. They deserve their pay.

Through these cases, DOI and all of the agencies standing here before you hope to realize that goal and recoup the stolen funds for all the workers victimized in these schemes. We are already seeing some success and look forward to advancing this effort.

Further, as investigators, we know that wage theft can be a red flag to other misconduct. One of the cases we investigated demonstrates that link. As charged in the indictment, DOI also found that the owner of City Metro Corp. concealed his ownership to another similar company, in an application for a general contracting license he submitted to the City Buildings Department. That concealment would have obscured the true history and associations of the company.

I would like to thank the investigators at DOI who worked on this investigation, specifically Special Investigator Janaina Siguencia, Chief Investigator Jim McElligott, and Assistant Inspector General Dan Taylor, under the supervision of Inspector General Gregory Cho, Associate Commissioner Jay Flaherty, Deputy Commissioner/Chief of Investigations Michael Carroll and First Deputy Commissioner Lesley Brovner.

Criminal complaints and indictments are accusations. Defendants are presumed innocent until proven guilty.

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