



U.S. Department of Justice

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FOR IMMEDIATE RELEASE

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PRESS RELEASE

**CONSTRUCTION COMPANY EXECUTIVE INDICTED FOR DEFRAUDING
NEW YORK CITY SCHOOL CONSTRUCTION AUTHORITY**

Defendant Allegedly Failed to Pay Workers the Prevailing Wage on Public Works Projects

A 22-count indictment was unsealed today in federal court in Brooklyn charging Rakesh Kumar, the President of Orba Construction Company ("Orba"), with conspiracy to commit mail and wire fraud, and 21 counts of mail fraud and wire fraud. The charges stem from Kumar's alleged misrepresentations to the New York City School Construction Authority ("SCA") regarding the number of hours worked and wages paid by Orba to employees on New York City public school construction projects. Kumar was arrested today and is scheduled to be arraigned this afternoon before United States Magistrate Judge Ramon E. Reyes, Jr.

Richard P. Donoghue, United States Attorney for the Eastern District of New York, Margaret Garnett, Commissioner, New York City Department of Investigation, and Michael Mikulka, Special Agent-in-Charge, U.S. Department of Labor, Office of Inspector General, announced the charges.

As alleged in the indictment, between 2014 and 2018, Kumar submitted false certified payrolls to the SCA for work performed by Orba employees on SCA-funded projects. These payroll forms falsely stated that Orba had paid its employees the prevailing wage, as required by the New York State labor law and labor agreements with the SCA, when in fact the employees had been paid far less, often in cash or by checks issued by a related company owned by Kumar.

"As alleged, through his actions, Kumar cheated laborers, who toiled many long days at manual labor, out of their honest and hard-earned wages," stated United States Attorney Donoghue. "This Office and our law enforcement partners will vigorously pursue employers who illegally enrich themselves at the expense of their workers."

“An important mission of the Office of Inspector General is to investigate allegations of fraud related to union members’ wages and benefits,” stated DOL OIG Special Agent-in-Charge Mikulka. “We will continue to work with our law enforcement partners to investigate these types of allegations.”

“Theft of wages has far-reaching effects – stripping hard-working employees of their rightful pay, jeopardizing the financial security of all those who rely on the wage-earner’s income, and creating unfair advantages over companies that do right by their workers,” stated DOI Commissioner Garnett. “In this case, Orba Construction Corporation for five years siphoned workers’ pay through underreporting hours on doctored payroll reports, according to the charges. DOI will continue working with its partners like the U.S. Attorney for the Eastern District of New York to investigate bad actors who steal their employees’ wages.”

The charges in the indictment are allegations, and the defendant is presumed innocent unless and until proven guilty.

If convicted, Kumar faces up to 20 years’ imprisonment for each of the mail and wire fraud charges.

The government’s case is being prosecuted by the Office’s Public Integrity Section. Assistant United States Attorney Martin E. Coffey is in charge of the prosecution.

The Defendant

RAKESH KUMAR (also known as “Rikki”)

Age: 64

Basking Ridge, New Jersey

E.D.N.Y. Docket No. 19-CR-101 (DLI)