



**CYRUS R. VANCE JR.,
DISTRICT ATTORNEY**

FOR IMMEDIATE RELEASE

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**D.A. VANCE, NYC DOI COMMISSIONER, NYS INSPECTOR GENERAL ANNOUNCE
INDICTMENT OF UNLICENSED LABOR BROKER FOR MILLION-DOLLAR INSURANCE
FRAUD**

*Defendants Schemed to Evade More Than \$1 Million in Insurance Premiums, Leaving Injured
Workers Unable to Pay For Healthcare or Receive Disability Pay*

Manhattan District Attorney Cyrus R. Vance, Jr., New York City Department of Investigation Commissioner Margaret Garnett, and New York State Inspector General Letizia Tagliaferro today announced the indictment of unlicensed labor broker SALVADOR ALMONTE, JR., 38, and insurance broker STEVEN ASVAZADOURIAN, 40, for an extensive insurance fraud scheme in which they underreported the size of ALMONTE's companies and lied to insurance carriers about the work being performed by his employees in order to evade more than \$1 million in insurance premiums, leaving more than a hundred construction workers underinsured. The defendants are charged in a seven-count New York State Supreme Court indictment with Insurance Fraud in the First Degree, Scheme to Defraud in the First Degree, Criminal Possession of a Forged Instrument in the Second Degree, Offering a False Instrument for Filing in the First Degree, and Fraudulent Practices in violation of Workers' Compensation Law § 114(3).[\[1\]](#)

D.A. Vance said: "These defendants scammed insurance companies to cut costs in one of the City's most dangerous industries with utter disregard for their employees' lives. When his workers were injured on the job, Salvador Almonte refused to cooperate with the Workers' Compensation Board, choosing to leave his employees without access to medical treatment or disability pay in a failed effort to keep his scheme under wraps. Over the last three years, my Office has returned \$7.4 million in stolen wages to workers, and more

than \$14 million in unpaid taxes from 104 construction companies to New York State. Together with our partners in the Construction Fraud Task Force, we are committed to seeking justice for workers and protecting them from predatory practices.”

DOI Commissioner Garnett said: “These defendants allegedly fabricated construction payrolls and worker classifications, and created fake certificates of insurance, to fraudulently reduce their workers’ compensation premiums, according to the charges. These crimes have real consequences. In this case, the falsified information meant construction workers with serious injuries had difficulty obtaining the workers’ compensation payments they were entitled to by law, until law enforcement stepped in. DOI worked hand-in-hand with the Manhattan District Attorney’s Office and with our state law enforcement partners to stop this charged conduct and help the workers get the financial assistance they needed.”

NYS Inspector General Tagliaferro said: “As the New York State construction boom continues, today’s indictments serve as a warning that companies cannot evade criminal prosecution for workers’ compensation fraud. I thank District Attorney Vance and New York City Department of Investigation Commissioner Margaret Garnett and their offices for their efforts in this investigation.”

According to court documents and statements made on the record in court, ALMONTE is an unlicensed labor broker who operates a multi-million dollar construction labor supply business in New York City and the surrounding area. His companies – including Power Services Solutions LLC, Power Services of New York, Inc., South Side Services, Inc., and North Star Strategy, Inc. – provide workers to construction companies engaged in high-rise superstructure projects. As part of his services, ALMONTE is required to show proof that he has a valid workers’ compensation insurance policy to cover his workforce.

In January 2015, ALMONTE began an insurance fraud scheme in which he made false representations to five different insurance carriers, including the New York State Insurance Fund, to secure workers’ compensation insurance coverage at fraudulently reduced prices. With the help of ASVAZADOURIAN and his insurance brokerage, the Dorian Agency Ltd., ALMONTE evaded more than \$1 million in premiums from the New York State Insurance Fund alone.

Workers’ compensation insurance premiums are based on a company’s annual payroll and the risk involved in the type of work done by its employees. A larger company engaged in more dangerous work, such as a construction company erecting high-rise buildings, has a workforce that is more expensive to insure. In order to secure cheaper rates, ALMONTE and ASVAZADOURIAN falsely told insurance companies that they were providing coverage for a handful of cleaners or interior carpenters, misleading the insurance carriers about the true size and work performed by ALMONTE’s workforce. Once a form of coverage was established for ALMONTE’s businesses, or even when no coverage was in place, ASVAZADOURIAN and other employees of the Dorian Agency generated fraudulent “certificates of insurance,” which ALMONTE sent to his clients as proof that he had adequate workers’ compensation insurance to cover the construction workers he provided.

Over the past four years, more than a dozen of ALMONTE’s workers have been injured on the job. In one

case, construction worker Juan Chonillo died on a construction site operated by SSC High Rise, Inc., which at various times used ALMONTE's labor supply services. In July 2018, the company [pleaded guilty to Manslaughter in the Second Degree](#) for causing Mr. Chonillo's death.

Many of the injured workers submitted claims to the New York State Workers' Compensation Board after their work-related injuries. In order to hide the insurance fraud scheme, ALMONTE refused to cooperate with the Board when notified to appear. His refusal to acknowledge that he was the employer of injured workers impeded the Board's efforts to assign insurance coverage to these workers, including two who faced extensive delays in receiving disability pay.

One of these workers suffered significant injuries when he fell ten feet on a construction site and landed on top of an exposed piece of capped metal rebar. This worker spent months unable to complete necessary medical treatment, and had to wait almost a year for disability payments that should have been paid to him following his injuries. A second employee, who had to leave his job after suffering a head injury when he was struck by a large piece of wood, waited more than 14 months for disability pay while the Board attempted to determine the identity of his employer in order to establish the responsible insurer carrier.

Assistant D.A.s Kenneth Moore and Leah Keith are handling the prosecution of the case under the supervision of Rackets Bureau Assistant D.A.s Judy Salwen, Principal Deputy Chief; Michael Ohm, Deputy Bureau Chief; and Jodie Kane, Bureau Chief; and Executive Assistant D.A. Michael Sachs, Chief of the Investigation Division. Analyst Danielle Corbett and Damaye Williams, Paralegals Olivia Estes and Claire Williams and Privilege Review Data Specialist Olivia Savell assisted with the case.

District Attorney Vance thanked DOI and the NYS IG's Office, as well as the New York State Department of Financial Services' Criminal Investigations Unit and Insurance Licensing Unit, and the New York State Insurance Fund. D.A. Vance additionally thanked the Port Authority of New York & New Jersey Inspector General and the Metropolitan Transit Authority Inspector General for their ongoing contributions to the Construction Fraud Task Force.

Defendant Information:

SALVADOR ALMONTE, JR., D.O.B. 2/12/1981

City, State

Charges:

- Insurance Fraud in the First Degree, a class B felony, one count
- Scheme to Defraud in the First Degree, a class E felony, one count
- Criminal Possession of a Forged Instrument in the Second Degree, a class D felony, three counts
- Offering a False Instrument for Filing in the First Degree, a class E felony, one count

- Fraudulent Practices in violation of Workers' Compensation Law § 114(3), a class E felony, one count

STEVEN ASVAZADOURIAN, D.O.B. 4/4/1979

City, State

Charges:

- Insurance Fraud in the First Degree, a class B felony, one count
- Scheme to Defraud in the First Degree, a class E felony, one count
- Criminal Possession of a Forged Instrument in the Second Degree, a class D felony, three counts
- Offering a False Instrument for Filing in the First Degree, a class E felony, one count
- Fraudulent Practices in violation of Workers' Compensation Law § 114(3), a class E felony, one count

[1] The charges contained in the indictment are merely allegations, and the defendants are presumed innocent unless and until proven guilty. All factual recitations are derived from documents filed in court and statements made on the record in court.

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