



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

FOR IMMEDIATE RELEASE

September 28, 2021

Contact: Emily Tuttle, tuttle@dany.nyc.gov

LONGTIME CITY CONTRACTOR INDICTED FOR \$1 MILLION INSURANCE FRAUD

*Landscaping Company Misclassified Workers Performing Sidewalk and Road Repair for
City of New York*

Manhattan District Attorney Cyrus R. Vance, Jr., and New York City Department of Investigation (“DOI”) Commissioner Margaret Garnett today announced the indictment of DRAGONETTI BROTHERS LANDSCAPING, NURSERY, & FLORIST (“DBLNF”), and D.B. DEMOLITION, INC. (“D.B. Demo”), as well as their respective presidents NICHOLAS DRAGONETTI, 48, and VITO DRAGONETTI, 52, for evading more than \$1 million in insurance premiums while working on City of New York contracts for sidewalk and road repair. The defendants are charged in a New York State Supreme Court indictment with various counts of Insurance Fraud, Offering a False Instrument for Filing in the First Degree, and Penalties for Fraudulent Practices under New York State’s Workers’ Compensation Law. ^[1]The indictment follows a joint investigation led by the Manhattan District Attorney’s Office’s Construction Fraud Task Force and DOI, with assistance from the New York City Business Integrity Commission (“BIC”).

“When companies evade insurance premiums, they put their workers at risk of not receiving adequate insurance to cover on-the-job injuries,” said District Attorney Vance. “Inadequate coverage is a particularly concerning prospect in the construction industry, where workers put their bodies on the line. As alleged in this case, the defendants

devalued their workers' livelihoods by insuring them for lower-risk work while simultaneously sending them to carry out demolition projects and operate heavy machinery. We are dedicated to stopping fraud in every corner of the construction industry, and thank DOI and BIC for their assistance in this case, as well as their ongoing partnership."

Commissioner Garnett said: "These defendant contractors thought shortchanging New York City construction workers by undercutting their insurance coverage was a quick way to pad their profits, according to the charges. But a tipster helped authorities expose and stop this corruption in its tracks. DOI commends and thanks individuals who step forward and report wrongdoing. DOI also continues to work with its law enforcement partners to expose crooked contractors who exploit their workers for personal gain. I thank the Manhattan District Attorney, the City Business Integrity Commission, and the New York State Insurance Fund for their partnership on this investigation that protects construction workers and strengthens integrity at construction sites."

BIC Commissioner Noah D. Genel said: "BIC's core mission is to combat criminality in the industries we regulate. Working with our law enforcement partners, BIC will continue to root out fraud in all sectors of the commercial carting industry in New York City, including in the area of construction and demolition debris removal. BIC thanks the Manhattan District Attorney, the City Department of Investigation and the New York State Insurance Fund for their work on this investigation."

Since 1998, DBLNF has secured more than a hundred New York City contracts for parks landscaping and maintenance, as well as for sidewalk reconstruction and pedestrian crosswalk ramp construction. Sidewalk and ramp construction workers have higher-risk jobs than landscapers or florists which include demolishing and replacing pavement and ramps, and accordingly, a higher workers' compensation insurance classification.

According to court documents and statements made on the record in court, between 2017 and 2019, DBLNF intentionally misclassified numerous employees on its applications to the New York State Insurance Fund ("NYSIF") for workers' compensation insurance in order to avoid paying the required premiums. DBLNF bid on and won contracts for excavation, sidewalk reconstruction, and pedestrian ramp replacement for residential blocks throughout the City totaling millions of dollars, and falsely classified 217 laborers, foremen, and heavy-equipment operators as florists, office workers, or sales representatives. As a result, DBLNF evaded more than \$1 million in insurance premiums.

During the same time period, D.B. Demo also misclassified several workers in NYSIF paperwork, claiming the individuals were office workers while simultaneously listing them as commercial drivers in paperwork filed with BIC, the agency that oversees the private

carting industry in New York City. In total, D.B. Demo evaded more than \$81,000 in insurance premiums.

Report Tips to the D.A.'s Construction Fraud Task Force

Workers are encouraged to send tips related to wage theft, insurance fraud, and dangerous work sites directly to the Manhattan District Attorney's Office through WhatsApp at (646) 712-0298. Workers can send tips anonymously, in any language, and regardless of immigration status – without fear of being deported.

Assistant D.A. Rachana Pathak (Supervising Attorney of the Construction Fraud Task Force) handled the prosecution of this case under the supervision of Assistant D.A.s Michael Ohm (Deputy Chief of the Rackets Bureau), Judy Salwen (Principal Deputy Chief of the Rackets Bureau), and Jodie Kane (Chief of the Rackets Bureau) and Executive Assistant D.A. Christopher Conroy (Chief of the Investigation Division). Former Assistant D.A. Leah Keith assisted with the investigation, as did Paralegal Stacey Kim and Forensic Accountant Investigator Wei Man Tang.

District Attorney Vance thanked DOI and Special Investigators Anastasia Plakas and Heather Smith; NYSIF and Senior Auditor Granville Mo; and BIC and Associate Commissioner of Legal Affairs and Deputy General Counsel David Mandell for their assistance with the investigation.

Defendant Information:

NICHOLAS DRAGONETTI
Bellmore, NY

Charges:

- Insurance Fraud in the First Degree, a class B felony, one count
- Offering a False Instrument for Filing in the First Degree, a class E felony, two counts
- Penalties for Fraudulent Practices under New York State's Workers' Compensation Law, a class E felony, three counts

DRAGONETTI BROTHERS LANDSCAPING, NURSERY, & FLORIST ("DBLNF")

Charges:

- Insurance Fraud in the First Degree, a class B felony, one count
- Offering a False Instrument for Filing in the First Degree, a class E felony, two counts
- Penalties for Fraudulent Practices under New York State's Workers' Compensation Law, a class E felony, three counts

VITO DRAGONETTI

Bellmore, NY

Charges:

- Insurance Fraud in the Second Degree, a class C felony, one count
- Offering a False Instrument for Filing in the First Degree, a class E felony, two counts
- Penalties for Fraudulent Practices under New York State's Workers' Compensation Law, a class E felony, two counts

D.B. DEMOLITION, INC.

Charges:

- Insurance Fraud in the Second Degree, a class C felony, one count
- Offering a False Instrument for Filing in the First Degree, a class E felony, two counts
- Penalties for Fraudulent Practices under New York State's Workers' Compensation Law, a class E felony, two counts

[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.
