

Posted on: February 22, 2024

Contractor Debarred from Performing Public Work and DA Secures More than \$60,000 in Underpaid Wages

GTX Construction Associates Corp is prohibited from performing public work contracts for five years for falsification of bonding documents; Texas corporation paid \$49,175.01 and LI company paid \$12,239.40 for underpaid prevailing wages

MINEOLA, N.Y. – Nassau County District Attorney Anne T. Donnelly announced that a Freeport construction company pleaded guilty yesterday to falsifying paperwork with the Wantagh Union Free School District and was barred from performing any public work contracts in New York State for five years. Separate NCDA investigations also led to the recovery of \$60,000 in underpaid prevailing wages from both a Texas-based company and a Long Island-based company.

GTX Construction Associates Corp, entered into a guilty plea Wednesday before Judge Christopher Quinn to Offering a False Instrument for Filing in the First Degree (an E felony). The company was sentenced to a \$1,000 fine and a conditional discharge. Under the New York State Labor Law, this felony conviction prohibits GTX and its principal Giovanni Napolitano from performing any public work contracts in New York State for five years.

“It is essential that the companies our school districts trust to perform work are operating honestly and legally,” said DA Donnelly. “GTX Construction Associates Corp filed fraudulent surety bond paperwork with the Wantagh Union Free School District purporting to be from a company that was in actuality no longer performing that service. I thank the Wantagh Union Free School District for referring this company’s conduct for investigation and am pleased that with this guilty plea GTX will be barred from any public work for the next five years.”

John McNamara, Superintendent of the Wantagh Union Free School District said, “We thank District Attorney Donnelly for pursuing this issue. The contractor presented falsified documents to our district, and we fortunately uncovered this before the district suffered any financial loss. The Board of Education quickly terminated GTX and reported the matter to the authorities.”

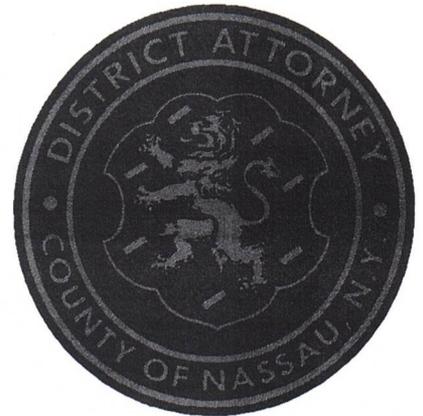
According to the charges, on October 22, 2022, the defendant entered a public work contract with the Wantagh Union Free School District for masonry restoration at the Mandalay Elementary School. The contract required that the defendant secure a payment and labor/material bond from a licensed surety company to guarantee the quality of the work and the payment of wages.

Almost immediately upon the start of the project, the Wantagh assistant superintendent for business determined that GTX performed substandard work and terminated the contract. The Nassau County District Attorney’s Office investigation revealed that GTX filed a forged and falsified surety bond with the school district. Specifically, GTX submitted a bond that Aegis Security Insurance Company purportedly issued. However, per Aegis Security, the company left the bonding industry in 2021.

Additionally, in two separate and unrelated public work investigations, NCDA secured more than \$60,000 in unpaid prevailing wages for six construction workers.

JLN Contracting, Inc., of Central Islip, performed carpentry work at Oceanside High School for six weeks in the summer of 2022. The employee on the project was paid \$27.00/hour in cash instead of the \$85.54/hour rate of wages and benefits prescribed under state law. The complaining witness received payment from NCDA of \$12,293.40 last week to fully compensate him for his labor.

In the spring and summer of 2023, Gulf States Protective Coatings Inc. of La Porte, Texas, contracted to perform the highly specialized work of restoration of a water tank and treatment facilities at the Jericho Water District. District Council 9 Painters and Allied Trades Union notified NCDA that the non-union Texas company underpaid its employees by approximately \$20.00/hour. A review of the certified payroll records obtained from the Jericho Water District and the paychecks from the employer revealed that five workers were underpaid \$49,175.01, just less than \$10,000.00 per employee. Payments were made to the workers at the end of January 2024.



“These companies underpaid workers a total of more than \$60,000 in wages to which they were entitled through prevailing wage. In one instance, a worker was paid \$60 an hour less than what he was owed for his carpentry work at a local high school,” said DA Donnelly. “My Revenue, Auto, Insurance and Labor Crime Bureau is aggressively investigating these wage violations and holding companies accountable when they short their employees. I thank the Oceanside School District and District Council 9 Painters and Allied Trades Union for their referral of these matters.”

“District Council 9 commends the Nassau County District Attorney’s Office on recovering lost wages for the workers at Gulf States Protective Coatings Inc. This investigation highlights the crucial need for integrity and legality in the construction industry, particularly concerning public works contracts,” stated Joseph Azzopardi, Business Manager/Secretary Treasurer of District Council 9. “Our union is proud to be a leader in efforts to ensure fair compensation and adherence to prevailing wage laws. We commend the Nassau County District Attorney’s Office for their diligent investigation, which not only uncovered fraudulent practices but also resulted in the recovery of the almost \$50,000 in underpaid wages. We must hold those who exploit workers and violate labor laws accountable.”

DA Donnelly thanks the Wantagh Union Free School District, the Oceanside School District, and District Council 9 Painters and Allied Trades Union for referring these matters to our office.

The cases are being prosecuted by Senior Investigative Counsel and Attorney-in-Charge of Labor Richard Balletta of the Revenue, Auto, Insurance, and Labor Crime Bureau. GTX is represented by Daniel A. Hochheiser, Esq. Gulf States Protective Coatings Inc. is represented by Matthew Davis, Esq.

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