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Leonid Fridman for failing to pay legally required wages to his workers on a Port Authority of New York and New Jersey construction project.

Feb. 06, 2013

The New York Attorney General's office has announced the arrest and arraignment of Leonid Fridman for failing to pay legally required wages to his workers on a Port Authority of New York and New Jersey construction project.

He is also charged with concealing \$100,000 he stole in an account he created for a Florida corporation. Fridman faces multiple felony counts of grand larceny and money laundering.

"Mr. Fridman not only stole state dollars from his own workers, but he demanded kickbacks and laundered money to cover his tracks," Attorney General Eric T. Schneiderman said. "My office will continue to take action, including filing criminal charges, against employers who violate New York's labor laws, steal taxpayer dollars and violate the public trust."

Fridman, 60, owned and operated Millennium Commercial Corp., a Brooklyn-based company that performed tile work. The defendant and his company, located at 200 Brighton 15th St., performed tile restoration work as a subcontractor on the renovation of the TWA Flight Center at John F. Kennedy Airport in 2009 and 2010.

Under the Port Authority contract for the project and the Labor Law, the defendant was required to pay his employees over \$50 per hour for Laborers and Mason Tenders and over \$70 per hour for Tile Setters.

According to court records, Fridman was aware that he was required to pay the prevailing wages but still paid his workers only \$10 to \$30 per hour.

The state claims that, to avoid detection, Fridman filed false certified payroll reports

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Jersey, said: "Companies doing business with municipalities, state agencies and authorities are legally bound to pay their employees the fair and prevailing wage. In this case, the defendant chose to enrich himself at the expense of his own workers by creating an elaborate fraud to conceal and disguise the nature, location, source, ownership and control of the funds. This arrest will serve notice to all contractors that the Port Authority of NY & NJ will not tolerate wage fraud or any other criminal misconduct on public projects. The Port Authority Office of the Inspector General and its Law Enforcement partners will aggressively identify, investigate and bring to justice those who corrupt the integrity of the construction industry."

The defendant was arraigned before Queens Criminal Court Judge Donna-Marie E. Golia on Friday. Bail for Fridman was set at \$5,000.

If convicted, Fridman faces one count each of Grand Larceny in the Second Degree and Money Laundering in the Second Degree. Both are class "C" felonies punishable by up to 5 to 15 years behind bars.

He also faces a Violation of Labor Law charge, a class "D" felony, and 52 counts each of Falsifying Business Records in the First Degree and Offering a False Instrument for Filing in the First Degree, class "E" felonies.

New York's prevailing wage law seeks to ensure that government contractors pay wages that are comparable to the local norms for a given trade. The law requires an hourly rate for construction work performed for public agencies that is well above the state minimum wage of \$7.25 per hour, along with benefits, and also higher wages for overtime, weekends or work at night.

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