CRIMINAL COURT OF THE CITY OF NEW YORK
COUNTY OF QUEENS

THE PEOPLE OF THE STATE OF NEW YORK, -against- **GEORGIOS BEGAKIS** **a/k/a George Begakis** Defendant	FELONY COMPLAINT NO: 2005QN054764

STATE OF NEW YORK)
):ss.:
COUNTY OF QUEENS)

Investigator Natalie Wright of the New York City Department of Investigation assigned to the New York City Housing Authority Office of the Inspector General, located at 250 Broadway, New York, New York, being duly sworn, deposes and says that during a period from about January 1, 2003 to about October 31, 2003, the defendant, Georgios Begakis a/k/a George Begakis, committed the following offenses:

Grand Larceny in the Second Degree, a C Felony, in violation of Penal Law § 155.40 (1 Count)

Grand Larceny in the Third Degree, a D Felony, in violation of Penal Law § 155.35 (13 Counts)

Grand Larceny in the Fourth Degree, an E Felony, in violation of Penal Law § 155.30 (1 Count)

Offering a False Instrument for Filing in the First Degree, an E Felony, in violation of Penal Law § 175.35 (41 Counts)

Falsifying Business Records in the First Degree, an E Felony, in violation of Penal Law § 175.10 (41 Counts)

Scheme to Defraud in the first Degree, an E Felony, in violation of Penal Law § 190.65(1)(a) (1Count)

Scheme to Defraud in the first Degree, an E Felony, in violation of Penal Law § 190.65(1)(b) (1Count)

"Kick-Back" of Wages Prohibited, an A Misdemeanor, in violation of Labor Law § 198-b(2) (14 Counts)

Failure to Pay Wages in Accordance with the Labor Law, an A misdemeanor, in violation of Labor Law § 198-a (16 Counts)

in that the defendant GEORGIOS BEGAKIS a/k/a George Begakis ("Begakis") wrongfully took, obtained, and withheld property from 13 (thirteen) different individuals with a value in excess of $3,000.00 from each individual; wrongfully took, obtained and withheld property from 1 (one) individual with a value in excess of $1,000.00 from such individual; and in the course of committing or intending to commit another crime or conceal the commission thereof, with intent to defraud the State or any political subdivision, public authority, or public benefit corporation of the State thereof, knowing that a written instrument contained false statements or false information, did cause such written instrument to be offered or presented to a public office or public servant with the knowledge or belief that it would be filed with, registered or recorded in or otherwise become part of the records of such public office or public servant, public authority or public benefit corporation; with intent to defraud, including an intent to commit another crime or to aid and conceal the commission thereof, made or caused to be made, false entries in the business records of an enterprise; engaged employees to perform labor, which employees were entitled to be paid or provided prevailing wages or supplements pursuant to article eight of the Labor Law, and requested, demanded and received, from 14 (fourteen) of those employees, a return, donation or contribution of a part of defendant's employees' wages, salary, supplements, or other thing of value, upon the statement, representation, or understanding that failure to comply with such request or demand would prevent such employees from procuring or retaining employment; and,

engaged in a scheme constituting a systematic ongoing course of conduct with intent to defraud ten or more persons or to obtain property from ten or more persons by false or fraudulent pretenses, representations or promises, and so obtained property from one or more of such persons or engaged in a scheme constituting a systematic ongoing course of conduct with intent to defraud more than one person or to obtain property from more than one person by false or fraudulent pretenses, representations or promises, and obtained property with a value in excess of one thousand dollars from one or more such persons; and, failed to pay all wages earned weekly and not later than seven days after the end of the week in which wages were earned to at least sixteen (16) employees who performed manual work for the defendant and whose names are known to the Attorney General's office.

Defendant committed the crimes as follows:

The New York City Housing Authority ("NYCHA") is a public benefit corporation created under the laws of the State of New York, with its principal place of business at 250 Broadway, New York, New York.

Defendant Begakis, is a resident of Queens County, New York, residing at 57-16 157th Street, Flushing, New York, who also maintained business offices for multiple corporations at the above location, including Aegean General Contracting Inc. ("Aegean") and Rainbow Renovations Inc. ("Rainbow"). Both Aegean and Rainbow are construction companies that contracted with NYCHA to perform construction work on numerous NYCHA projects throughout the City of New York, including projects in Queens County. Aegean and Rainbow operated as a joint venture on numerous NYCHA projects where Rainbow was listed as the sole prime contractor on the NYCHA

contract.

I have reviewed NYCHA records which show that between January 3, 2003 and October 3, 2003, thirty-two (32) Requests for Payment ("RFP") forms for Rainbow were prepared and filed with agents of NYCHA. Attached to the RFP's were the weekly certified payroll records of Rainbow. The weekly certified payroll records were submitted for work performed during the period between January 3, 2003 and October 3, 2003. I have interviewed a witness who states that the RFP's and weekly certified payroll records of Rainbow for the period between January 3, 2003 and October 3, 2003 were caused to be prepared and caused to be filed at the direction and instruction of defendant Begakis.

I have compared the weekly payroll records of Rainbow dated the weeks ending January 3, 2003 through October 3, 2003,with the information obtained from interviews and complaint forms of sixteen (16) former employees of Rainbow who worked on NYCHA projects between the weeks ending January 3, 2003 and October 3, 2003. The employees informed me that they were not always paid the wages as reported in the weekly payroll records caused to be filed by defendant Begakis with agents of NYCHA.

I am further informed by fourteen (14) former employees of defendant Begakis that defendant Begakis, on a regular and on-going basis during the period of January 1, 2003 through October 3, 2003, requested, demanded and in fact received a part of the wages paid to the workers after the workers were given their weekly paychecks. The employees reported that they would receive Rainbow Renovations Inc. paychecks from defendant Begakis or one of his agents/supervisors. The workers reported they would then be required to sign the paycheck, often in front of Begakis, and return the check to

Begakis or one of his agents. The workers reported that they would then be given cash by Begakis or his agents in sums less than the face value of the paycheck. The fourteen (14) employees reported to me that they believed this payment to defendant Begakis was a condition necessary for their continued employment by defendant. Based on the information received from the workers, I prepared an audit which shows that fourteen (14) of the former employees of defendant Begakis were required to return in excess of $3,000.00 each to Begakis as a result of the kick-back scheme and one (1) of the former employees of defendant Begakis was required to return in excess of $1,000.00 to Begakis as a result of the kick-back scheme.

I have reviewed the prevailing wage rates reported on the certified payroll records of Rainbow filed with NYCHA and compared them with the rates paid by defendant Begakis. The comparison revealed that sixteen (16) former employees of defendant Begakis were in fact paid less that the prevailing wages required by law. Defendant Begakis therefore further failed to pay all wages earned weekly and not later than seven days after the end of the week in which wages were earned to these employees.

I have reviewed certified copies of checks issued by NYCHA to Rainbow which show that between, January 1, 2003 and October 31, 2003, defendant Begakis obtained property of NYCHA, specifically twenty (20) checks totaling $3,163,658.53 based upon the submission of thirty-two (32) RFP forms with attached certified payroll records. At least forty-one (41) of the certified payroll records contained false entries indicating weekly payroll record payments to at least sixteen (16) employees, however, these sixteen (16) employees did not receive the prevailing rate of wages required by law

because defendant Begakis required at least fourteen (14) employees to kick-back wages otherwise due the fourteen (14). Defendant Begakis failed to pay sixteen (16) employees at least $175,327.10 in wages to which they were entitled for work they performed on NYCHA projects. NYCHA would not have paid the full $3,163,658.53 to the defendant Begakis and his corporation, Rainbow Renovations Inc., if defendant Begakis had not filed false business records with NYCHA that reported payment of prevailing wages that, in fact, were not paid to the workers.

False statements made herein are punishable
as a class A misdemeanor pursuant
to §210.45 of the Penal Law

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NATALIE WRIGHT
CONFIDENTIAL INVESTIGATOR
NEW YORK CITY, DEPARTMENT OF INVESTIGATION
OFFICE OF THE INSPECTOR GENERAL FOR THE
NEW YORK CITY HOUSING AUTHORITY
Date: November 15, 2005