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FOR IMMEDIATE RELEASE

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PRESS RELEASE

**CONTRACTOR PLEADS GUILTY TO FEDERAL CHARGES IN
CONNECTION WITH BROOKLYN BUILDING COLLAPSE**

One Worker Killed and Two Seriously Injured

ROSLYNN R. MAUSKOPF, United States Attorney for the Eastern District of
New York, **GORDON S. HEDDELL**, Inspector General, United States Department of Labor,

HOWARD RADZELY, Solicitor of Labor, United States Department of Labor, **DAVID C. WILLIAMS**, Inspector General, United States Postal Service, and **ROSE GILL HEARN**, Commissioner, New York City Department of Investigation, today announced that **KANG YEON LEE**, a contractor and owner of Big Apple Development and Construction (“Big Apple”), pleaded guilty this afternoon to causing the death of a worker by failing to comply with Occupational Safety and Health Administration (“OSHA”) regulations requiring contractors to provide fall protection equipment for their employees. LEE also pleaded guilty to mail fraud in connection with a scheme to conceal his failure to pay his workers the prevailing wage on a federally funded United States Postal Service construction project at John F. Kennedy International Airport. The guilty plea proceeding was held before United States Magistrate Judge Joan M. Azrack at the U. S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York.

These charges arise out of an investigation into a building collapse at 9718 Fort Hamilton Parkway in Brooklyn, New York, on May 20, 2004, that resulted in the death of one of LEE’s employees, Angel Segovia. Big Apple was the general contractor for the project. Four Big Apple workers were pouring a five foot by sixteen foot concrete balcony on the third floor of the structure when the balcony collapsed. Three of the workers fell approximately 35 feet to the courtyard below, while the fourth worker leapt to safety inside the building. One of the workers, Angel Segovia, died from injuries sustained in the fall, and the two others were badly injured. Big Apple had not provided any of the four workers with the federally mandated fall prevention equipment. LEE and Big Apple had received prior OSHA citations in 2001 for failing to provide fall protection equipment for Big Apple’s workers.

The government’s investigation also revealed that in August 2000, Big Apple, then operating as Big Apple Construction and Restoration, was hired by the general contractor at a Postal Service financed construction project at John F. Kennedy Airport to do demolition and

foundation work. As a contractor on a federally funded construction project, Big Apple was required to pay its workers the locally-prevailing wage rate determined by the Department of Labor and to submit certified payroll records showing that the workers had been paid in accordance with the law. LEE directed his site supervisors to falsely certify on payroll records that Big Apple's workers were paid at the required wage rate, when, in fact, the workers were paid significantly less. The ultimate submission of those false certifications led to the mailing of payment in satisfaction of Big Apple's contract.

“Today's conviction will serve as a lesson to those who knowingly violate OSHA safety regulations, falsify payroll records and cheat workers out of their hard earned wages and benefits,” stated United States Attorney **MAUSKOPF**. “We are committed to protecting the rights and safety of workers and their families, and will aggressively prosecute cases of abuse.” Ms. **MAUSKOPF** thanked the United States Department of Homeland Security for providing invaluable assistance to the investigation.

U. S. Department of Labor Inspector General **HEDDELL** stated, “Workers have a right to work in places that are free of hazards and to know that earned wages and benefits will be paid. This case demonstrates the government's resolve in holding accountable employers who endanger the lives and livelihoods of their employees. My office will continue to work diligently with other law enforcement agencies to this end.”

Solicitor of Labor **RADZELY** of the U. S. Department of Labor stated, “This case sends a strong and clear message that the U. S. Department of Labor and its agencies will vigorously pursue and bring to justice those who violate labor standards -- whether they involve occupational health and safety, wage and hour rules, or pension regulations. Our thanks go out to the many DOL personnel involved in this multi-faceted case for their dedication and hard work, and to our colleagues in the U. S. Department of Justice, the U. S. Postal Service, and the New

York City Department of Investigation.”

U. S. Postal Service Inspector General **WILLIAMS** stated, “It’s the responsibility of the Office of Inspector General to identify and pursue corrupt contractors who attempt to defraud the Postal Service and, indirectly, the American public. I thank U.S. Attorney Mauskopf for her successful prosecution of this case. I also commend our special agents and the investigators from the U.S. Department of Labor and New York City Department of Investigation for their joint efforts in this case.”

N.Y.C. Department of Investigation Commissioner **HEARN** stated, “Today’s plea brings to a close a tragic case in which a man died and two were badly injured because a contractor chose not to give his workers federally mandated safety equipment. This plea should bring some comfort to the families and workers affected by this contractor’s unscrupulous behavior: He knowingly violated safety regulations, falsified payroll records and cheated workers out of their wages and benefits. This plea also demonstrates that DOI and its law enforcement partners will make sure that violators of the law will be investigated and prosecuted to the fullest extent possible.”

When sentenced by United States District Judge Frederic Block, LEE faces a maximum of 20 years’ imprisonment under 18 U.S.C. Section 1341 for mail fraud, six months’ imprisonment under 29 U.S.C. Section 666(e) for the death of Angel Segovia, and a maximum fine of \$250,000 for each count of conviction. In addition, pursuant to his plea agreement with the government, LEE has agreed to pay more than \$2,000,000 to compensate the victims of his crimes and to satisfy penalties owed to the government. Specifically, LEE will pay \$1,000,000 to the victims of the balcony collapse, \$157,940 in penalties to settle the twelve OSHA citations issued in connection with the balcony collapse, \$55,193.80 to settle overtime wage violations with the Department of Labor, Wage and Hour Division, and he will forfeit criminally

\$96,551.12 for the prevailing wage violation, and forfeit civilly \$750,000 to settle his past failure to make contributions to a pension plan on behalf of workers covered by a collective bargaining agreement.

The government's case is being prosecuted by Assistant U.S. Attorney Sarah Coyne.

Pedigree Information:

Name: KANG YEON LEE

DOB: 2/05/49

Residence: 21803 43rd Avenue, Bayside, New York 11361