

Construction Company Payroll Manager Charged With Fraud and Prevailing Wage Violations

Company signs non-prosecution agreement and agrees to pay \$1 million to seven employees who had to pay kickbacks and were not paid for numerous hours of work

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TRENTON – Attorney General Gurbir S. Grewal today announced that the payroll manager for a Bergen County construction company was charged with demanding cash kickbacks from employees and failing to pay them for numerous hours of work. The charging documents allege that this was done to circumvent prevailing wage rules on public works projects. The company, UniMak, LLC, of Saddle Brook, N.J., has entered a non-prosecution agreement with the Attorney General’s Office under which it has agreed to pay \$1 million to seven employees who were cheated out of earned wages.

UniMak, LLC officer and payroll manager, Toni Jovanoski, 44, of Montvale, N.J., was charged by complaint-summons on March 2, 2021 with the following criminal offenses:

- **False Contract Payment Claims, Representation, for a Government Contract; Prevailing Wage Violations (3rd Degree), and**
- **Misconduct by a Corporate Official (3rd Degree).**

UniMak, LLC, executed a non-prosecution agreement with the Attorney General’s Office on March 1, 2021, in which it agreed to be jointly and severally liable with Jovanoski for payment of full restitution of \$1,082,041 to the seven victims. UniMak and its principals, owners, and directors also will be debarred for three years from obtaining new contracts with the State of New Jersey or any of its administrative or political subdivisions. UniMak, through its counsel, must report quarterly for three years to the Division of Criminal Justice regarding its prevailing wage compliance and oversight of subcontractor compliance.

The criminal charges and non-prosecution agreement are the result of an investigation by the Division of Criminal Justice Specialized Crimes Bureau, the U.S. Department of Labor Office of Inspector General-Newark Field Office, and the New Jersey Department of the Treasury, Division of Taxation’s Office of Criminal Investigation. The investigation was undertaken as a result of a criminal referral by the New Jersey Department of Labor and Workforce Development, who also provided valuable assistance during the investigation.

“We’re committed to using all available tools, including criminal prosecutions, to protect our workers and the integrity of our public contracts,” said **Attorney General Grewal**. “New Jersey’s Prevailing Wage Act is intended to safeguard the interests and well-being of workers on public projects and prevent unfair competition among contractors bidding for such projects. We won’t tolerate corporate officials who cheat their workers and illegally enrich themselves and their businesses with public funds.”

“We’re putting dishonest contractors on notice that we will hold them accountable by aggressively investigating and prosecuting prevailing wage violations and fraud in public projects,” said **Director Veronica Allende of the Division of Criminal Justice**. “I commend our attorneys, detectives, and analysts in the Division of Criminal Justice, as well as our partners—the U.S. Department of Labor’s Office of Inspector General, the New Jersey Division of Taxation’s Office of Criminal Investigation, and the New Jersey Department of Labor and Workforce Development.”

“An important part of the mission of the U.S. Department of Labor Office of Inspector General is to investigate allegations relating to defrauding workers out of their lawful wages and benefits. We will continue to work with our law enforcement partners, and federal and state Wage and Hour Divisions to investigate these types of allegations,” stated **Michael C. Mikulka, Special Agent-in-Charge, New York Region, U.S. Department of Labor Office of Inspector General**.

“Public contracting is a privilege. Prevailing wage laws were enacted to protect honest, hard-working employees from unscrupulous employers. The law worked as intended for these employees, who are receiving the back wages they rightfully earned, and for the contractor, who has been debarred,” said **New Jersey Labor Commissioner Robert Asaro-Angelo**. “We were glad to provide the information that helped bring justice in this case.”

For more than five years, from January 2013 through February 2018, UniMak engaged in public works projects subject to the provisions of the Prevailing Wage Act. During that period, Jovanoski, as payroll manager, allegedly failed to pay seven employees the mandated prevailing wages for hours they worked on such projects by requiring cash kickbacks from the employees. Specifically, it is alleged that the employees received paychecks for work they completed that included a note indicating how much each of them was required to kick back to Jovanoski in cash. They allegedly were required to pay Jovanoski the amount on the note, or they would not receive subsequent paychecks.

By paying the kickbacks to Jovanoski, the employees’ wages were reduced to less than the prevailing wage rates required. It is further alleged that Jovanoski failed to pay the seven employees for numerous hours of overtime and, in many cases, regular work hours they worked on the public works projects.

Third-degree charges carry a sentence of three to five years in state prison and a criminal fine of up to \$15,000. The charges are merely accusations and the defendant is presumed innocent unless and until proven guilty in a court of law.

Deputy Attorney General Gezim Bajrami is prosecuting the case for the Division of Criminal Justice Specialized Crimes Bureau. DAG Bajrami, Detective Sang Han, former Detective Robyn Greene, and former Analyst Terri Drumm investigated for the Division of Criminal Justice (DCJ) Specialized Crimes Bureau, under the supervision of Lt. Michael Fallon, Deputy Bureau Chief Jacqueline Smith, Bureau Chief Erik Daab, and DCJ Deputy Director Annmarie Taggart. Attorney General Grewal thanked the Special Agents of the U.S. Department of Labor Office of Inspector General-Newark Field Office and Auditor Kerry Czymek of the New Jersey Division of Taxation's Office of Criminal Investigation for their work on the investigation. He also thanked the New Jersey Department of Labor and Workforce Development for their referral and valuable assistance.

Defense Attorney for Jovanoski: Matthew E. Beck, Esq., Chiesa Shahinian & Giantomasi P.C., West Orange, N.J.

Attorneys for UniMak, LLC: Lawrence S. Lustberg, Esq., Meghal J. Shah, Esq., Gibbons P.C., Newark, N.J.

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