

STATE OF NEW YORK DEPARTMENT OF LABOR

IN THE MATTER OF

SEVEN STAR ELECTRICAL CONTRACTING CORP.,  
THEONI ATHANASIADIS and ALEJANDRO MATOS  
Individually as officers, owners and shareholders of the  
corporation;  
and  
SEVEN STAR ELECTRICAL INC.,  
as a successor and/or substantially owned-affiliated entity  
Prime Contractor

for a determination pursuant to Article 8 of the Labor  
Law as to whether prevailing wages and supplements  
were paid to or provided for the workers employed on  
a public work project known as the construction of an  
athletic field at Pier 40 in New York City

**DEFAULT  
REPORT  
&  
RECOMMENDATION**

Prevailing Rate Case  
05005307; 09-050013  
New York County

To: Honorable Colleen Gardner  
Commissioner of Labor  
State of New York

Pursuant to a Notice of Hearing issued in this matter, a hearing was held on May 11, 2011. The purpose of the hearing was to provide all parties an opportunity to be heard on the issues raised in the Notice of Hearing and to establish a record from which the Hearing Officer could prepare this Report and Recommendation for the Commissioner of Labor.

The hearing concerned an investigation conducted by the Bureau of Public Work ("Bureau") of the New York State Department of Labor ("Department") into whether Seven Star Electrical Contracting Corp., Theoni Athanasiadis and Alejandro Matos individually as officers, owners and shareholders of the corporation and Seven Star Electrical Inc. ("Respondents") complied with the requirements of Article 8 of the Labor Law (§§ 220 *et seq.*) in the performance of a public work contract involving construction

at the Pier 40 athletic field of the Hudson River Park (“Project”) for the Hudson River Park Trust (“Department of Jurisdiction”).

### **APPEARANCES**

The Bureau was represented by Department Counsel, Maria Colavito, Louise Roback, Senior Attorney, of Counsel.

There was no appearance made by, or on behalf of Respondents.

### **FINDINGS AND CONCLUSIONS**

On April 11, 2011, the Department duly served a copy of the Notice of Hearing on Respondents, via regular and certified mail, return receipt requested (HO 2). The regular mail to Alejandro Matos and the regular and certified mail to Theoni Athanasiadis were not returned. In addition, the regular mail to Seven Star Contracting Corp., and Seven Star Electrical, Inc., were not returned. The Notice of Hearing scheduled a May 11, 2011 hearing and required that the Respondents serve an Answer at least 14 days in advance of the scheduled hearing.

Respondents failed to file an Answer to the charges contained in the Notice of Hearing or to appear at the hearing. As a consequence, Respondents are in default in this proceeding.

The Notice of Hearing alleges that Respondents underpaid wages and supplements to its workers.

The Notice of Hearing also alleges that Theoni Athanasiadis and Alexandro Matos were officers, owners and shareholders of Seven Star Electrical Contracting Corp., and that Seven Star Electrical, Inc., was a successor and/or substantially owned-affiliated entity.

At the hearing, the Department produced substantial and credible evidence, including the sworn testimony of the Bureau investigator and documents describing the underpayments, supporting the Bureau’s charges that Respondent Seven Star Electrical Corp., willfully underpaid \$166,392.51 to eleven workers on the Project for the audit

period weeks ending June 6, 2004 through April 3, 2005 and that Theoni Athanasiadis is an officer of Seven Star Electrical, Inc.

For the foregoing reasons, the findings, conclusions and determinations of the Bureau should be sustained.

### **RECOMMENDATIONS**

Based upon the default of the Respondents in answering or contesting the charges contained in the Department's Notice of Hearing, and upon the sworn and credible testimonial and documentary evidence adduced at hearing in support of those charges, I recommend that the Commissioner of Labor make the following determinations and orders in connection with the issues raised in this case:

DETERMINE that Respondent Seven Star Electrical Corp., underpaid its workers \$166,392.51 on the Project; and

DETERMINE that Respondent Seven Star Electrical Corp., is responsible for interest on the total underpayment at the statutorily mandated rate of 16% per annum from the date of underpayment to the date of payment; and

DETERMINE that the failure of Respondent Seven Star Electrical Corp., to pay the prevailing wage or supplement rate was a "willful" violation of Article 8 of the Labor Law; and

DETERMINE that Respondent Seven Star Electrical Corp., falsified the certified payrolls submitted for the Project; and

DETERMINE that Theoni Athanasiadis is an officer of Seven Star Electrical Corp.; and

DETERMINE that Theoni Athanasiadis knowingly participated in the violation of Article 8 of the Labor Law and the falsification of the certified payrolls; and

DETERMINE that Respondent Seven Star Electrical Corp., be assessed a civil penalty in the amount of 25% of the underpayment and interest due; and

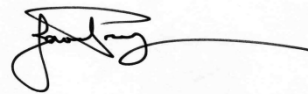
ORDER that the Bureau compute the total amount due (underpayment of \$166,392.51, interest at 16% from date of underpayment and 25% civil penalty); and

ORDER that upon the Bureau's notification, Respondents shall immediately remit payment of the total amount due, made payable to the Commissioner of Labor, to the Bureau of Public Work, 345 Hudson Street, Room 7009, New York, NY 10014; and

ORDER that the Bureau compute and pay the appropriate amount due for each employee on the Project, and that any balance of the total amount due shall be forwarded for deposit to the New York State Treasury.

Dated: June 24, 2011  
Albany, New York

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jerome Tracy", with a long horizontal flourish extending to the right.

Jerome Tracy, Hearing Officer  
NYSDOL Office of Administrative  
Adjudication  
SOB Campus Bldg 12 Room 266  
Albany NY 12240