

THE UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT *of* WISCONSIN

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Department of Justice

U.S. Attorney's Office

Eastern District of Wisconsin

FOR IMMEDIATE RELEASE

Wednesday, September 12, 2018

Nicholas Rivecca, Sr., and Sonag Ready Mix, LLC to Pay \$629,732 to Resolve False Claims Act Allegations Regarding Disadvantaged Business Enterprises

United States Attorney Matthew D. Krueger announced today that Nicholas Rivecca, Sr., of Hartland, Wisconsin, and his company, Sonag Ready Mix, LLC, located in Milwaukee, Wisconsin, have agreed to pay \$629,732 to resolve allegations that they violated the False Claims Act by defrauding the United States Department of Transportation's Disadvantaged Business Enterprise ("DBE") program.

The DBE program provides small businesses owned and controlled by socially and economically disadvantaged individuals a fair opportunity to compete for federally funded transportation contracts. At the time of the alleged fraud, Rivecca was an owner of Sonag Ready Mix, and Sonag Remedy Mix was not eligible to participate in the DBE program. The government alleges that Rivecca and others conspired to obtain fraudulently DBE certification for another entity, Nuvo Construction Company, Inc. Rivecca and others then used Nuvo's improper DBE certification to obtain ready-mix concrete contracts based on the false representation that Nuvo provided ready-mix concrete independently when, in truth, Sonag Ready Mix and its employees performed almost all of the work. All of the profits from Nuvo's ready-mix concrete contracts, moreover, passed through to Sonag Ready Mix (and, ultimately, to Rivecca and his co-owner).

In a related criminal case, Case No. 18-CR-64, Rivecca pleaded guilty to a criminal information charging him with conspiracy to use Nuvo's DBE status to win government-funded contracts. This settlement resolves related civil allegations that Rivecca and Sonag Ready Mix caused the submission of false claims to the government and thus improperly obtained government funds. As a result of the settlement, the federal government will receive \$629,732.

United States Attorney Krueger stated: "This settlement reflects our commitment to protecting federally funded programs from fraud. Firms that seek public funds must understand that cheating and lying to win government-funded contracts will not be tolerated."

"Disadvantaged Business Enterprise (DBE) fraud harms the integrity of the DBE program and law-abiding contractors, including many small businesses, by defeating efforts to ensure a level playing field in which all firms can compete fairly for contracts," said Thomas J. Ullom, Regional Special Agent-in-Charge of the U.S. Department of Transportation (DOT) Office of Inspector General. "Our agents will continue to work with Federal, State, and local law enforcement and prosecutorial partners to expose and shut down DBE fraud

schemes that adversely affect public trust and DOT-assisted highway programs throughout Wisconsin and elsewhere.”

FBI Special-Agent-in-Charge R. Justin Tolomeo added: “The FBI is proud to be part of the continued interagency collaboration on this matter, and appreciates the efforts of the U.S. Attorney’s Office that led to this settlement.”

“The Defense Criminal Investigative Service will investigate all allegations of abuse related to Government set aside programs designed to encourage and support veteran, woman and minority owned small businesses. DCIS will pursue all appropriate criminal, civil and administrative actions against individuals who abuse these programs for illicit financial gain, stated John F. Khin, Special Agent in Charge, Southeast Field Office.”

The civil matter is being handled by Assistant United States Attorney Michael Carter. The following agencies are participating in the investigation: U.S. Department of Transportation, Office of Inspector General; the Federal Bureau of Investigation; U.S. General Services Administration, Office of Inspector General; Department of Veterans Affairs, Office of Inspector General; Department of Defense, Office of the Inspector General, Defense Criminal Investigative Service; U.S. Small Business Administration, Office of Inspector General, Investigations Division; Defense Contract Audit Agency; and U.S. Army Criminal Investigations Command Major Procurement Fraud Unit.

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Updated September 12, 2018