

# Construction firm owner Brian Ganos charged with wire fraud, money laundering

## Scheme allegedly used straw owners to qualify for programs

by [Arthur Thomas](#)

April 04, 2018, 1:07 PM

Federal prosecutors have indicted Brian Ganos, the owner of Milwaukee construction firm [Sonag Co.](#), on 22 criminal charges including wire fraud and money laundering in connection with an alleged scheme to get more than \$200 million in government contracts intended for minorities and service-disabled veterans.

Ganos allegedly operated three companies, Nuvo Construction Co., C3T Inc. and Pagasa Construction Co., with straw owners so the firms qualified for programs intended to help minority- or veteran-owned firms. The owners allegedly did not control the firms, which were able to secure millions in government contracts because of their designations.

“Through the conspiracy and scheme, the conspirators enriched themselves, undermined the small business programs and deprived honest small businesses of opportunities for work,” the indictment says.

The scheme allegedly dates back to June 2004. Sonag Co. Inc. is also charged in the case.

Investigators have been looking into Ganos and his companies for more than a year-and-a-half. [In August 2016](#), they executed a search warrant on Sonag facilities at 5500 W. Florist Ave. in Milwaukee. They have also now moved to seize that property, [along with \\$2.2 million in Sonag funds](#), a Colorado condo and a 2014 Corvette.

Prosecutors also charged Mark Spindler, the co-owner of Menomonee Falls-based accounting firm [Komisar and Spindler s.c.](#), with one count of conspiracy to commit wire fraud. According to the indictment, Spindler performed outside accounting services for Ganos-affiliated companies.

Attorneys for Ganos and Spindler declined to comment on the indictment, which was filed Tuesday in the U.S. District Court for Eastern Wisconsin.

Nicholas Rivecca Sr., the co-owner of [Sonag Ready Mix LLC](#), reached a plea agreement with prosecutors for his role in the alleged scheme. According to court documents, Milwaukee-based Sonag Ready Mix relied on Nuvo Construction Co., an allegedly Ganos-affiliated company, to meet disadvantaged business enterprise requirements for at least \$4.9 million in state Department of Transportation contracts.

According to court documents, Ganos allegedly represented that the majority owner of Nuvo qualified the firm for disadvantaged business enterprise programs, but the owner was a Minnesota resident with little actual involvement.

The plea agreement says Ganos and Rivecca agreed to use Nuvo as a “pass-through’ entity for Sonag Ready Mix so that all revenues and expenses – and therefore all profits – on Nuvo concrete sales would pass to Sonag Ready Mix.”

According to Milwaukee records, Sonag and Nuvo have done at least \$10.3 million worth of work on projects that have small business enterprise targets, like the Northwestern Mutual tower and the new Milwaukee Bucks arena. Sonag was responsible for supplying concrete for the 27-hour concrete pour at the foundation of the Northwestern Mutual tower.

The plea agreement says Ganos and Rivecca took steps to make it look as though Nuvo operated independently of Sonag. In reality, court documents say Sonag Ready Mix employees prepared quotes, processed orders and sent invoices in Nuvo’s name, and Sonag’s facilities were actually filling the concrete orders.

The one case specifically included in the plea agreement is a nearly \$8,500 bill sent to J.P. Cullen & Sons for work on the Milwaukee Intermodal Station.

Prosecutors and Sonag Ready Mix could not agree on exactly how much state DOT work for which the company relied on Nuvo to meet DBE requirements. The company identified \$15 million in subcontract work with Nuvo that was subject to the requirements, although the government says there may be more.

Of the \$15 million, the company says \$7 million did not rely on Nuvo to meet the requirements, while \$4.9 million did, leaving \$3 million unaccounted for.

Rivecca’s plea agreement says the exact applicable loss amount is to be determined and both sides are free to make their own recommendations on sentencing and restitution. He faces up to 5 years in prison.

Fifteen of the charges Ganos faces carry a 20-year maximum each, and seven of the charges carry a 10-year max.