



NEW YORK STATE SENATOR

Jeffrey D. Klein

## New Investigation Finds Employment Agencies Scamming Low-Wage Workers

JEFFREY D. KLEIN October 13, 2016

| ISSUE: **JOBS & EMPLOYMENT, WORKER PROTECTION**

*Legislators & advocates demand Justice for Job Seekers and call on Governor Cuomo to sign protections into law*

**New York — Senators Jeff Klein (D-Bronx/Westchester) and Diane Savino (D-SI/Brooklyn), Democratic Senate Nominee Marisol Alcantara (D-Manhattan) and Assemblyman Francisco Moya (D-Queens)** called on Governor Andrew Cuomo to sign protections into law for job seekers as they released a new investigation, “Demanding Justice for Job Seekers,” on Thursday.

The investigative report illustrated deceptive and illegal tactics employment agencies use to prey on minimum-wage work seeking applicants. Employment agencies, licensed by the state or in New York City the Department of Consumer Affairs, cannot guarantee employment to a job seeker and must refund advance fees if employment is not secured.

Unscrupulous agencies across New York City, for years, have fleeced low-wage and immigrant workers out of high fees when they apply for and never land A or A1 class work, which includes jobs like busboys, wait staff, household staff, manual laborers and other unskilled work.

Current state law allows an agency to charge a fee for these jobs in advance, unlike professional jobs where fees only come after applicants nail down a job.

“It’s unconscionable that unscrupulous employment agencies scam job seekers looking for minimum wage work and that’s why we need Governor Cuomo to sign into law protections for this vulnerable class of workers. Many times immigrants seeking the American Dream wind up getting the American Nightmare at these agencies after being fleeced while on the hunt for work. This needs to end,” **said Senator Klein.**

“Several years ago, after hearing from my constituents whose desperation to find work was exploited by unscrupulous employment agencies, I fought to draft legislation that would protect workers from being taken advantage of. I’ve seen firsthand how fraudulent agencies charge fees in the hundreds, sending out hopeful job seekers on a wild goose hunt before changing their address and resuming their scheme elsewhere. Even when the agency is legitimate, agencies illegitimately charge upfront fees on the promise of a better job. But that promise is false, and that fee is nonrefundable. The solution that I have fought to achieve is simple: No more fees in advance. If the agency is worth what it charges, their client will have found the means with which to pay their cost. I urge Governor Cuomo to sign the Justice for Job Seekers bill into law so that New Yorkers seeking better opportunities for their family are protected from this pervasive exploitation,” **said Assemblyman Moya.**

“Employment agency scams impact job seekers who can least afford to lose money. We must crackdown on these bad actors, who time and time again, we find prey on low-wage and immigrant workers in our city who simply want to find a decent job. We need Governor Cuomo to sign the Justice for Job Seekers bill to better protect our workers,” **said Senator Savino.**

“Picking the pockets of an American Dream seekers is deplorable. When someone in the community comes to an employment agency to find a job, that person should never be robbed of their opportunity to succeed and wind up scammed out of their money. We need Governor Cuomo to sign this legislation into law to protect our job seekers from this type of fraud,” **said Democratic Senate Nominee Marisol Alcantara.**

During an undercover investigation, staff visited 76 employment agencies in New York City that were both licensed and unlicensed. Only 37 were accessible. Many had closed, illustrating the fly-by-night nature of many unlicensed employment agencies.

Of the 37 agencies visited, 76% asked for an advance fee and nearly half said they would not refund money if a job seeker did not find employment, which is against current state law.

<https://lh4.googleusercontent.com/NShoLUc6jR9Z-tl9cZhxnPXokNhnTIGS5C9bahmrjTsAbnebl>

Agency representatives cannot guarantee an applicant work, of the agencies charging fees that could be as high as \$200, but averaged \$85, for a \$9 per hour worker, 40% promising jobs did not refund money and 36% guaranteeing work never mentioned a refund was possible.

<https://lh6.googleusercontent.com/rLCJHfRZJzuWTCvUYvXZ6PTZzMtOHKQtbp4XEYXpFsoSll>

In an undercover video clip, an agent at an employment agency not only guaranteed employment, but went as far as to compare an illegal nonrefundable fee to clothing return policies.

This year, Senator Klein and Assemblyman Moya passed in their respective houses the Justice for Job Seekers bill, which would strengthen protections for job seekers and crackdown on unscrupulous agencies with stiffer penalties.

Highlights of the bill include:

- Eliminating advance fees for A and A1 workers.
- Requires agencies to display their license number on all advertisements and public documents.
- Imposes civil fines ranging from \$1,000 to \$5,000, a change from the flat \$500 fine.
- Imposes criminal fines ranging from \$2,500, up from the current \$1,000.

“The Justice for Job Seekers campaign was born from the experiences of NICE members who suffered at the hands of predatory and fraudulent employment agencies that charge hundreds of dollars for job placements that never come through” **said Manuel Castro, executive director of New Immigrant Community Empowerment.** “When signed into law, this bill will provide fair and meaningful protections to low-wage immigrant workers across the state of New York. The findings of this report, a product of mystery shopping done by NICE members and allies, shows once again the urgency for these protections. We thank Senator Klein, Senator Savino, and Assemblyman Moya for their relentless commitment to our communities and to this bill.”

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#### RELATED LEGISLATION

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### 2015-S8102

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- Introduced
- ◦ In Committee Assembly

- In Committee Senate
  
- ◦ On Floor Calendar Assembly
  - On Floor Calendar Senate
  
- ◦ Passed Assembly
  - Passed Senate
  
- Delivered to Governor
  
- Signed By Governor
  
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Relates to employment agencies, including application for license; procedures; granting of licenses and enforcement of provisions relating thereto

June 13, 2016

Signed by Governor

Sponsored by **Jeffrey D. Klein**

Do you support this bill?