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**MAYOR BLOOMBERG AND CONSUMER AFFAIRS COMMISSIONER MINTZ ANNOUNCE STIFF PENALTIES AND \$80,000 IN RESTITUTION FOR NEW YORKERS FOLLOWING ENFORCEMENT SWEEP OF UNSCRUPULOUS EMPLOYMENT AGENCIES**

***Investigation and Ongoing Inspections Lead to City to Shut Down Three Employment Agencies and Mandatory Industry-wide Training***

***City Offers Information For Job-Seeking New Yorkers to Protect Themselves From Illegal And Predatory Practices During the Economic Downturn***

Mayor Michael R. Bloomberg and Department of Consumer Affairs Commissioner Jonathan B. Mintz today announced the results of a comprehensive 18-month long investigation, including undercover inspections, of predatory and illegal practices within the employment agency industry. The investigation resulted in the closure of three employment agencies guilty of repeated, egregious violations, the collection of over \$160,000 in fines and over \$80,000 in restitution for those who file complaints with the City. Consumer Affairs reviewed the contracts, applications and receipts of over 200 employment agencies and conducted nearly 100 inspections, uncovering widespread violations throughout the industry, including illegal fees, contract violations and withholding refunds. The Mayor and Commissioner Mintz offered job-seekers in New York important information to protect themselves from falling prey to illegal or deceptive practices at employment agencies. As the economy turns downward and unemployment rises, this information is more critical than ever.

"The City is putting a stop to the widespread abuse and fraudulent behavior that for too long has cheated New Yorkers in need," said Mayor Bloomberg. "As more job-seekers feeling the impact of the struggling economy turn to employment agencies for jobs, the City will continue to crack down on employment agencies that prey on innocent New Yorkers."

"With rising unemployment rates, New York job seekers need to be able to depend upon legitimate employment agencies to help them, not deceive them," said Consumer Affairs Commissioner Jonathan Mintz. "Employment agencies that fail to do right by New Yorkers by charging illegal fees or failing to provide proper refunds are on full notice that they can expect pink slips from the City."

The Department of Consumer Affairs, which licenses the City's employment agencies, took an industry-wide approach to its enforcement and education initiative in 2007 after an initial review led the Department to revoke the licenses of three employment agencies and shut down an unlicensed employment agency. Consumer Affairs ordered Latinos Employment Agency and La Union in Queens to surrender their licenses for misleading customers about their right to a refund and inaccurately documenting fees levied and salaries paid to their customers. The Department barred Latinos Employment Agency from obtaining a new license for 6 months and La Union from obtaining a new license for 18 months. The Department also ordered BCE Employment Agency, Inc. of Queens to surrender their license for providing false information on its license application. The Department permanently barred BCE Employment Agency from obtaining an employment agency license and barred them from obtaining a license in any other business category for 10 years.

Following the first round of the enforcement sweep which included the review of contracts, application forms and receipts of its licensees for compliance with the law, the Department entered into settlement packages with 159 employment agencies. The settlements required the business to attend mandatory training sessions to address industry-wide violations and errors and pay a \$500 fine. At the training sessions, Consumer Affairs provided participants with signage stating key portions of the Employment Agency Law, which must be posted prominently in every employment agency. The Department also created a sample contract and receipt that agencies can use as a model. Both documents are available in English and Spanish on the Consumer Affairs' website found on [www.nyc.gov](http://www.nyc.gov).

The Department's aggressive monitoring of compliance with these settlements also includes follow-up undercover inspections. In one such inspection, the Department found Dalia's Service Agency, Inc. of Brooklyn continuing to violate the law and the Department's settlement and has charged them with violating the Employment Agency Law and Consumer Protection Law. An undercover inspector posing as a job-seeking customer filmed her business transaction with the employment agency, which continued to collect fees without providing a written contract to the job applicant, and to require non-English speaking customers to sign English contracts, among other violations. Consumer Affairs' charges against Dalia's also seek license revocation and maximum penalties for the agency's recidivist activity and breach of the settlement agreement.

The Department continues to conduct undercover inspections and will aggressively pursue license revocations and maximum fines for employment agencies found to repeatedly break the law and deceive their customers. Employment agencies that secure jobs within New York City must obtain a license from Consumer Affairs. Employment agencies can charge a fee only for placing a person in a job. They cannot charge application or interview fees. In certain cases, employment agencies may collect an advance fee. However, that fee cannot exceed the maximum amount allowed by law. Clients always have the right to a refund if they choose to end their contract before the agency has found them a job.

Clients who believe an employment agency has charged them illegal fees can call 311 to file a complaint. To check whether an agency is licensed, call 311 or visit the instant license check on the Department of Consumer Affairs website on [www.nyc.gov](http://www.nyc.gov). Consumer Affairs' free guide, "What You Need to Know About Employment Agencies," is also available online in English, Spanish, Russian, Hindi, Haitian Creole, Chinese, Bengali and Korean.

The Department of Consumer Affairs enforces the Consumer Protection Law and other related business laws throughout New York City. Ensuring a fair and vibrant marketplace for consumers and businesses alike, Consumer Affairs licenses more than 60,000 businesses in 55 different categories and educates consumers and businesses about their rights and responsibilities.

#### **Looking for job placements at an employment agency? Follow these tips:**

- **Only use a licensed employment agency.** Employment agencies operating within New York City must be licensed by Consumer Affairs. Check to see whether an employment agency is licensed by calling 311 or checking online at [www.nyc.gov](http://www.nyc.gov).
- **Avoid employment agencies that "guarantee" jobs.** By law, employment agencies cannot guarantee they will find you a job. In addition, employment agencies cannot refer you to a job that pays less than minimum wage or does not pay overtime.
- **Get a job description in writing.** Employment agencies are required to describe, in writing, all jobs available for agency referral. The description must include the employer's name, address, wage rate, work hours, services you are expected to perform, and the agency fee. If you are not provided this information, call 311.
- **Know your fee and refund rights.** You cannot be charged a fee unless the employment agency places you in a job. You can only be charged an advance fee or deposit if you are seeking the following types of work: domestic worker, household worker, manual worker, agricultural worker, skilled industrial worker and mechanic. The advance fee or deposit must go toward the fee the employment agency charges for placing you in a job.

In some cases, an employment agency can charge you an advance fee for job placement. If the agency does charge a fee, it must refund that fee at any time if you choose to end your contract before the agency has found you a job. Employment agencies may also charge a placement fee after finding you a job. However, the placement fee cannot exceed the maximum amount allowed by law. This maximum varies depending on the type of employment and the salary amount. In addition, if an advance fee is charged, the amount must be deducted from the total placement fee.

You could be entitled to a refund. If you do not get a refund, call 311 to file a complaint with Consumer Affairs.

- **Know your contract rights.** Employment agencies must show you the entire contract before you sign it. You must be given a copy of any contract you sign. Read the contract carefully to make sure that what you are agreeing to in writing is the same as the deal you accepted verbally. Before signing the contract, get the agency to answer all of your questions, in writing. **Contracts negotiated in Spanish must also be written in Spanish.** Fees in the contract can not exceed the fees that are legally permitted. You must also be given a receipt each time you make a payment or deposit. Keep all copies in a safe place.
- **Know your wage rights.** Agencies may refer you only to jobs that are current and available and pay at least the minimum wage as set by New York State and federal law. Agencies must obtain job openings directly from the businesses seeking to hire employees.