

Thursday, July 2, 2009

Tali Aronsky/Elizabeth Miller
Department of Consumer Affairs
(212) 487-4283

DEPARTMENT OF CONSUMER AFFAIRS REFUNDS MORE THAN \$40,000 IN RESTITUTION TO NEW YORK CITY RESIDENTS SCAMMED BY UNSCRUPULOUS EMPLOYMENT AGENCIES

Consumer Affairs Urges New Yorkers to call 311 to File Complaints Against Employment Agencies to Determine if They are Eligible for Refunds

As part of an ongoing and in-depth investigation of the employment agency industry, the Department of Consumer Affairs (DCA) today announced it is reaching out to thousands of New York City residents who have used employment agencies that charged illegal fees and, therefore, may be entitled to, in some cases, as much as a \$100 refund. Consumers who receive a letter from DCA about a refund should fill out the forms enclosed and return them to the Department to determine the amount of their refund. The Department estimates thousands of consumers may be eligible for refunds.

"It is unacceptable – particularly in this economic climate – that a business would take advantage of job-seekers by charging them outrageous, illegal fees," said Consumer Affairs Commissioner Jonathan Mintz. "The Department of Consumer Affairs will not tolerate any business that preys on City residents trying to earn a living for themselves and their families. No matter what language you speak or your immigration status, consumers should call 311 to file a complaint about deceptive employment agencies so we can help get their money back."

Since Mayor Michael R. Bloomberg announced Consumer Affairs' targeted enforcement of employment agencies last year, DCA has secured more than \$40,000 in restitution for consumers, conducted 322 inspections and issued 244 violations. The Department has also entered into settlements with 189 employment agencies, which require them to comply with the law with regard to fees, to post an information poster in every language the agency conducts business, and to provide job applicants with a contract and a receipt.

The Department continues to conduct undercover and compliance inspections of the City's employment agencies, and will aggressively pursue maximum fines, license revocations and padlocking orders for employment agencies that repeatedly break the law and deceive customers. Employment agencies that secure jobs within New York City must obtain a license from DCA. 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 and consumers always have the right to a refund if they choose to end their contract before the agency has found them a job.

New York City residents who believe an employment agency has charged them illegal fees should 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' Web site at www.nyc.gov/consumers. DCA's 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.

DCA enforces the Consumer Protection Law and other related business laws throughout New York City. Ensuring a fair and vibrant marketplace for consumers and businesses, DCA licenses more than 70,000 businesses in 55 different industries. Through targeted outreach, partnerships with community and trade organizations, and informational materials, DCA educates consumers and businesses alike about their rights and responsibilities. DCA's Office of Financial Empowerment is the first municipal office of its kind in the nation with a mission to educate, empower and protect New Yorkers with low incomes, to help them make the best use of their financial resources to move forward economically. For more information, call 311 or visit DCA online at www.nyc.gov/consumers.

Looking for job placement 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/consumers.
- **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 from the agency. 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.