



Dated: April 17, 2024

MEMORANDUM IN SUPPORT

S.8413-A (Breslin) / A.8981-A (Weprin)  
AN ACT to amend the penal law, in relation to establishing the  
crime of staging a construction site accident.

The Construction Workforce Project (CWP) is a nonprofit advocacy organization, collaborating with community and faith-based groups, construction industry leaders, affordable housing advocates, and other allied partners in the New York City region. Our mission is to inform the broader community, particularly decision-makers, about the open/merit shop construction sector and its workforce. CWP fervently endorses the above-referenced bills, which seek to classify staging a construction site accident for insurance fraud as a class E felony.

Open/merit shop workers represent the predominant force in New York's construction landscape, with approximately 80% of private developments in the city now relying on their expertise. This expansion has led to a significant increase in the participation of New Yorkers of color in the construction workforce. Industry data reveals that nearly three-quarters of workers at open/merit shop construction sites in New York City are Black and Latino, predominantly residing in the five boroughs.

[Our most recent turnstile data](#) from 82 major projects across the five boroughs underscores this diversity. Out of the 74,000 workers (both field and office positions), 87% are minorities, with Hispanic and Black individuals comprising the largest proportion. Moreover, 82% of these workers call the five boroughs of New York City home, with 95% originating from within New York state.

New York grapples with a disturbing surge in staged accidents at construction sites, orchestrated to exploit the worker's compensation system, construction firms, and the workers themselves. This deceptive practice disproportionately affects non-English speaking workers, often preyed upon by unscrupulous entities such as MS 13 and Russian organized crime syndicates. These workers are coerced into filing false workers' comp claims and, in some cases, compelled to undergo unnecessary surgeries to substantiate fraudulent injuries, jeopardizing their well-being and that of their families.

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Moreover, workers are frequently pressured into obtaining litigation loans with exorbitant interest rates, exacerbating their financial woes. These loans, secured under duress, often see a significant portion of the funds siphoned off by manipulative individuals who then vanish, leaving the worker burdened with debt and devoid of employment or income.

Passing legislation to combat this exploitation is imperative. Such measures would dismantle the incentives for fraud while holding accountable those who exploit vulnerable workers. By curbing fraudulent claims, the system can expedite the processing of genuine injury cases, ensuring timely access to medical care and financial support for affected workers and their families, as originally intended.

Crucially, these bills aim to target criminal gangs, organized crime rings, unscrupulous attorneys, and indifferent medical practitioners, all of whom profit at the expense of hardworking individuals and the integrity of the system. At a time when New York faces an unprecedented housing affordability crisis, it is paramount to enact measures that rein in housing costs and cultivate a robust, sustainable economy.

Given these compelling reasons, CWP (Construction Workforce Project) staunchly advocates for the enactment of this crucial legislation and extends gratitude to its sponsors for championing measures that will significantly improve the lives of workers and foster a more ethical construction industry.

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