



NEWS RELEASE

From New York State Workers' Compensation Fraud Inspector General
Catherine Leahy Scott

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TWO MONTGOMERY COUNTY BUILDING CONTRACTORS PLEAD GUILTY TO WORKERS' COMPENSATION FRAUD

ALBANY – New York State Inspector General Catherine Leahy Scott today announced the guilty pleas of two Amsterdam building contractors who failed to provide their employees with Workers' Compensation insurance as required by law.

Thomas J. Kelly, 46, of Minaville Street, Amsterdam, and Kurt B. LaFata, 50, of Locust Avenue, Amsterdam, each pleaded guilty in Amsterdam City Court to the Workers' Compensation crime of Failure to Secure Compensation. Concurrent to the pleas, Kelly was ordered to pay \$1,450 in fines and surcharges and LaFata was ordered to pay \$1,200 in fines and surcharges.

“These builders chose to defraud the Workers' Compensation system to gain an unfair advantage over honest construction companies,” said **Inspector General Leahy Scott**. “I will continue to use resources at my disposal to pursue anyone who fails to provide critical coverage as required by law.”

Inspector General Leahy Scott's investigation found that Kelly and LaFata, both working as residential contractors with roofing projects in 2016, fraudulently certified in building permit applications they filed with the City of Amsterdam that they had no employees and were therefore exempt from obtaining Workers' Compensation coverage. Investigators observed three workers at a LaFata job site during July 2016 and all three said LaFata told them that he had Workers' Compensation coverage for them, when he in fact did not. Similarly, investigators for the Inspector General and Amsterdam city officials observed at least four workers on Kelly's job site.

Workers' Compensation fraud impacts all New Yorkers, from increased insurance premiums to increased workloads for coworkers and an overall reduction in workforce productivity.

Inspector General Leahy Scott thanked the City of Amsterdam for assisting with the investigation, Amsterdam Police Department for assisting with the arrests and Montgomery County District Attorney's Office for prosecuting the matter.

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The New York State Office of the Workers' Compensation Fraud Inspector General investigates fraud, abuse and/or illegal acts against the New York State Workers' Compensation system, including fraud by medical service providers, employers seeking to evade appropriate Workers' Compensation charges, and employees

who fabricate injuries to fraudulently receive system benefits. Complaints and referrals are kept confidential. We can be reached by calling toll free: 1-800-367-4448, utilizing our online complaint form at <http://www.ig.ny.gov> or sending an email to: inspector.general@ig.ny.gov. You also can write to our office at: Office of the Workers' Compensation Fraud Inspector General, Empire State Plaza, Agency Building 2, 16th Floor, Albany, New York 12223