



NEWS RELEASE

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

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A TWO-TIME OFFENDER, TWO ADDITIONAL BUILDING CONTRACTORS AND A CITY OF AMSTERDAM EMPLOYEE FACE CHARGES IN MONTGOMERY COUNTY WORKERS' COMPENSATION FRAUD SWEEP

ALBANY – New York State Inspector General Catherine Leahy Scott today announced the arrests of three Amsterdam contractors and one city employee as part of a Workers' Compensation fraud sweep that included one of the contractors accused of being a repeat offender.

Charged today as part of the sweep were:

- Joseph Kellogg, Sr., 51, of Storrie Street, Amsterdam, was charged with four counts each of Offering a False Instrument for Filing in the First Degree and the Workers' Compensation crime of Fraudulent Practices, and one count of the Workers' Compensation crime of Failure to Secure Compensation, all felonies.
- Thomas J. Kelly, 46, of Minaville Street, Amsterdam, was charged with two counts each of Offering a False Instrument for Filing in the First Degree and the Workers' Compensation crime of Fraudulent Practices, and one count of the Workers' Compensation crime of Failure to Secure Compensation, all felonies.
- Kurt B. LaFata, 50, of Locust Avenue, Amsterdam, was charged with Offering a False Instrument for Filing in the First Degree and the Workers' Compensation crime of Fraudulent Practices, felonies, and the Workers' Compensation crime of Failure to Secure Compensation as a misdemeanor.
- William Forte, 51, of Coolidge Road, Amsterdam, was charged with one count each of Grand Larceny in the Third Degree and Insurance Fraud in the Third Degree, and four counts of the Workers' Compensation crime of Fraudulent Practices, all felonies.

“All of these defendants chose to defraud the Workers' Compensation system to either gain an unfair advantage over honest construction companies or to steal benefits meant only for those who are truly in need,” said **Inspector General Leahy Scott**. “I will continue to use resources at my disposal to vigorously pursue anyone who fails to obtain the critical coverage they are required to carry or who claims benefits to which they are not entitled.”

Kellogg, a residential roofing contractor in Amsterdam, was accused in today's charges of filing four separate building permit applications in 2015 that included fraudulent certifications that he had no employees and as such was exempt from obtaining Workers' Compensation insurance. In 2013, Kellogg pleaded guilty to a misdemeanor Offering a False Instrument for Filing in the Second Degree for filing a similar fraudulent certification.

An investigation by Inspector General Leahy Scott found that Kellogg indeed used several employees on his roofing job contracts, at one point employing 11 individuals on two simultaneous projects. At a trial subsequent to Kellogg being sued by a homeowner over the quality of one of the roofing jobs, Kellogg testified in court that he had at least 10 employees working for him during the project.

Under State law, employers are required to maintain Workers' Compensation coverage for their employees, and employees are expected to provide truthful information regarding their work activity to insurance carriers and the Workers' Compensation Board during the time they are receiving benefits.

Inspector General Leahy Scott's investigations as part of the sweep further found that Kelly and LaFata, both working as residential contractors with roofing projects in 2016, also fraudulently certified in building permit applications they filed with the City of Amsterdam that they also 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.

Forte was employed as a truck driver in 2012 when he purportedly injured his left arm and both hands and began receiving Workers' Compensation coverage. Since summer 2014, Forte been receiving weekly Workers' Compensation payments and repeatedly asserted to his doctors and the insurance company that he was not working in any capacity. Inspector General Leahy Scott's investigation found that contrary to his assertions, Forte was indeed an employee working for the City of Amsterdam and had been observed using his purportedly injured arm lifting tools, painting and climbing ladders. He was accused of stealing more than \$16,000 in Workers' Compensation benefits to which he was not entitled.

The four were arraigned in the City of Amsterdam Court and bail was set for Kellogg at \$10,000 cash or \$20,000 bond, \$5,000 cash or \$10,000 bond for Forte and \$2,500 cash or \$5,000 bond for Kelly. LaFata was released without bail. All four are due to reappear in court on various dates in December and January.

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 James Conboy for prosecuting the matter.

The defendants are all presumed innocent until and unless proven guilty in a court of law.

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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

