



# NEWS RELEASE

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

FOR IMMEDIATE RELEASE: April 16, 2019  
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## TWO AMSTERDAM CONTRACTORS FILED FALSE APPLICATIONS IN WORKERS' COMPENSATION FRAUD SCHEME

ALBANY – New York State Workers' Compensation Fraud Inspector General Catherine Leahy Scott today announced the arrest of capital region contractors on charges they filed fraudulent applications with the city's building department for a Pulaski Street roofing project in Amsterdam as part of a Workers' Compensation fraud scheme.

Jose A. Sanchez, 50, of Putnam Street, Albany, owner of Sanchez Partners Construction, was charged with Offering a False Instrument for Filing in the First Degree, a felony, and the Workers' Compensation crime of Failure to Secure Compensation, a misdemeanor.

Leroy E. Nelson, 38, of Third Street, Albany, owner of JRN Construction, was charged with Offering a False Instrument for Filing in the First Degree, a felony.

An investigation by Workers' Compensation Fraud Inspector General Leahy Scott found that in late October and November 2018, the City of Amsterdam Engineering Department Division of Building and Zoning Enforcement issued stop work orders for a residential roofing project on Pulaski Street for lack of a building permit. On December 5, 2018, Sanchez applied for a building permit from the City of Amsterdam and submitted a document indicating he had no employees and therefore was not required to purchase Workers' Compensation insurance. The investigation determined Sanchez in fact had several employees working on the roofing project and New York State law requires employers to provide Workers' Compensation insurance for any employees they hire.

Subsequent to Sanchez being denied a permit by the City of Amsterdam, Nelson applied for a permit for the same project on Dec. 6, 2018, indicating his company, which has Workers' Compensation insurance, would perform the work. The investigation determined Sanchez's company, in fact, continued to perform the work on the roof and Nelson's company was not involved with the project.

Separately, in 2016, Nelson pleaded guilty to Criminal Possession of a Forged Instrument, a falsified Workers' Compensation certificate of insurance.

“These two contractors, one of whom with a recent history of fraud, chose a course of deception over honest business practices,” said **Workers' Compensation fraud Inspector General Leahy Scott**. “My office and our local and State enforcement partners will not tolerate any corruption of a critical benefits program meant to protect honest hard-working employees.”

Sanchez and Nelson were both arraigned in the Amsterdam City Court and released on their own recognizance pending their reappearance in court on May 29, 2019.

Workers' Compensation Fraud Inspector General Leahy Scott thanked the City of Amsterdam Engineering Department for their assistance with the investigation, the City of Amsterdam Police Department for their assistance with the arrest, and Montgomery County District Attorney Kelli P. McCoski and her office for prosecuting this matter.

The defendants are 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](mailto: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*