



## Employment Agency Facts

- Fraudulent employment agencies in New York prey on vulnerable low-wage workers. They often collect fees from job seekers, fail to secure jobs, and refuse refunds.
- Approximately 300 employment agencies are licensed by the New York City Department of Consumer Affairs (“DCA”),<sup>1</sup> but advocates know that hundreds more operate without a license.
- Approximately 100 employment agencies operating outside of New York City (“NYC”) are licensed by the New York State Department of Labor.<sup>2</sup>
- Employment agencies licensed by DCA are largely clustered in Queens (Roosevelt Avenue area), Midtown Manhattan, and Downtown Manhattan.<sup>3</sup>
- Residents from every borough in NYC use employment agencies. Between 2010 and 2012, 79% of complaints to DCA concerning employment agencies came from Brooklyn, Queens, and Bronx residents.<sup>4</sup>
- Between 191 and 289 complaints were filed with DCA each year from 2010 through 2012.<sup>5</sup>
- Community advocates believe that the vast majority of individuals who encounter employment agency fraud or misconduct do not file a formal complaint with DCA. The fact that DCA receives hundreds of complaints each year tells advocates there are likely thousands of job seekers harmed by employment agencies each year.
- New York’s employment agency laws discriminate against low-wage workers. Agencies can charge low-wage workers a fee *before* placing them in a job while other types of workers pay a fee only *after* placement.<sup>6</sup>

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<sup>1</sup> Freedom of Information Law (“FOIL”) data obtained by LatinoJustice’s Employment Agency Abuse Project (“EAAP”) from DCA in March 2013.

<sup>2</sup> New York State Department of Labor, <http://labor.ny.gov/workerprotection/laborstandards/employer/EmpAgency.shtm> (last visited March 31, 2014).

<sup>3</sup> Freedom of Information Law (“FOIL”) data obtained by LatinoJustice’s Employment Agency Abuse Project (“EAAP”) from DCA in March 2013.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> NY CLS Gen Bus § 185 (2014).

- Based on a recent study of employment agencies based in Queens, New York:<sup>7</sup>
  - 81% of survey respondents who used an employment agency and did not find a job were still charged a fee (average of \$122) by the agency.
  - One third of survey respondents were offered jobs paying below the state minimum wage.
  - Nearly one in four employment agencies visited by mystery shoppers did not have a license visibly posted, as required by law.
  - Approximately two-thirds of survey respondents were not given a contract by an employment agency, as required by law.
  - Survey respondents who did not receive a contract from an employment agency were 50% more likely to report fraud than those with a contract.

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<sup>7</sup> New Immigrant Community Empowerment et al., *Dreams and Schemes in Queens, NY: Immigrant Struggles to Find Work and Obtain Status in the Face of Consumer Fraud*. (Oct. 2012), <http://www.urbanjustice.org/pdf/publications/DreamsandSchemes.pdf>.