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## **SMALL CLAIMS COURT IS A DEAD END FOR MANY WORKERS WHO ARE OWED WAGES**

### **New Study Shows that while Most Workers Win Their Cases against Bosses, Many Never Collect a Penny**

NEW YORK, NY—Eighty percent of low-wage workers whose cases against employers for unpaid wages are heard in New York City's Small Claims Court win their cases, but 40% never collect the money they are owed, according to *Making the Small Claims Court Work for New York City Workers*, a new report released today by MFY Legal Services, Inc.

“The city’s Small Claims Courts make it easy for people to file a claim, but judges and arbitrators could do more to make sure workers actually get the money they are owed,” said Lynn M. Kelly, Executive Director of MFY Legal Services. Advocates believe that each day thousands of New York workers are paid below minimum wage, denied overtime pay, or not paid at all, particularly in the restaurant and construction industries.

Workers who win their cases are responsible for collecting the judgments. Among workers surveyed for the report, 42% said they did not receive information from the Small Claims Court on how to collect their claims. The study also found that only 31% of the workers who obtained the services of a sheriff or marshal to collect claims were successful. In many cases, workers do not have information about an employer’s assets and licenses that will enable them to enforce judgments for unpaid wage claims. The report recommends that Small Claims Court take a more active role in soliciting this information from employer defendants, and that the State Legislature consider strengthening provisions of the law to

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improve mechanisms for collecting judgments for unpaid wages. “While New York judgments are good for 20 years, without enforcement, the judgment is nothing more than a piece of paper,” Kelly stated.

Workers who responded to MFY’s 22-question survey about their experiences with Small Claims Court overwhelmingly agreed that government should provide free legal services for low-income individuals who want to file unpaid wage claims. “There should be someone to take you through the process and advise,” commented one survey respondent, “My loss was too low to warrant hiring a lawyer.” Although the Small Claims Court provides a comprehensive handbook to all claimants, many survey respondents were not aware of the maximum claim amount or that claims could be filed via the Internet. Others complained that interpreters were not available to help with filing and answering questions, although interpreters are generally available for hearings.

“Many workers who desperately need to recover unpaid wages are intimidated by the court and find the process confusing, especially those who are not native English speakers,” said Amy Carroll, an MFY staff attorney who has trained community advocates to help workers with their claims. MFY Legal Services, Inc. provides free legal assistance to low-wage workers and community-based organizations on a wide range of employment issues, including claims for unpaid wages.

MFY conducted the study in 2005 with pro bono research assistance from Skadden, Arps, Slate, Meagher & Flom, LLP & Affiliates. The research team visited seven of the city’s eight Small Claims Courts and collected data samples from the courts’ public records regarding wage or salary claims filed between January 1, 2003 and August 19, 2005. Informal interviews were conducted with court personnel, and surveys were mailed to 3,000 claimants. A total of 171 claimants responded to the written survey or were surveyed by phone.

The complete report is available at [www.mfy.org](http://www.mfy.org) or by calling MFY at 212-417-3700.