

SKYLINES

#51

VOLUME FIFTEEN
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RAPPELLING SANTAS BRING SMILES TO ALL!

Spreading holiday cheer and sharing hot cocoa with the kids and families spending the season at Ronald McDonald House New York. • p5

HIGHEST RECORDED NUMBER OF INSPECTIONS

The NYC Buildings Department reported a year of remarkable achievements, reflecting its commitment to enhancing public safety. • p4

TRAFFIC EASES, PARKING WARS EMERGE

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BUILDING INDUSTRY JOINS TOGETHER TO FIGHT STAGED ACCIDENT FRAUD PLAGUING NEW YORK

p6

PHOTOS: ANDROMEDA ADVANTAGE



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PRESENTED BY



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MIDWEST TERRITORY MANAGER



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WELCOME TO THE 51ST ISSUE OF SKYLINES

Dear Readers,

As we step into a new year, the Winter 2025 issue of *SKYLINES* brings you stories that capture the ever-evolving landscape of New York City's built environment, from regulatory milestones to industry challenges and heartwarming community moments.

The city's long-anticipated **congestion pricing program**, which launched on January 5, 2025, is already showing significant results. While traffic congestion has eased, a new challenge has emerged—the **battle over parking**. We explore the program's impact in its first month and what's next for New York's streets.

Meanwhile, the **Department of Buildings (DOB) closed out 2024 with a record number of inspections**, reinforcing its commitment to safety and sustainability. With **1.1 million buildings and over 40,000 active construction sites** under its oversight, the DOB's efforts continue to shape a safer and more resilient city.

On a lighter note, the holiday season was made brighter thanks to **Rappelling Santas!** These high-flying heroes brought smiles and hot cocoa to children and families at **Ronald McDonald House New York**, reminding us of the power of joy and community.

But not all stories are merry—the **"Fraudemic" of fake insurance claims** is draining billions from New York's economy. Industry leaders are mobilizing to fight back against fraudulent schemes that impact businesses, insurers, and ultimately, every New Yorker.

As we continue into 2025, *SKYLINES* remains committed to bringing you the latest developments that shape our industry and city. Thank you for being part of our journey—we look forward to another year of insight, advocacy, and community impact.

Warm regards,

Eva Hatzaki
Editor@SkylinesNews.com



PHOTO: ANDROMEDA ADVANTAGE

CELEBRATING THIRTY FIVE YEARS

Skyline Restoration celebrated 35 incredible years with a festive holiday event at the iconic Plaza Hotel on December 13. Wishing everyone a prosperous New Year ahead!

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Surge of fake insurance claims is bilking New York City & State of billions.

TRAFFIC EASES, PARKING WARS EMERGE

New York City's congestion pricing program, initiated on January 5, 2025, has yielded notable outcomes in its inaugural month.

The initiative, designed to mitigate traffic congestion and generate revenue for public transit improvements, has led to a 7.5% reduction in vehicles entering Manhattan's central business district, equating to approximately 43,000 fewer cars daily.

Commuters have experienced enhanced travel times, particularly during morning rush hours. Notably, crossings such as the George Washington Bridge, Lincoln Tunnel, and Holland Tunnel have seen travel time reductions between 30% and 40%.

However, the program has introduced challenges. Residents in neighborhoods adjacent to the congestion zone, like Washington Heights and the Upper West Side, report increased difficulty finding parking as drivers opt to leave their vehicles outside the tolled area to avoid fees.

The initiative has elicited mixed reactions. Some residents appreciate the decreased traffic and improved air quality, while others, particularly those who rely on driving into Manhattan for work, express concerns over the additional financial burden.

In summary, the initial month of congestion pricing has achieved its primary goal of reducing traffic congestion, though it has also highlighted areas requiring further attention to balance the needs and concerns of all city residents. ■

HIGHEST RECORDED NUMBER OF NYC DOB INSPECTIONS



DOB Commissioner Jimmy Oddo emphasized that 2025 will bring “even bolder reforms”, to promote safety, innovation, and excellence in code-compliant development.

As 2024 drew to a close, the New York City Department of Buildings (DOB) reported a year of remarkable achievements, reflecting its commitment to enhancing public safety, driving sustainable development, and improving urban life across the city's 1.1 million buildings and 40,000+ construction sites.

SAFER WORKSITES AND REDUCED INCIDENTS

DOB recorded its highest number of inspections—416,290—indicating an unprecedented focus on compliance and safety. Worksite-related injuries decreased by over 31%, incidents by 29%, and fatalities by 14%. These outcomes stem from initiatives like mandatory Site Safety Training (SST) for over 430,000 workers, expanded crane operator licensing, and proactive field inspections.

To combat fraud, DOB invalidated 20,000 fake SST cards, introduced the NFC-

enabled “Worker Wallet” for tracking certifications, and prosecuted illegal training card issuers.

ADVANCING SUSTAINABILITY WITH LOCAL LAW 97

The department took significant steps toward achieving the city's carbon emission reduction goals. Key efforts included implementing Local Law 97, launching the GreenHOUSE fund to decarbonize affordable housing, and preparing for the first compliance reports due in 2025. Collaborations with NYC Accelerator supported building owners in navigating compliance pathways.

STREAMLINED SERVICES AND MODERNIZED REGULATIONS

In 2024, the DOB expanded its licensing system through DOB NOW, integrated NYC ID for seamless user access, and completed the first NYC Electrical Code update in over a decade. These efforts enhance

convenience, improve safety, and align regulations with evolving federal standards.

IMPROVING URBAN AESTHETICS

The “Get Sheds Down” initiative removed 6,919 sidewalk sheds since July 2023, including 309 long-standing ones. Enhanced enforcement and litigation against non-compliant properties accelerated this process, modernizing pedestrian protection and clearing city streets of obtrusive structures.

SUPPORTING BUILDING OWNERS

The “Get Summonses Corrected” campaign resolved nearly 10,000 open violations, helping property owners maintain compliance and avoid financial or administrative hurdles.

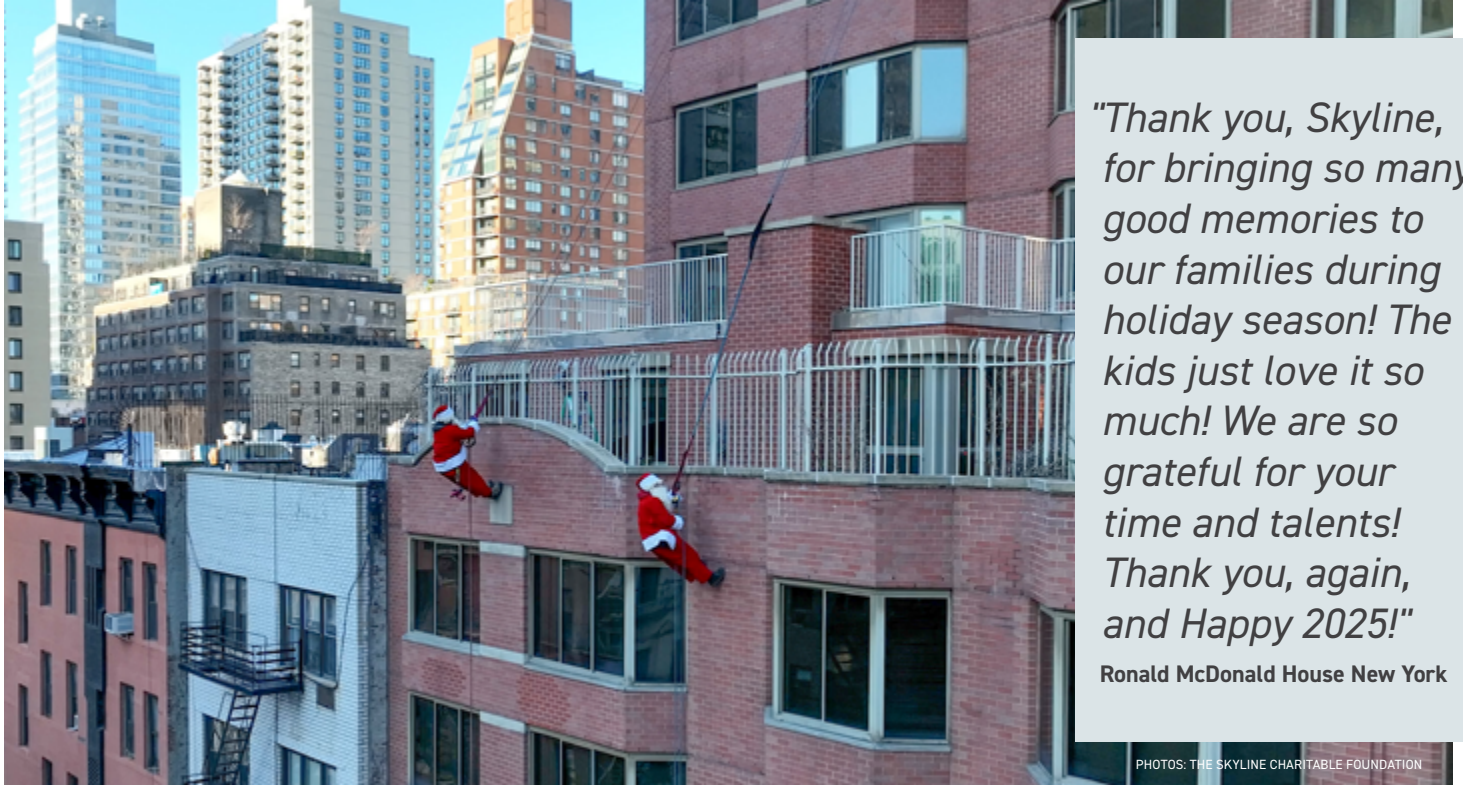
INNOVATING FOR THE FUTURE

DOB launched the Innovation Review Board and Buildings Tech Lab to evaluate and adopt cutting-edge construction technologies. These initiatives aim to make NYC a leader in efficiency, resilience, and sustainability within the construction sector.

LOOKING AHEAD

DOB Commissioner Jimmy Oddo emphasized that 2025 will bring “even bolder reforms” to promote safety, innovation, and excellence in code-compliant development, ensuring NYC remains a global model for urban living. ■

RAPPELLING SANTAS BRING SMILES AND CHEER TO ALL!



"Thank you, Skyline, for bringing so many good memories to our families during holiday season! The kids just love it so much! We are so grateful for your time and talents! Thank you, again, and Happy 2025!"

Ronald McDonald House New York

PHOTOS: THE SKYLINE CHARITABLE FOUNDATION



On December 14, Skyline Access, Skyline Restoration and The Skyline Charitable Foundation hosted their 3rd annual Rappelling Santas event at Ronald McDonald House New York. Santas, Mrs. Claus, and their reindeer team rappelled down to bring smiles and holiday cheer to the kids. The day was filled with warmth, complete with hot cocoa, treats, and festive greetings for all!



SURGE OF FAKE INSURANCE CLAIMS IS BILKING CITY & STATE OF BILLIONS

NY BUILDING INDUSTRY LEADERS GATHER TO FIGHT 'FRAUDEMATIC'

More than 100 people from the state's construction industry, including industry leaders, builders, workers, property owners, affordable housing professionals, and policymakers, gathered on January 17, 2025, outside the federal courthouse in downtown Brooklyn to speak out against the rampant insurance fraud harming New York's construction sector.

For the past several years, contractors and property owners throughout the state, particularly in New York City, have seen a surge in fraudulent accident claims – people saying they were injured while working on construction sites when they weren't.

"These fraudulent acts keep sidewalk sheds up longer than needed, cost buildings owners and tenants millions of dollars,

and put honest workers in harm's way," Veronika Sikorski, the president of the New York City Special Riggers Association, said. "We need action now."

The fraud is destroying the building industry in New York. Insurers are being forced to flee the state, and the few that remain have been put in a position where they need to institute exorbitant premiums making it impossible for builders to do construction

projects, including building desperately needed affordable housing.

"Sky-high insurance costs are one of the primary roadblocks preventing the development of much-needed new affordable housing in New York City and across the state," Jolie Milstein, the president and CEO of the New York State Association for Affordable Housing, said. "If we are to have any hope at



PHOTO: ANDROMEDA ADVANTAGE

building our way out of this crisis, it is imperative that officials immediately address all the factors – including the deeply troubling rise in false injury claims – that are causing insurance costs to spiral out of control.”

Ultimately, every New Yorker – from the city to Long Island to Westchester and beyond – is paying for this fraud, as contractors have been forced to raise their rates to cover their insurance, which causes building owners to pass along that cost to renters, homeowners, and customers.

New York Assemblyman and Chair of the Insurance Committee David Weprin called for the legislature to support the [Staged Accidents Bill](#), which Weprin is sponsoring. The legislation

will make the staging of a construction site accident for the purposes of insurance fraud a class E felony.

“New York is facing a disturbing rise in staged accidents on construction sites for the purposes of insurance fraud,” Weprin said. “At a time when our state is facing an unprecedented housing affordability crisis, we must do whatever we can to curb housing costs and promote a healthy and vibrant economy.”

FIGHTING THE FRAUD

The press conference followed the filing of a federal lawsuit aimed at stopping the fraud. In a historic move, two insurance companies combined forces in bringing a lawsuit against a New York City-based personal injury attorney who they believe has

“Today marks a significant milestone for all New Yorkers as we unite to combat fraud and tackle the issue of staged accidents on all construction sites.”

**Andriana Vamvakas, president,
Andromeda Advantage**

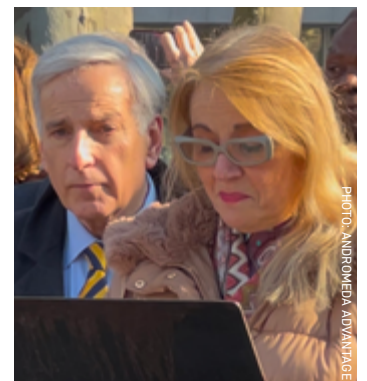


PHOTO: ANDROMEDA ADVANTAGE



"Since 2010, the cost to insure a \$100 million project has tripled, from 4 percent in 2010 to 8.5 percent in 2020, and now to a staggering 12 percent in 2024," said Elizabeth Crowley, president and CEO, Building Trades Employers' Association (BTEA), during a press conference where more than 100 people from the state's construction industry gathered to speak out against the rampant insurance fraud harming New York's construction sector.

"We are calling on our elected officials to take action to combat this fraud, which delays key projects, including façade restoration jobs"

Veronika Sikorski,
president,
New York City Special Riggers
Association

been pursuing fraudulent claims. The lawsuit was filed on January 17, 2025, in the Eastern District of New York.

The two insurance companies – Tradesman Program Managers and Ionian RE – have already filed their own individual RICO actions against dozens of local lawyers, doctors, and claimants. Tradesman has hundreds of fraudulent claims, while Ionian has 59 fraudulent claims which could cost the company more than \$88 million, thereby threatening the company's ability to hire and maintain its workforce composed of everyday New Yorkers.

"The construction industry is the backbone of New York's growth and progress, yet it is under siege from rampant insurance fraud

that threatens not only builders and property owners but every New Yorker," a spokesperson for Ionian RE said.

Tradesman Program Managers said it is proud to be leading the charge in fighting this fraud and holding accountable the doctors and lawyers who it believes have been perpetuating it. "This staged construction accident fraud is hurting all residents of New York State," a spokesperson for Tradesman said. "It is a hidden tax on everyone. It takes away from every person who is trying to pursue the American Dream by making everything more expensive for them from their rent to the food they buy."

New York City Special Riggers Association President Veronika Sikorski said, "Predatory

actors who coordinate staged construction accident claims by taking advantage of desperate individuals are creating a blight on our industry, putting people in harm's way and adding billions of dollars to the cost of doing business. We are calling on our elected officials to take action to combat this fraud, which delays key projects, including façade restoration jobs. These fraudulent acts keep sidewalk sheds up longer than needed, cost building owners and tenants millions of dollars and put honest workers in harm's way. We need action now."

New York State Association for Affordable Housing President (NYSFAFH) and CEO Jolie Milstein said, "Sky-high insurance costs are one of the primary roadblocks preventing the development of much-needed

REALITY CHECK THE HIGH COST OF FRAUD



COSTS BILLIONS OF DOLLARS EACH YEAR AFFECTING MULTIPLE SECTORS.



MAKES INSURANCE COVERAGE UNAFFORDABLE: CONSTRUCTION COSTS IN NEW YORK REPRESENT 12.5% OF A PROJECT'S COST COMPARED TO 2.5% IN CT, NJ AND PA.



STALLS CRITICAL PROJECTS INCLUDING AFFORDABLE HOUSING DEVELOPMENTS.



CAUSES FINANCIAL HARDSHIPS FOR EVERY NEW YORKER IN RENT AND HOME OWNERSHIP, FROM THE BOROUGHS TO LONG ISLAND AND WESTCHESTER.

new affordable housing in New York City and across the state. If we are to have any hope at building our way out of this crisis, it is imperative that officials immediately address all the factors – including the deeply troubling rise in false injury claims – that are causing insurance costs to spiral out of control.”

New York State Director of the National Federation of Independent Business (NFIB) Ashley Ranslow said, “New York must get a handle on the unchecked rise in fraudulent insurance claims on construction sites. This is a devastating scheme harming workers, small businesses, and all New Yorkers. Small business owners continue to see sharp increases in insurance premiums - in part due

to rampant fraud - impeding their ability to operate in New York while also driving up the cost for consumers. New York cannot continue to turn a blind eye to this costly illegal behavior.”

New York State Assemblyman, Chair of the Insurance Committee, Sponsor of the Staged Accidents Bill, David Weprin said, “This legislation will make the staging of a construction site accident for the purposes of insurance fraud a class E felony. New York is facing a disturbing rise in staged accidents on construction sites for the purposes of insurance fraud. This act is crucial in safeguarding the integrity of our construction and insurance industries and mitigating the financial housing burden for our citizens. At a time when our



PHOTO: ANDREW MEDA ADVANTAGE

“This staged construction accident fraud is hurting all residents of New York State. It is a hidden tax on everyone,” said Don Orlando, director of litigation, Tradesman Program Managers.

state is facing an unprecedented housing affordability crisis, we must do whatever we can to curb housing costs and promote a healthy and vibrant economy.”

Building Trades Employers' Association President (BTEA) and CEO Elizabeth Crowley said, “For countless years, the Building Trades Employers' Association has spoken out on the skyrocketing cost of insuring construction projects in New York City. Since 2010, the cost to insure a \$100 million project has tripled, from 4 percent in 2010 to 8.5 percent in 2020, and now to a staggering 12 percent in 2024. Staged construction accidents are a major factor in the significant rise of insurance costs, hindering the growth of small and Minority and Women-Owned Business Enterprise (MWBE) contractors.

If we want New York to be a city of opportunity and prevent well-established businesses from closing, this has to change, and it's why the BTEA and our 1,200 contractor-members support state legislation to make staging any construction site accident a class E felony.”

Real Estate Board of New York (REBNY) Senior Vice-President, Government Affairs Aravella Simotas said, “Staged construction site accident schemes that are enabled by New York's outdated laws make it more expensive to build, operate and live in New York City buildings. This kind of insurance fraud is a growing problem that must be addressed to bring costs down for New Yorkers.”



(L-R) New York State Assemblyman David Weprin, Chair of the Insurance Committee, sponsor of the Staged Accidents Bill; Elizabeth Crowley, president and CEO, Building Trades Employers' Association (BTEA); Veronika Sikorski, president, New York City Special Riggers Association; Aravella Simotas, senior vice-president, Government Affairs, Real Estate Board of New York (REBNY).

"At a time when our state is facing an unprecedented housing affordability crisis, we must do whatever we can to curb housing costs and promote a healthy and vibrant economy"

New York State Assemblyman David Weprin, Chair of the Insurance Committee, Sponsor of the Staged Accidents Bill

Subcontractors Trade Association Executive Director Felice Farber said, "Now is the time to tackle New York's affordability crisis! To do that, we must address the rise in fraudulent claims that drive up the cost of liability insurance in New York. Fake labor law claims increase the cost of construction, harm small and minority-owned subcontractors, and impact all New York taxpayers."

Vice-President of Government Affairs for The New York State Chapter of the Associated General Contractors of America Walter Pacholczak said, "First and foremost, I would like to thank Assemblyman David Weprin for his leadership on introducing this bipartisan legislation to crack down on staged construction accidents. In May 2024, the District Attorney's Association of NYS, led by Staten Island's Michael McMahon, said with respect to staged construction-site accidents, the bill closes a gap in the existing insurance fraud statutes. At present, New York

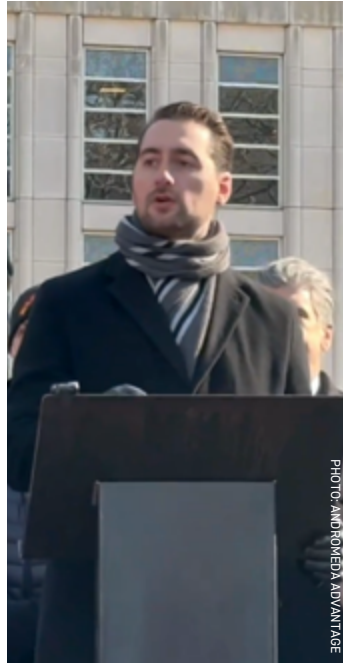
law does not directly prohibit the staging of a construction site accident, a gap that can result in some organizers of such accidents escaping liability for their acts. The bill would close that loophole and make directly liable for those staged accidents those who organize them purposes of collecting on false insurance claims. We also need to remember who pays the massive claims and insurance costs for fraud. It's the exploited workers, all workers, taxpayers, and businesses – big, medium, and small, in New York City, and New York State. The Associated General Contractors Association of New York State commends Assemblyman Weprin and the co-sponsors of this bill because insurance fraud hurts all New Yorkers and jeopardizes worker safety. Let's pass and get this bill signed into law in 2025."

Tradesman Program Managers said, "This staged construction accident fraud is hurting all residents of New York State. It is a hidden tax on everyone. It takes

away from every person who is trying to pursue the American Dream by making everything more expensive for them from their rent to the food they buy. Tradesman Program Managers is proud to be leading the charge in fighting this fraud and holding accountable the doctors and lawyers who we believe have been perpetuating it. If you work with someone who is committing fraud, do the right thing and call the FBI hotline at 1-800-CALL-FBI."

CEO of The Willis Law Group Kirk Willis said, "Out and out fraud - that is what we have. Any individual who looks at the evidence objectively they will have to agree that these are total frauds."

Ionian RE, said, "The construction industry is the backbone of New York's growth and progress, yet it is under siege from rampant insurance fraud that threatens not only builders and property owners but every New Yorker. Since the pandemic began, the



(L-R): Felice Farber, executive director, Subcontractors Trade Association (STA); Peter Conte, certified professional insurance agent; Walter Pacholczak, vice-president of Government Affairs, Associated General Contractors of America; Kirk Willis, CEO, The Willis Law Group.

number of claims has surged with half of them arising from staged accidents and inflated claims. This issue impacts livelihoods, community development, and the safety of our workforce. Ionian RE fully supports legislative efforts such as the Staged Accidents Bill and stands with industry leaders, policymakers, and professionals in demanding immediate action to combat this fraud. By addressing these fraudulent practices head-on, we can restore integrity to our construction sector, lower costs, and pave the way for the affordable housing solutions New York desperately needs."

President of the Empire State Chapter of the Associated Builders & Contractors Brian Sampson said, "New York has a human rights crisis. Every day black and brown, non-English speaking workers are being manipulated by greedy attorneys and doctors who want to line their pockets with multi-million-dollar lawsuits. The state has done nothing to protect these workers and that needs to stop.

Our elected leaders, who stand on the sidelines and do nothing, while thousands of fraudulent, staged accidents hurt people and make New York unaffordable, need to act. They claim they want to stop abusers but have turned a blind eye to this crisis. We need to acknowledge that not all lawyers or doctors are pure of heart and follow their oaths. Albany needs to pass Assemblyman Weprin's bill that will create a Class E felony for anyone who knowingly contributes to the staging of fraudulent construction site accidents. That includes the attorneys, the doctors, and the runners who bully non-English speaking workers to stage these accidents."

Big I New York President and CEO Lisa Lounsbury said, "The painful effects of staged construction accidents plaguing New York are felt far beyond the fences and scaffolding of work sites. These shameless scams drive up the cost of construction and are particularly harmful when taxpayers are footing the

bill for important public projects like schools and affordable housing. Construction is dangerous work that can result in serious injury, which makes what these scammers are doing even more exasperating. They prey on the system, inflate business costs, clog the courts, and rob legitimate victims of justice. This is not just a legal issue; it's a moral crisis. The legislature must act swiftly and decisively to deter and stop this brazen criminal enterprise."

Certified professional insurance agent Peter Conte said, "Staged construction site accidents are destroying the insurance market for contractors and having downstream effects on everyday homeowners! These staged claims are causing contractors' insurance premiums to skyrocket and pricing them out of the market. The contractors that remain are being forced to raise their labor costs, which in turn increases the cost to rebuild homes. This trickles down to affect all homeowners as the

cost to rebuild increases both the amount of coverage needed and the cost of insurance. Fighting these staged accidents begins by protecting contractors and ends by protecting all homeowners."

Executive Director of the Lawsuit Reform Alliance of New York Tom Stebbins said, "New York's courts are increasingly plagued by bogus lawsuits, staged accidents, and fraudulent injury claims. These scams represent a growing crisis we call the 'fraudemic.' Sophisticated criminal networks manipulate the civil justice system, and drive-up costs for contractors, developers, property owners, and each and every New Yorker. This RICO new lawsuit shines a spotlight on these schemes, peeling back yet another stinky layer of the onion. It is past time for law enforcement and lawmakers to crack down on these fraudsters and fix the laws that enable this criminal activity and exacerbate the Empire State's affordability crisis." ■



JEFF SCHNEIDER



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