



# NEWS RELEASE

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

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## **CONTRACTOR TO PAY MORE THAN \$60,000 RESTITUTION FOR WORKERS' COMPENSATION INSURANCE FRAUD**

NEW CITY - New York State Inspector General Catherine Leahy Scott and Rockland County District Attorney Thomas P. Zugibe today announced that a Spring Valley contractor will pay \$60,800 in restitution and serve five years on probation as part of his sentencing for felony Workers' Compensation insurance fraud in connection with work he provided on a New York City luxury condominium project.

Kujtim "Tim" Kukaj, 45, of Spring Valley, N.Y., and his company, RAR Renovations, Inc. previously pled guilty to the two felony counts of Insurance Fraud in the Third Degree and Workers' Compensation Fraudulent Practices. They were sentenced today before Rockland County Court Judge Rolf M. Thorsen.

Kukaj deployed as many as 25 workers for an American Development Group (ADG) luxury condominium project in New York City between 2009 and 2013, without providing required Workers' Compensation coverage for the employees. Furthermore, on three separate occasions Kukaj provided false documentation to ADG, purportedly to certify he had the required coverage. Additionally, Kukaj lied to the State Workers' Compensation Board about the number of employees he had on payroll.

Inspector General Leahy Scott said, "This contractor used fraud to gain an unfair advantage over honest employers. By resorting to criminal acts to try and cut costs he not only has to now pay from his own pocket but he also gets to add a felony record to his business portfolio. My office will continue to vigorously pursue anyone who tries to cheat the Workers' Compensation system."

District Attorney Zugibe said, "This defendant cheated the system by presenting forged Workers' Compensation documentation to the developer, thereby potentially undercutting the bids of honest contractors and, at the same time, failing to provide insurance coverage for his employees in the event of an injury. This is a serious crime that undermines the system for workers who are truly deserving of workers' comp and for contractors who pay their fair share. Today's sentencing sends a clear message that you will be held accountable for committing insurance fraud."

ADG was unaware of the lack of Workers' Compensation coverage by Kukaj and RAR Renovations, Inc. In fact, the Inspector General's investigation commenced after ADG was assessed \$47,000 to allow for coverage of the employees – coverage which should have been obtained by Kukaj and RAR Renovations, Inc. As a

result of the fraud, two insurance companies, Travelers and The Hartford, experienced losses in the sum of \$10,000 and \$3,800 respectively. As part of sentencing, Kukaj will pay the total amount to all three companies.

Inspector General Scott thanked Rockland County District Attorney Thomas P. Zugibe and his staff for the prosecution of this matter, and the New York State Department of Labor and New York State Insurance Fund for their assistance in the investigation and prosecution.

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