

STATEMENT FROM STUART S. ZISHOLTZ

Minority and Women Business Enterprises (MBE or WBE) is a concept developed to encourage competition and new jobs, etc., particularly in the areas of minorities and women in the construction industry.

Not surprisingly, abuses have crept into the industry.

Some MBE and WBE corporations attempt to farm out contracts to non-minority contractors in return for a percentage of the profits. The New York District Attorney is cracking down on that arrangement and pursuing criminal prosecution of perpetrators for fraudulent schemes.

The general idea is the work has to be performed by a minority corporation because that was the whole purpose of the legislation. If the minority corporation is going to act as a broker, not do any of the work, and pass the contract to a non-minority corporation, the purpose of the legislation collapses.

If you want to get involved in any of these enterprises, I urge you to review the situation very carefully and make sure that you are on the right side of the law.

Never let your lien time run out!

For a free copy of our pamphlet pertaining to mechanic's liens and payment bond claims, kindly contact me or the Association.