



Another scandal with worker site safety credentials – What can be done differently? - by Christopher Ward

April 30, 2024 - Design / Build



Christopher Ward

With the Manhattan District Attorney's recent indictment of Valor Security & Investigations (Valor) for operating a sham safety training school, the safety training community took another blow to their credibility. NYC DOB has already taken the step of suspending Valor while it conducts further investigation.

As the Manhattan district attorney announced, approximately 20,000 students were issued safety certificates and/or cards by Valor. With over 378,000 active Site Safety Training cards or SST in circulation, the alleged activities of Valor could affect over 5% of all SST cards issued, a truly staggering scale, especially given that NYC DOB has more than 150 approved training providers.

While law enforcement and government agencies continue to make sure that regulations are followed and that bad actors are rooted out, clients should consider how this news may impact construction work that they are performing in the New York City area and how can they be better prepared to be one step ahead of the competition.

Implications

The indictment noted that NYC DOI has made several recommendations, and that NYC DOB has accepted these improvements. Hopefully, these changes in the construction safety training area will bring back trust for the substantial number of training providers that follow the rules and issue valid credentials to workers. It is likely that the following may be short-term impacts:

- Increased demand for training providers: It is likely that other training providers will now need to provide training for all those individuals impacted by the Valor indictment.
- Impact on projects: Given the number of workers that may be impacted by the NYC DOB decision to suspend all certifications that were issued by Valor, and the shortage of skilled labor there is the potential for construction projects to be impacted short-term while workers are retrained and projects understand the extent, if any, this may have on their available labor force.
- Increased enforcement: it is likely that agencies such as NYC DOB will now conduct more inspections for compliance with the requirements of Local Law 196, that may result in: fines, stop work orders, etc.

Protect yourself: Implementing or updating a compliance program

K2 recommends following our Monitoring, Evaluation, and Testing of Risk Integrity and Compliance or M.E.T.R.I.C. approach to enhance your risk management procedures or compliance programs, for example:

- Monitor: Be aware that your projects might be impacted by the Valor indictment. Make sure that any issues are carefully documented, and mitigation measures are complied with.

- Evaluate: Be sure that you understand what your construction managers and general contractors, and other vendors are doing to mitigate any impact(s) from the Valor indictment. They should be mindful of the impact workers without required safety training can have on projects, and the reputational risk associated with untrained workers.
- Testing: Spot check or audit to confirm that your CM or GC are following through on their contract requirements and what they reported to you in the monitor phase
- Risk: Consider engaging a specialty consulting firm to help guide you through the process, provide a cold-eyed review on your policies and procedures, or help strengthen your existing risk management approach.
- Integrity: It is recommended that companies develop a means of monitoring news, alerts, etc. such as the Valor one from law enforcement, regulators, etc. that may impact construction projects. Additionally, it is recommended that companies perform due diligence or background checks on contractors, vendors, etc. that may perform work for them, to protect their reputation.
- Compliance: While companies may have an existing Common Data Environment or CDE for their projects to cover items like BIM workflows or submittals, it is recommended that information from sources such as the Valor issue be added. Or develop and maintain one to ensure that:
 - Information can be recorded in a standardized manner.
 - That all stakeholders work with the same information.
 - Dashboards, reports, etc. can be developed.

Moving to the newer SST cards was a step in the right direction for improving trust in the safety training area, but as the Valor indictment suggests, greed and bad actors will always look to find a way to take advantage of the system and put workers, members of the public and the reputations of contractors and clients at risk. The steps outlined above, that clients can take to enhance their risk management procedures, are helpful. They also need to rely on a strong project team to help deliver projects on time, on budget and, as highlighted by the Valor news, in a safe manner.

Christopher Ward is an associate managing director at K2 Integrity, Manhattan N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540