

# STATE OF NEW YORK

9917

## IN SENATE

September 20, 2024

Introduced by Sen. MATTERA -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the general business law, in relation to prohibiting persons from receiving compensation for advising or assisting with veterans' benefits

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The general business law is amended by adding a new section  
2 399-ppp to read as follows:

3 § 399-ppp. Veterans' benefits consumer fraud and abuse prevention. 1.  
4 For the purposes of this section, the following terms shall have the  
5 following meanings:

6 (a) "Veterans' benefits matter" shall mean the preparation, presenta-  
7 tion, or prosecution of any claim affecting any individual who has filed  
8 or expressed an intent to file a claim for any benefit, program,  
9 service, commodity, function, or status pertaining to veterans, such  
10 veterans' dependents, such dependents' survivors, and any other individ-  
11 ual eligible for such benefits pursuant to federal laws and regulations  
12 administered by the United States department of veterans affairs or the  
13 veterans' services law.

14 (b) "Compensation" shall mean payment of any money, thing of value, or  
15 financial benefit.

16 (c) "Person" shall mean an individual, corporation, business trust,  
17 estate, trust, partnership, limited liability company, association,  
18 joint venture, public corporation, government or governmental subdivi-  
19 sion, agency, or instrumentality, or any other legal or commercial enti-  
20 ty.

21 2. (a) No person shall receive compensation for advising or assisting  
22 an individual with regard to any veterans' benefits matter, except as  
23 permitted under federal law.

24 (b) No person shall receive compensation for referring an individual  
25 to another person to advise or assist such individual with any veterans'  
26 benefits matter.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 (c) A person seeking to receive compensation for advising or assisting  
2 an individual with any veterans' benefits matter shall, before rendering  
3 any services, prepare a written agreement, signed by both parties, that:

4 (i) contains all terms regarding such individual's payment of fees for  
5 services rendered relating to any veterans' benefits matter; and

6 (ii) adheres to all criteria specified within 38 C.F.R. § 14.636.

7 (d) No person shall receive any compensation for any services rendered  
8 before the date on which a federal notice of disagreement is filed with  
9 respect to the individual's case.

10 (e) No person shall guarantee, either directly or by implication, that  
11 an individual shall receive specific veterans' benefits, or a specific  
12 level, percentage, or amount of veterans' benefits.

13 (f) No person shall receive excessive or unreasonable fees, as deter-  
14 mined pursuant to 28 C.F.R. § 14.636, as compensation for advising or  
15 assisting an individual with a veterans' benefits matter.

16 3. (a) (i) A person seeking to receive compensation for advising or  
17 assisting an individual with any veterans' benefits matter shall, before  
18 rendering any services, clearly provide, orally and in writing, the  
19 following disclosure:

20 "This business is not sponsored by, or affiliated with, the United  
21 States department of veterans affairs or the New York department of  
22 veterans' services, or any other federally chartered veterans' services  
23 organization. Other organizations, including but not limited to the New  
24 York department of veterans' services, your local county veterans'  
25 services agencies, and other federally chartered veterans' services  
26 organizations, may be able to provide you with this service free of  
27 charge. Products or services offered by this business are not necessar-  
28 ily endorsed by any of these organizations. You may qualify for other  
29 veterans' benefits beyond the benefits for which you are receiving  
30 services here."

31 (ii) The written disclosure required pursuant to subparagraph (i) of  
32 this paragraph shall appear in at least twelve-point font and shall  
33 appear in a readily noticeable and identifiable place in the written  
34 agreement required pursuant to paragraph (c) of subdivision two of this  
35 section. The individual shall verbally acknowledge understanding of the  
36 oral disclosure and shall sign the document in which the written disclo-  
37 sure appears to affirm such individual's understanding of these  
38 provisions. The person advising or assisting such individual with a  
39 veterans' benefits matter shall retain a copy of such written disclosure  
40 for the duration of such service and for at least one year after the  
41 date on which such service relationship terminates.

42 (b) (i) A person advertising for compensation services to an individ-  
43 ual in regard to a veterans' benefits matter shall include the following  
44 disclosure:

45 "This business is not sponsored by, or affiliated with, the United  
46 States department of veterans affairs or the New York department of  
47 veterans' services, or any other federally chartered veterans' services  
48 organization. Other organizations, including but not limited to the New  
49 York department of veterans' services, your local county veterans'  
50 services agencies, and other federally chartered veterans' services  
51 organizations, may be able to provide you with this service free of  
52 charge. Products or services offered by this business are not necessar-  
53 ily endorsed by any of these organizations. You may qualify for other  
54 veterans' benefits beyond the services that this business offers."

55 (ii) If such advertisement is printed, including but not limited to  
56 advertisements visible to internet users, the disclosure required pursu-

1 ant to subparagraph (i) of this paragraph shall appear in a readily  
2 visible place on such advertisement. If such advertisement is verbal,  
3 the spoken statement of the disclosure shall be clear and intelligible.

4 4. Any violation of the provisions of this section shall be a class A  
5 misdemeanor, and upon conviction thereof, shall be punishable by a fine  
6 of not more than one thousand dollars, or by imprisonment for not more  
7 than one year, or by both such fine and imprisonment; provided, however,  
8 that a second or subsequent offense shall be punishable by a fine of not  
9 more than three thousand dollars, or by imprisonment for not more than  
10 one year, or by both such fine and imprisonment. In addition, the court  
11 may order as part of the sentence imposed restitution or reparation to  
12 the victim of the crime pursuant to section 60.27 of the penal law. The  
13 attorney general shall have the power to prosecute any violation of this  
14 section.

15 § 2. This act shall take effect immediately.