



**BEFORE THE ZONING COMMISSION AND  
BOARD OF ZONING ADJUSTMENT OF THE DISTRICT OF COLUMBIA**



**FORM 129 – ADVISORY NEIGHBORHOOD COMMISSION (ANC) REPORT**

Before completing this form, please review the instructions on the reverse side.

Pursuant to Subtitle Z § 406.2 and Subtitle Y § 406.2 of Title 11 DCMR Zoning Regulations, the written report of the Advisory Neighborhood Commission (ANC) shall contain the following information:

**IDENTIFICATION OF APPEAL, PETITION, OR APPLICATION:**

Case No.:		Case Name:	
Address or Square/Lot(s) of Property:			
Relief Requested:			

**ANC MEETING INFORMATION**

Date of ANC Public Meeting:	D	D	/	M	M	/	Y	Y	Was proper notice given?:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	
Description of how notice was given:														
Number of members that constitutes a quorum:		Number of members present at the meeting:												

**MATERIAL SUBSTANCE**

The issues and concerns of the ANC about the appeal, petition, or application as related to the standards of the Zoning Regulations against which the appeal, petition, or application must be judged (*a separate sheet of paper may be used*):


The recommendation, if any, of the ANC as to the disposition of the appeal, petition, or application (*a separate sheet of paper may be used*):


**AUTHORIZATION**

ANC		Recorded vote on the motion to adopt the report (i.e. 4-1-1):	
Name of the person authorized by the ANC to present the report:			
Name of the Chairperson or Vice-Chairperson authorized to sign the report:			
Signature of Chairperson/ Vice-Chairperson:		Date:	

**ANY APPLICATION THAT IS FOUND TO BE INCOMPLETE MAY NOT BE ACCORDED "GREAT WEIGHT" PURSUANT TO 11 DCMR SUBTITLE Z § 406 AND SUBTITLE Y § 406.**

Board of Zoning Adjustment  
Pursuant to  
CASE NO. 21396  
EXHIBIT NO. 25

# 900 Block Shepherd St NW Neighborhood Petition

A call for 'right-sized' development of 932 Shepherd Street NW

We, the undersigned residents of the 900 Block of Shepherd St NW, respectfully submit this petition to the Advisory Neighborhood Commission (ANC) 4C & DC Board of Zoning Adjustment (BZA). We are writing to express our concerns about the proposed development of 932 Shepherd St NW from a single-family row house to a 3-unit apartment house. We do NOT believe that the developer's request for special exemption is in harmony with the intent of the zoning regulations and will adversely affect neighboring properties and the community.

## Special Exemptions

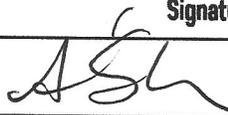
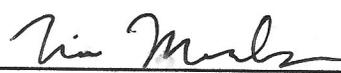
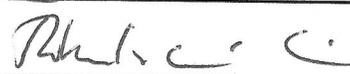
- **3-Unit Conversion** - Our block of Shepherd Street is zoned as RF-1. Even those that have been converted to condos have stayed within this zoning regulation, with a maximum of 2 units. The developer is requesting a 3-unit exemption, this triples the density of the property. The developer has also proposed an additional auxiliary dwelling unit built in the back of the property (which appears to have plans for a bathroom and kitchen).
- **19.5-ft Build Back** - Zoning regulation allows for a maximum 10-ft rear addition. The developer is requesting a special exemption to double that. The proposed plan also calls for a three-story deck and staircases further extending build back an additional 12 - 24 feet.

## Additional Neighborhood Concerns

- Proposed complete removal of front façade and modern design (Breaks up the architectural features of the block)
- Solar Panel Shading (The addition of a third story & roof top deck will shade 930s solar panels)
- Grey Water Drainage & Run Off (Historic stream, dense impermeable clay soil & high-water table affects neighbors adversely)
- Developers safety history (Dec 23, 2024 fatal building collapse of 1111-1113 V Street NW)
- Parking (Evening street parking is already very tight, tripling density exacerbates this situation)

As neighbors, we welcome the potential new neighbors at 932 Shepherd St NW, but we are concerned with the undue effects that this proposed project would have on our block - and more broadly our immediate community. We urge the Commissioners and Board Members to reject the special exemptions requested by the developer and to work with the community to ensure that the project moves ahead in harmony with current zoning regulations and 'right-sized' development.

## Signatures:

Name	Address	Signature
Andrew Smith	934 SHEPHERD ST NW	
Nick Morales	938 Shepherd St. NW	
Katherine Lamm	930 Shepherd St NW	
Antonia Kirby	926 Shepherd St NW	
Rebecca Sturtevant	930 Shepherd St NW	
ROBERT GARBIE	917 SHEPHERD ST. NW	

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We, the undersigned residents of the 900 Block of Shepherd St NW, respectfully submit this petition to the Advisory Neighborhood Commission (ANC) 4C & DC Board of Zoning Adjustment (BZA). We are writing to express our concerns about the proposed development of 932 Shepherd St NW from a single-family row house to a 3-unit apartment house. We do NOT believe that the developer's request for special exemption is in harmony with the intent of the zoning regulations and will adversely affect neighboring properties and the community.

Continued Signatures:

Name	Address	Signature
Vineetha Thekkel	919 Shepherd St NW	
Sofia Elian	921 Shepherd St NW	
Enwarl Safi	921 Shepherd St NW	
Jonathan Teets	927 Shepherd St NW	
BRYAN WELSH	927 SHEPHERD ST. NW	
Deloris Benz	933 Shepherd St NW	
Carly Young	935 Shepherd St.	
Renato Barro	944 CHOPIN DR	
Robert Ames	942 shepherd st NW	
Noemi Rodriguez	942S hepherd St NW	
Terri Butler	958 Shepherd St NW	
Stella M. Brackett	962 Shepherd St NW	
Kimberly Darter	934 Shepherd St. NW	
Jason Struss	960 Shepherd St NW	
Michael Esteviz	954 Shepherd St	
Dominjo Iglesias	937 Shepherd St	



## DOB Failures re: 925 Shepherd St. NW

January 20, 2026

- DOB has provided special treatment to 925 Shepherd St. NW Homeowner/Developer ("925 Owner") for 11 years (period the property is registered as vacant on DOB website)<sup>1</sup>. DOB selectively applies building and housing codes with bias and favoritism resulting from 925 Owner's repeated focus of being a "Former DGS Employee" and "born in DC". **DOB should apply building and housing codes equally without any bias or favoritism.**
  - 11 years registered as vacant and only one vacant property tax payment - there is at least one potentially fraudulent exemption granted by DOB in 2023 (a listing exemption during the time the homeowner was working with DOB to approve plans for this large scale development). Additional scrutiny should be applied to the property's history and occupied / vacant status.
  - Allowing unsafe conditions to persist at the construction site
  - Failing to follow up on Notices of Infractions (NOIs) and failure to ensure abatement of Correction Orders
  - Extending permits indefinitely with the most recent extension in November 2025 (demolition began in January 2023) even though:
    - i. DOB Dashboard currently showing six open NOIs dating back to 2020 with an outstanding balance of \$14,513, and
    - ii. OAH ruling against 925 Owner in September 2025 on an additional NOI with a post-adjudication balance of \$790 (*collecting interest because remains unpaid*)
  - Providing 925 Owner with unlimited access to DC resources and top DOB management (Shilpa Khatri, Keith Parsons, Nicole Rogers, Jeff Reiss, etc.) at the detriment of neighbors and the city
- DOB management disregards facts or anything requiring additional work on their behalf
  - Ignored the 925 property history of noncompliance, fines, and liens in approving this large scale development undertaken by 925 Owner
  - Ignored a heritage tree omission on technical drawings that we raised as a Technical Objection in the Neighbor Notification (April 2022) that can be viewed on SCOUT. DOB uploaded this form without addressing the concern, resulting in months of distress and involvement of DDOT after construction began
  - Disregards first hand accounts and recommendations from DOB Inspectors that set foot on the construction site
  - Failing to ensure proper resolution of issues including safety and code compliant conditions are met
  - Fails to scrutinize 925 Owner allegations that DOB, DDOT, DOEE, her prior contractor, and neighbors have caused construction delays
  - Refused to engage with impacted homeowners. Most recently contacted Porchia Foreman, Community Affairs Liaison Ward 4, whose curt response suggested to pursue civil litigation. Civil litigation does not remedy the failures of DOB.

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<sup>1</sup> See screenshots from DOB website and other documentation at the end of the document.

The 925 Owner continues to violate housing codes and construction standards. The DOB has caved to the 925 Owner's repeated, unwarranted and troubling threats by providing special treatment, tax exemptions, and permit extensions. Since demolition in January 2023, months go by with no active construction. The last activity at the site was August 2025, and now an unprotected plywood structure showing signs of rot covers the lot.

925 is the second home of the family at 929 Shepherd St NW.<sup>2</sup> Longtime residents and MPD are well aware of the toll the unoccupied 925 home has taken on the neighborhood during the 27 year dual property ownership. We are happy to speak with you or anyone at DOB regarding our 5 year history living next door to the vacant property; further we welcome DOB management to visit the property and see firsthand the unaddressed damage and confront what they think is acceptable for neighbors to endure. Enough is enough, it is time the city takes responsibility for this issue and promotes safe and efficient construction that creates housing.

We ask DOB to (1) End vacant property tax exemptions for the family's second home declared vacant for over a decade, (2) Enforce building and housing codes without preferential treatment, (3) Stop extending permits for problem properties with outstanding fines and violations, (4) engage with DOB inspectors, colleagues from DDOT, DOEE, DOH, and neighbors. Lastly, the city should hold property owners accountable for allowing rats and mosquitoes to flourish.

925 Shepherd St NW is a symptom of a larger disease in the District. Allowing problem properties to fester for decades contributes to housing shortages, lost city revenue, and a sense of hopelessness amongst residents that take pride in their community.

Thank you for your service to Ward 4 and DC. Please contact us anytime.  
Sincerely,

Maxwell Teets and Bryan Welsh  
927 Shepherd St NW  
Washington DC, 20011  
(239) 292-0183 [mteets@gmail.com](mailto:mteets@gmail.com)  
(609) 468-9287 [bwelsh05@gmail.com](mailto:bwelsh05@gmail.com)

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<sup>2</sup> History of the 925 Shepherd St NW property obtained via public records reveals:

- Acquired by owner of 929 Shepherd St NW in December 1998 and remains held by a family member residing at 929 Shepherd St NW for over 27 years
- Registered vacant by DOB in March 2015 through present (*nearly 11 years*)
- Owner transferred deed for \$0 to two daughters residing at 929 Shepherd St NW in October 2019
- Years of fines, failure to pay fines, liens on the property, failure to register the property vacant, and police responding to incidents at the property

Property vacant since March 24, 2015 per DOB website:

<b>Address</b>	<b>925 SHEPHERD ST NW</b>
SSL	2909 0043
Neighborhood	Columbia Heights
Ward	4
ANC	4C
SMD	4C02
First Confirmed Vacant ID	SVP1502737
First Confirmed Vacant Date	3/24/2015
Years Vacant	10.8
Last Confirmed Vacant ID	26ENF-PM-05369
Last Confirmed Vacant Date	10/10/2025
<b>Status</b>	<b>VACANT BUILDINGS</b>
Last Transmittal to OTR ID	25RVP-REG-00594
Last Transmittal to OTR Date	3/5/2025
<b>Last Transmittal Status</b>	<b>EXEMPT - CONSTRUCTION</b>
Registration Start Year	2025
Registration Start Half	1
Registration_Start_Date	10/1/2024
Registration End Date	3/31/2025
<b>OTR Status</b>	<b>3</b>

Report Refreshed on 1/16/2026 11:02:24 AM  
**WASHINGTON, DC**

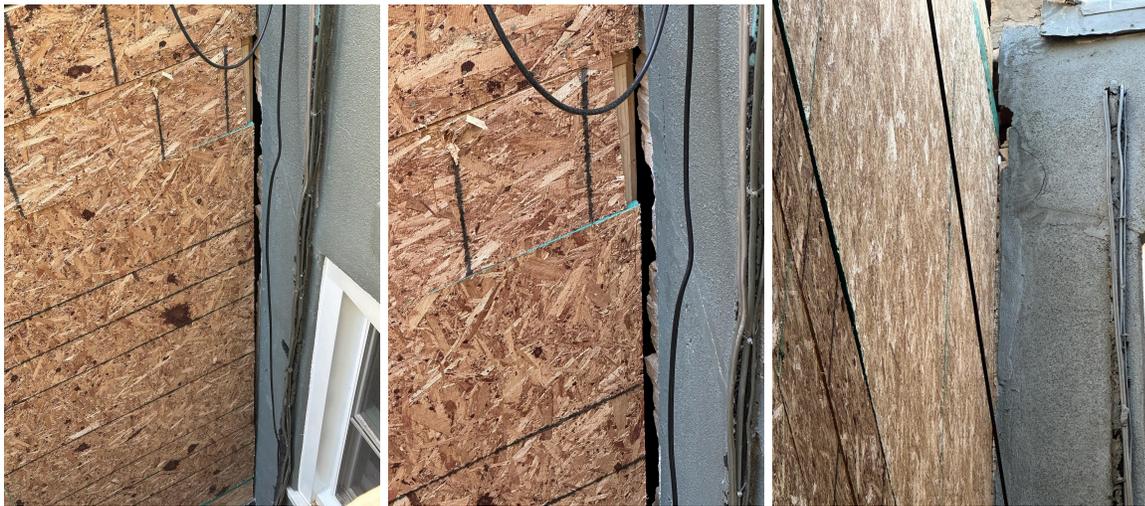
Outstanding pre-adjudication fines totaling \$14,513 dating back to 2020:

ENFORCEMENT - NOI PENDING BALANCE								RELEASE NOTES	FEEDBACK
3 HOUSING-COMPLAINT		2 VACANT PROPERTY		1 ILLEGAL CONSTRUCTION					
NOI SERVED		NOI WITH PENDING BALANCE		SPECIAL ASSESSMENT		TRANSFER TO DISTRICT CENTRAL COLLECTIONS			
PRE-ADJUDICATION		POST-ADJUDICATION							
To select a specific or multiple year(s), business unit(s), owner(s), case number(s) and/or enforcement address(es): Select dropdown, uncheck "ALL", enter/select year(s), business unit(s), owner(s), case number(s) and/or enforcement address(es), click checkboxes and click "APPLY"									
All	Select Fiscal Year	All	Select Business Unit	Multiple values	Select Owner	All	Select Case Number	All	Select SSL
Search Enforcement Address: All									
CLEAR ALL FILTERS									
Cap Id	Business Unit	Filed With Otr?	Final Order Issued?	Owner Full Name	Full Address	Balance			
<b>Total Balance</b>							<b>\$14,513</b>		
V021-0048	Vacant Property	YES	NO	DASS, MALA N	925 SHEPHERD ST NW, WASHINGTON, DC 20011	\$2,116			
V020-0017	Vacant Property	YES	NO	VEHA N DASS	925 SHEPHERD ST NW, WASHINGTON, DC 20011	\$24			
25ENF-IC-0263	Illegal Construction	YES	NO	DASS, MALA N	925 SHEPHERD ST NW, WASHINGTON, DC 20011	\$3,060			
25NOR-INS-00731	Housing Complaint	NO	NO	MALA N DASS	925 SHEPHERD ST NW, WASHINGTON, DC 20011	\$925			
25NOR-INS-00649	Housing Complaint	NO	NO	MALA N DASS	925 SHEPHERD ST NW, WASHINGTON, DC 20011	\$625			
25NOR-INS-00732	Housing Complaint	NO	NO	MALA N DASS	925 SHEPHERD ST NW, WASHINGTON, DC 20011	\$625			

September 2025 post-adjudication fine for \$750 gaining interest because remains unpaid:

ENFORCEMENT - NOI PENDING BALANCE								RELEASE NOTES	FEEDBACK
1 HOUSING-COMPLAINT									
NOI SERVED		NOI WITH PENDING BALANCE		SPECIAL ASSESSMENT		TRANSFER TO DISTRICT CENTRAL COLLECTIONS			
PRE-ADJUDICATION		POST-ADJUDICATION							
To select a specific or multiple year(s), business unit(s), owner(s), case number(s) and/or enforcement address(es): Select dropdown, uncheck "ALL", enter/select year(s), business unit(s), owner(s), case number(s) and/or enforcement address(es), click checkboxes and click "APPLY"									
All	Select Fiscal Year	All	Select Business Unit	MALA N DASS	Select Owner	All	Select Case Number	All	Select SSL
Search Enforcement Address: All									
CLEAR ALL FILTERS									
Cap Id	Business Unit	Filed With Otr?	Final Order Issued?	Owner Full Name	Full Address	Balance			
<b>Total Balance</b>							<b>\$791</b>		
25NOIE-INS-03357	Housing Complaint	YES	YES	MALA N DASS	925 SHEPHERD ST NW, WASHINGTON, DC 20011	\$791			

Damage to adjoining property (927 Shepherd) by 925 Construction as documented by DOB in April 2025; despite Correction Order issued, no abatement



Conditions of 925 Backyard as viewed through opening of removed privacy fence; conditions persisted from early 2025 through end of July 2025 despite NOI being issued May 2025. DOH helpfully treated months-long standing water for mosquitoes. Images from 25NOIE-INS-03357 served May 12, 2025.



Additional photo taken April 23, 2025:



Additional photo taken April 29, 2025:



## Reforming DC's Residential Permit Process for Structural Work to Ensure Meaningful Accountability and a Level Playing Field

Meg Roggensack, former Chair, ANC 2B01 ( Dupont)

DC's current system for permitting and oversight of residential structural work enables cost-cutting and risk taking at the expense of safety. There's a better way, and DC can learn from other jurisdictions to adopt needed reforms that prioritize professionalism, accountability and safety.

1. When anyone can pull a permit for residential structural work, it encourages the wrong kind of competition. Unqualified individuals ( bad actors) underbid licensed, bonded contractors by skimping on safety protocols and using unskilled work crews. By contrast, **when a general contractor license is required to pull a permit for structural work, it discourages corner cutting and promotes safe building practices. General contractors' ability to (continue to) work is directly tied to their license standing.** Unlicensed, non-expert applicants have no professional reputation at risk under the current system, and when something goes wrong they simply dissolve and re-brand for future projects.
2. DOB's "Enhanced Review" meeting of permit applicant and team is an inadequate substitute for the requirement that a licensed, insured general contractor pull structural permits. The developer team is simply not accountable for representations made in such a meeting; a licensed, insured general contractor is accountable in multiple ways – to the professional credentialing board, to the insurer providing unemployment and workmen's comp, and to project bond/liability issuer.
3. Developer-permitted structural projects are the construction version of amateur brain surgery. This is dangerous and risky work, undertaken without adequate preparation, credentials, coordination, or ongoing management of risk. The developer led structural projects typically involve the use of a network of unskilled, undocumented, and uninsured crews, many unable to read plans or to communicate in English, working without any site safeguards or personal protective equipment, and lacking any professional, day to day job site oversight and supervision. The tragedy at 1111 V Street NW, and OSHA's findings, expose ongoing shortcomings of the current developer friendly and accountability challenged approach to residential structural permit review, approval and oversight.

*More background on the case of 1111 V Street NW:*

Construction worker Edgar Cifuentes Lopez was crushed to death two days before Christmas 2024 while working on a rowhouse renovation at 1111 V Street NW. The permit holder was not a licensed contractor. **Though the project involved hazardous structural work, the Department of Buildings limited its review of the permit application to verifying code compliance, relying entirely on the applicant's representations as to the integrity and safety of the structural design plans.**

The Department of Buildings blamed “over-excavation”, “unstable masonry” and “improper sequencing” for the tragic collapse in its recent after-action report. The Occupational Safety and Health Administration (OSHA) had a very different [assessment](#). **OSHA found there was no one competent on site “who can recognize the hazards associated with trenching/excavations”, “the potential hazards associated with demolitions” and with “the knowledge to abate such hazards.” OSHA noted that “the stability of adjoining buildings... was endangered by excavation operations {but} support systems such as shoring, bracing or underpinning was not provided to ensure the stability of such structures.”**

4. DOB review of proposed structural work focuses on code compliance and that is insufficient. When residential structural plans do not receive independent engineering review, it encourages “pro forma” or general, non-site specific (“eyeballing it”) approaches, or worse, incomplete or misleading plans that do not adequately reflect construction intent.

Code alignment alone is not a sufficient guarantee of safety. DC’s residential building code allows riskier design assumptions than are allowed in adjacent jurisdictions ( e.g., re allowable soil bearing pressure – inadequate for major flood prone areas of DC).

By limiting plan review to code compliance, the DOB is “trusting the developer “ with the integrity of structural work, a policy that has emboldened bad actors to team up, saving money on cookie cutter, general designs uninformed by actual site conditions. **Independent review by structural or geotechnical engineers – the standard in Fairfax County - is not just a regulatory hurdle, it is an essential investment in ensuring the proposed design is sound and safe.** The review goes beyond ensuring code compliance – the focus of DC review, to validating technical assumptions about the specific site, catching errors or misstatements in design, and ensuring that the structural plans mesh with architectural and mechanical proposals. In Fairfax, the independent reviewers are paid by the hour; DC could assess this cost to permit applicants, which would effectively and rapidly encourage more complete, accurate and safety-conscious design submissions, to avoid costly and time-consuming review and amendments.

*City policy explained:* [The city does not review the technical adequacy of residential structural designs](#) as it does for commercial projects. (See testimony excerpt beginning at hour 8:18) Cost and corner cutting developers and their contractors are exploiting a “tick box” residential permit review process, submitting substandard documents and designs.

*Link to Fairfax board, with guidelines and requirements:*  
<https://online.encodeplus.com/regs/fairfaxcounty-va-pfm/doc-viewer.aspx?secid=109#secid-109>

**Site-specific assessment is an investment in design safety and stability** – under the current process, developers cut additional costs by forgoing site-specific assessments or by using “pro forma” or generic approaches that understate, misstate or misrepresent actual site conditions ( as evidenced in complaints filed by reputable companies to DC professional licensing authorities). **Requiring site specific assessments to inform structural work is a bare minimum for any size project. Ignoring site specific conditions can lead to catastrophic structural failures.** Site conditions dictate the foundational and structural strategies required for a safe and sound project. These assessments cover geotechnical and soil analysis to inform foundation type and design, topography and slope conditions to assess stability and need for retaining walls, additional site-specific risks such as underground streams and flooding risks affecting foundation design and stability. Where a project involves shared structures, like foundations/party walls/load bearing walls, these assessments include overall impact on the integrity of shared structures and implications for adjacent property.

**5. Field inspection is not a replacement for license-based permit application requirements, site-specific engineering assessments to inform plan design, and independent engineering plan review.**

Plan review is comparable to checking the blueprint for a car before building it; inspection is checking that the wheels are on correctly.

*Inspectors are on site to make sure the contractor is following plans, not to catch design-phase miscalculations, mistaken assumptions about site conditions, or site -specific risks.* Engineers analyze structural integrity, loads and code requirements in a controlled environment, before construction begins. Inspectors are confronted with the reality of an active job site – they can’t see through concrete slabs, inside closed walls, or underground. Plan review is proactive and preventative - the only way to verify hidden structural elements and systems. Field inspection is reactive and superficial. Inspectors lack the expertise, time

and financial incentive to perform on site calculations, e.g. of soil bearing capacity, wall load, etc.

6. **A party wall is a shared structure, and if a developer damages one side of that structure, they are liable to the APO for that damage.** The cost of insuring against that risk is a manageable and reasonable cost of doing business, and DOB/DC should require that applicants for residential structural work affecting an APO obtain an additional insured policy for the APO against that risk. The entire party wall, and not just the portion affected by developer's work, is the property at risk – it is an insurable interest. Multiple US jurisdictions hold contractors and developers strictly liable for damage to adjacent property and shared structures like party walls. See NYC Building Code Section 3309.4, excavation. New York City's approach is informed by longstanding policy in the UK. The Party Wall Act requires APO consent for work affecting shared structures, and the APO can refuse consent. Because homeowners' insurance does not cover damage caused by adjacent construction, **absent developer coverage of this risk, the APO is forced to undertake costly, time-consuming legal action to obtain recompense.** According to established insurers for the industry and reputable commercial contractors, cost is the only factor precluding residential developers from obtaining additional insured coverage for party wall work – and that cost is in the control of the developer, by prioritizing safety over speed and cost cutting. This is a widespread best practice in commercial construction involving adjacent residential property., and the coverage and certification process could be utilized for residential structural work. This approach would enable affected APOs to make claims directly to the developer's insurance company – and would encourage the developer toward safer practices to avoid such risks and costs. Adopting this requirement for DC residential structural work – even for a trial period – would align incentives in favor of responsible, safe and accountable contracting. Cost and corner cutting developers are shifting risk to APOs; if they are required to insure against these risks, they are directly, financially responsible for the consequences. Insurers will hesitate to cover future such risky projects and developers, forcing market shifts in the direction of reputable developers and safer building practices.
7. The widespread and illegal misclassification of workers as independent contractors in residential construction projects can save developers up to 50% in labor costs – below-minimum wage, no overtime rate, and no protection against injury through workmen's compensation coverage.

See 2019 OAG report on payroll fraud in DC construction industry:  
<https://oag.dc.gov/sites/default/files/2019-09/OAG-Illegal-Worker-Misclassification-Report.pdf>

See Washington Lawyer's Committee report Rotten Foundation on wage theft in affordable housing ( 2025):

<https://www.washlaw.org/wp-content/uploads/2025/08/A-Rotten-Foundation-Aug.-2025.pdf>

See report on December 2025 OAG settlements against contractors worth \$2.2 million involving worker misclassification and wage theft at three affordable housing projects and Navy Yard developments: <https://bdcbt.org/dc-attorney-general-secures-more-than-2-2-million-in-wage-theft-settlements/>

And see Washington State's OAG announcement of establishment of Worker Rights Unit to address wage theft and worker abuse, in wake of federal defunding of wage laws, enforcement and staff cuts.

**"Wage theft is rampant in the construction industry.** A recent study estimated that the underground economy costs Washington construction workers **\$142.6 million in unpaid wages each year,**" said Executive Secretary of the Washington State Building and Construction Trades Council Heather Kurtenbach. Announcement here: <https://www.atg.wa.gov/news/news-releases/ag-nick-brown-launches-worker-rights-unit-enforce-protections-fight-exploitation>

The DC Office of the Attorney General has focused considerable resources on large scale commercial construction, but tackling this at the residential level will require additional support. **Requiring proof of WC coverage as part of proposals for residential structural work would help establish that the applicant has adequate capital to undertake the project and an additional incentive to promote project safety over risk-shifting.** Taken together with the requirement that licensed GCs apply for structural work permits, this is an additional economic incentive to ensure that the site is safe, that workers are adequately trained and provided protective gear as appropriate, and that the overall project has ongoing, professional oversight and management. Moreover, **DC should consider adopting proposals under consideration in Maryland, New York and elsewhere to penalize failure to report WC payroll.** This widespread fraud increases overall insurance costs, and in the absence of enforcement, insurers are passing the costs along to reputable contracting professionals.

Maryland's proposal:

<https://mgaleg.maryland.gov/mgaweb/Legislation/Details/sb0060/?ys=2026rs>

Recently released California study of WC fraud, including construction industry:  
<https://icer.es.org/wp-content/uploads/2026/01/Ormiston-The-Effect-of-Workers-Compensation-Insurance-Premium-Rates-on-Payroll-Fraud-in-California-Final.pdf>

Key findings: **46.1 percent of payroll that should be reported to workers' compensation carriers by employers in high-risk industries is not reported.** Construction work is one of those high-risk classifications. Insurers compensate for this lack of reporting, which is a form of premium fraud, by passing their losses onto responsible employers in the form of higher premiums. **As a result, construction employers have 16 percent added to their premiums.** The study concludes that legislation is needed to penalize fraud, and support changed industry practices: **“Even if premium avoidance becomes endemic, workers' compensation insurers may have limited incentive to seek out and punish cheaters as long as premium rates are artificially high enough to create sufficient total premium to cover costs and profit.”**