NEW YORK'S LEADING JOB KILLER

HOW AMAZON CIRCUMVENTS THE WARN ACT TO KILL JOBS AND LEAVE WORKERS EMPTY HANDED

NELP NATIONAL EMPLOYMENT LAW PROJECT

ALIGN ALLIANCE FOR A GREATER NEW YORK

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Amazon touts its industry leadership, and research shows there is a new category they lead in: destruction of logistics industry jobs, with no warning.

Over the past three years, one in four workers who were permanently laid off in the logistics industry in New York State were Amazon drivers. Most had no notice and are owed backpay. One of the world's largest corporations has created a system where it can kill thousands of jobs in New York and deny workers any of their rights. The Delivery Protection Act (Intro 518), currently awaiting a vote in the City Council, will end this exploitative system and make Amazon accountable to its workforce.

AMAZON DRIVING LAYOFFS IN NEW YORK

Amazon's captive contractors, known as Delivery Service Partners ("DSPs"), in-house contractors that legally employ the drivers, make up a significant share of sudden, permanent closures and mass layoffs in the "Transportation and Warehousing Industry" in New York State over the last three years, according to public filings required by the state WARN Act. required by the state WARN Act.

Percentage of permanent closures in the Transportation and Warehousing Industry that are Amazon DSPs:

2023: 17%
2024: 35%
2025: 38%
2023-25 Combined: 30%

The New York Worker Adjustment and Retraining Notification (WARN) Act, modeled after the national law, requires private employers with 50 or more employees to give employees 90 days' notice before a plant closure or mass layoff. Amazon's captive contractors have failed to meet their obligations under the Act at an accelerating pace over the last few years. Between 2023 and 2025, 26% of all workers who lost their job due to business closures in that sector were Amazon drivers.

JOBS KILLED ACROSS NEW YORK, WITHOUT NOTICE

In total, over 3,500 New Yorkers have lost their jobs in Amazon's mass layoffs of Amazon drivers since 2018.

From 2023-2025, Amazon DSPs violated the WARN Act's notice requirement with more frequency than they complied with it; of 20 DSPs that even bothered to file, 13 gave less than the required 90-day notice in just three years. Overall, since 2018, 35 DSPs have closed and triggered mass layoffs.

When a firm does not give adequate notice, workers are owed pay for the period of deficiency. As much as $11 million in back pay may have been owed to the impacted Amazon DSP workers, based on the deficient notice periods.

COUNTY	NUMBER OF DSPS CLOSED BY AMAZON	AMAZON DRIVERS LAID OFF
Bronx	4	380
Cattaraugus	1	134
Erie	2	201
Kings	5	518
Monroe	3	284
Nassau	5	292
Orange	2	142
Queens	5	492
Richmond	3	388
Schenectady	2	233
Suffolk	1	75
Westchester	2	392
GRAND TOTAL	**35**	**3531**

AMAZON'S FAKE "SMALL BUSINESSES"

Amazon's agreements with their DSPs typically allow the company to terminate its contract with them at any time, with little notice if any.[1] This contributes to the extremely short lifespan of Amazon DSPs.

Peter Silverman of Shumaker, Loop & Kendrick, LLP, one of the nation's leading franchisee and distributor attorneys, described the Amazon DSP contracts this way: "Your contract is horrible. It is probably the most one-sided contract I have ever seen."[2] Silverman explicitly points out that the model is really masking an employee relationship: "What's odd is if you weren't an LLC, and they were controlling everything you do the way the contract does, you would be considered an employee."

In short, the Amazon DSP model is not a typical arms-length relationship where two companies just stop doing business with each other and continue to service other clients; it is basically a boss-employee relationship, where terminating the contract means closing the business and firing all of the drivers.

Further, the various business liabilities are externalized to the DSP owner – liabilities Amazon knows the DSP owners will have trouble satisfying.

DSPs often do not own the Amazon Prime-banded vans that can be seen delivering packages throughout the city . As a result, those vehicles are unavailable as assets to satisfy the company's financial obligations, even when the DSP owes employees hundreds of thousands of dollars in back pay. What is more, Amazon knows there is little incentive for the DSP owners to own those vehicles, because the DSPs are prohibited from using Prime vans to deliver goods for anybody other than Amazon.

AMAZON TARGETS INEXPERIENCED ENTREPENEURS WHO WILL BE DEPENDENT ON AMAZON

When approving applicants into their DSP program, Amazon has a stated preference for individuals "new to" the industry with little experience;[3] it prohibits companies

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[1] See DSPs for Equitable and Fair Treatment, "No Renewal Rights? Understanding the Gaps in DSP Agreements" (webcast), available at https://deft-us.com/understanding-the-gaps-in-dsp-agreements/
[2] *Id.*
[3] Amazon Logistics Marketing webpage FAQ, available at https://logistics.amazon.com/marketing/faq (visited July 21, 2026): "No previous logistics experience is required."

with multiple owners from applying;[4] and asks for very little capitalization for businesses employing scores of people.[5] In effect, this ensures that the DSPs will have little leverage in their relationship with Amazon and are wholly dependent on the value of their contract as their sole asset.

WARN ACT VIOLATIONS ARE NO ACCIDENT

Why does this matter for workers harmed by Amazon DSP's WARN Act violations? Because it shows that the structure Amazon has created has made such violations likely and foreseeable.

Amazon has designed the DSP program to maximize the company's leverage over the DSPs and create the appearance that the drivers do not work for them. That structure ensures that when Amazon decides to cut off the contract of an LLC that is completely captive to the company with less than 90 days' notice, the DSP contractor is likely to similarly abruptly terminate its workforce without the 90 days notice required by the state WARN Act. At the same time, the lack of adequate capitalization and thin margins on which DSPs operate virtually guarantee that the DSP themselves will often not be capable of paying the back-pay that is legally required by the state law when companies do not provide the required advance notice of a layoff.[6]

In light of this structure, as a practical matter, Amazon is inducing violations of the WARN Act when it terminates contracts with inadequate notice, in a way that will often result in workers both losing their jobs and having no practical means of recovering their legally required backpay. DSPs have no recourse when Amazon decides to cut their contract—essentially destroying a business whose only asset is that contract—and in turn workers have no recourse when that DSP lays them off with little or no notice. All of this should be entirely foreseeable by Amazon when it

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[4] *Id.* "Only one person may apply in a given application to become a Delivery Service Partner (DSP) owner. We do not accept applications from companies or groups."
[5] *Id*. "The application requires that you submit documentation demonstrating access to $30,000 in liquid assets."
[6] Moreover, the New York WARN Act does not contain the type of clean "cut-through" provision that would even allow workers to reach the assets of the owner of the LLC to get their legally required back-pay when the law is broken and they do not receive adequate notice, because of the way statute defines an employer as a "business enterprise." *See* Chen v. Shah, 2026 N.Y. Misc. LEXIS 830, *3 (N.Y. Supreme Ct. 2026).

cuts a DSP contract in New York state. It is specifically the company's DSP business model that results in these systematic violations of the WARN Act.

NEW YORK LEADERS MUST ACT

New York policymakers and enforcement agencies can hold Amazon accountable.

The New York State Department of Labor should investigate this systemic and widespread circumvention of the WARN Act that is denying thousands of New York workers adequate notice of their foreseeable layoffs as well as significant amounts of backpay that they are owed.

Further, the New York City Council is considering legislation to finally hold Amazon directly accountable to its drivers -- whose economic livelihoods it already effectively controls. The proposed Delivery Protection Act[7] would do away with the DSP shell game: if Amazon wants to layoff hundreds of drivers, it would have to meet its full obligations as their employer under New York law. The City Council should move ahead swiftly with this common sense accountability reform.

AMAZON: JOB KILLER

Amazon regularly touts its role—and the role of its captive DSPs—as job creators in the warehousing and transportation sector. But the data detailed in this brief show that they are frequently job killers -- setting up captive "small businesses" that they completely dominate and terminate at will, resulting in violations of the rights of hundreds of workers who are left with no recourse.

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[7] N.Y. City Council, Int. 518-2026, available at https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=7879110&GUID=BDDD32F1-1178-492D-80F2-205845356FD2