

..Union uncovers wage theft at Pearl District apartment

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Clark, regional enforcement coordinator for the U.S. Department of Labor.

"It's in place so that unscrupulous contractors can't come in and underbid," Clark said. "The government doesn't want to be a party to a race to the bottom."

It didn't take Marcos long to find problems at C2 Professional Painting, the painting subcontractor at the Parker Apartments. Showing up at the job site March 20, 2014, he was told by C2's foreman that he could start work the next day. But he was never told what the rate of pay would be. His first paycheck worked out to roughly half the \$26.83 an hour prevailing wage rate for painters. Not only that, but he never saw or signed a W-4, the form that determines income tax withholding. Paychecks came late, and without a proper pay stub — which would show the hourly rate and number of hours worked. Marcos stayed on at The Parker until May 6, when he was laid off after an argument with the foreman. But he stayed in touch with other members of the C2 crew.

On June 25, Ramos, the union organizer, met with three C2 workers and told them they were being cheated to the tune of \$13 an hour. He told them to log their hours, and promised the union's help to get them what they were due. C2 workers were indignant when they learned just how low they were being paid in comparison to workers for other contractors on the project.

"Even the guys picking up garbage on the floor were making more than us," recalls C2 painter Romeo Garcia.

The C2 painters began talking with other workers on the site. A Carpenters union member working as a drywall hanger at Anning-Johnson encouraged them to report the violation to the government and to general contractor Lorentz Bruun. On July 3, he accompanied several other workers to the project superintendent's trailer, and



Solidarity — from the union, from workers on the job, and each other — is the force that exposed wage theft at a brand-new Pearl District apartment complex. Romeo Garcia, Alberto Avendaño, and Marcos Jimenez — pictured above at the office of Painters Local 10 — were among at least eight employees of C2 Professional Painting who were paid about half the \$26.83 prevailing wage rate for painters at Parker Apartments. But after the Department of Labor investigated, general contractor Lorentz Bruun paid \$85,000 to settle the underpayment of its subcontractor.

they told Lorentz Bruun senior project manager Mike Clancy what was happening.

On prevailing wage jobs, contractors are required to fill out certified payroll reports every week, listing the names of the workers, the number of hours worked, the rate of their pay and benefits, and any payroll deductions. Willful falsification of the reports is subject to civil and criminal prosecution.

According to the workers, Clancy looked at

C2's certified payroll reports, and said their check amounts matched up, with C2 paying the \$26.83 rate. Except for one problem: The reports said the men were working half-time, but the men said they were working full-time. Clancy told them he'd look into it.

By then, the Department of Labor was involved. A team of at least eight investigators flew in from around the country, led by Rebecca Clark. They pored through certified payroll records, and

interviewed workers. Besides The Parker, they investigated three other Portland-area projects with HUD loan guarantees: The Prescott Apartments, Marquis at Tualatin, and Moreland Station Apartments. Results of the investigations are still pending.

Shortly after the visit to Lorentz Bruun, C2 workers say their supervisor, Felix, told them that if they didn't go back and tell Lorentz Bruun (and later, the DOL investigators) that they were working only 20 hours a week and making more than \$20 an hour, the company would go out of business. Garcia and one other worker refused, and were told to leave. Six other workers were then given a choice: Lie about the hours worked, and in the future be paid as a "professional painter;" or be fired like the other workers. They packed their things and left. They had already made a pact with each other that if any were let go, they'd all walk.

Having seen the records, DOL agents met with C2 workers on Aug. 1. It was clear the law had been violated.

Under the law, whoever signs the loan documents — in this case the developer — is on the hook for wage violations. But it never got to that level. On Sept. 16, general contractor Lorentz Bruun paid \$85,000 to settle the claims.

"C2 totally screwed me," Lorentz Bruun president Mark Bruun told the Labor Press.

Bruun said his company has never had a prevailing wage violation in 70 years of business. Lorentz Bruun employs some union subcontractors, including concrete contractor Whitaker Ellis and electrical contractor Prairie Electric.

State corporate records listed Errin Caudle as president of C2 and its parent company, New Heights Construction Management. She's also a dance coach at Aloha High School and St. Helens High School. On Aug. 14, she filed to make her husband Gordon Caudle the company president. Between the two, it's Gordon who has more ex-

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Thank you Oregon workers! Working people are the lifeblood of our country. From good paying jobs to the right to organize, I stand with you in our fight to make America work for working Americans.

Jeff
Merkley
U.S. Senate

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