

...Wage theft

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the paychecks stopped coming, Sanderson kept working, and lived off savings. By the time he left, he estimates he was owed over \$12,000 — not counting the overtime pay.

Armando Robledo, a carpet installer from California, started in May and tells a similar story. He, at least, got \$25 an hour, until the checks stopped coming.

All three said RCI deducted money for income tax withholding, but as of mid-February, none had received an IRS form W-2, which by law must be mailed out to employees no later than Jan. 31.

RCI — based in Spanaway, Washington — doesn't have a contractor's license in Oregon. Calls by the Labor Press to the company went unreturned.

The general contractor on the project is FDR Construction, a California company specializing in hotel remodels. FDR has done work for some of the biggest names in the industry. Reached by phone, FDR president Forrest Reardon said the unpaid wages aren't his company's responsibility — Reardon said RCI was paid everything it was owed. In fact, Reardon said RCI owes FDR tens of thousands of dollars for not finishing the job: A ballroom and ADA-compliant rooms were left undone.

But Hilditch, Sanderson, and Robledo say FDR is also to blame: Its project manager promised they'd be paid if they stayed to finish the job, and that didn't happen.

What happened to the RCI workers is theft — wage theft. Wage theft is a catch-all term for the myriad ways workers are cheated of the wages they are owed. And it's becoming more and more common around the country. At a hearing last month of the Oregon Senate Workforce Committee, attorney Laura Huizar of the National Employment Law Project said wage theft has become widespread across the country and across industries, costing workers billions of dollars each year. In Oregon, the 1,100 workers a year who figure out how to file wage and hour complaints with the state Bureau of Labor and Industries (BOLI) are likely the tip of the iceberg, Huizar told

lawmakers, because many workers face language barriers, fear retaliation from their employers, and can't afford legal representation.

In a way, it's almost a surprise that so many employers remain law-abiding — given how poorly staffed BOLI's wage and hour enforcement operation is: Seven compliance specialists enforce wage and hour laws for all Oregon workers. According to a recent analysis by the Oregon Center for Public Policy, there are more than 58,000 workers for every full-time staff member in BOLI's Wage and Hour Division. Those staff levels have gotten much worse over the years: 20 years ago, the figure was 28,500 workers for every staff member.

Imagine if word got out that local law enforcement didn't have resources to investigate and prosecute car thefts. Grand theft auto would soar. That's what's happening in wage theft, worker advocates say.

And when corruption takes hold in industries, bad competitors drive out the good. Wage theft is most common in three industries: restaurants, farms, and construction.

At Bricklayers and Allied Craftworkers Local 1, President Matt Eleazer and field rep Mike Titus say wage theft is becoming worse in their trade. Local 1 represents bricklayers, stone masons, tilesetters, and other workers in Oregon, Washington, Idaho, Montana, and Alaska. And the dirty little secret of the construction industry is that union representatives like Titus and Eleazer are spending more and more of their time policing their industries.

"If we're not doing it [policing the industry], those guys are bidding against our contractors, and it's not fair," Eleazer says.

"And we don't catch a fraction of what's going on," Titus adds.

Increasingly, worker advocates have been raising the alarm about wage theft — and calling for government to crack down. To push for stronger laws, the Oregon AFL-CIO and six other

Oregon labor organizations have joined the Oregon Coalition to Stop Wage Theft, along with 30 other civic, religious and small business organizations.

In 2015, the coalition helped draft a bill to crack down on wage theft, but it never got a vote on the Senate floor, and died in the Senate Rules Committee. Labor allies thought it was a scandal that the Demo-

cratic-dominated Legislature would punt on a wage theft crackdown. The labor-backed Fair Shot coalition — which succeeded in passing sick leave legislation in 2015 — declared wage

theft would be one of its priorities in 2016.

Now it's half way through the short 2016 legislative session. Senate Democrats have an 18-12 majority, but Senate President Peter Courtney (D-Salem) has said (with a few exceptions) he won't allow votes on any bill without bipartisan support. Wage theft isn't one of the exceptions. To win the votes of Republican legislators like state Sen. Kim Thatcher, it takes business support.

To get it, Workforce Committee Chair Michael Dembrow

"We have to make it possible for workers to enforce their own claim to wages."

— Michael Dale, executive director of the Northwest Worker Justice Project

(D-Portland) stripped out any part of the 2015 bill that business groups had objected to. What remained: Funding for three more BOLI positions (bringing it up to 10), making it a felony to cheat workers on public construction projects that are supposed to pay prevailing wage, and requiring employers to make payroll records available on request to employees.

But that still wasn't enough to satisfy business groups. At a Jan. 16 hearing on the bill, Associated Oregon Industries vice president Betsy Earls said the bill "imposes new regulatory burdens and liabilities" and caused "consternation in the business lobby." Specifically, giving workers the right to sue employers for not turning over records, "creates a significant private burden without clear public benefit," Earls told committee members.

Dembrow kept the requirement to keep and make available records, but stripped out the language to make it enforceable.

The bill was so watered down that the Oregon Coalition to Stop Wage Theft — the group that had called on the Legislature to crack down on wage theft — declared a "neutral" stance on the bill, neither supporting nor opposing. Coalition point person Michael Dale says there's nothing wrong with making prevailing wage viola-

tions a felony.

"The problem is that it's going to be very difficult to get a district attorney to prosecute these guys and put them away for five years," Dale said. "In our experience, stealing from workers isn't treated as important as other kinds of criminal activity."

That's certainly been Hilditch's experience. If he had stolen a \$43,000 forklift from the job site, that would be a Class B felony, and he'd face a prison sentence for first degree aggravated theft.

After the Embassy Suites job ended in December, Hilditch, Sanderson, Robledo and two other RCI workers filed wage complaints with BOLI. An agency spokesperson confirmed BOLI is investigating the claims, which total \$46,395.75.

Dale said giving BOLI more resources is good, but isn't going to solve the problem. "You have to give workers the tools so either they themselves, or with a union or community organization supporting them, or with their lawyers, can enforce their right to recover wages on their own, without having to rely on a government agency.... We have to make it possible for workers to enforce their own claim to wages."

Dale says the coalition will push a stronger bill in the 2017 legislative session.



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