

## THE FIGHT AGAINST WAGE THEFT

## Oregon's 'incredible' crackdown on wage theft

"Woe unto him that buildeth his house by unrighteousness, and his chambers by wrong; that useth his neighbor's service without wages, and giveth him not for his work."

— Book of Jeremiah, 22:13  
King James Version

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In the short session that ended March 3, the Oregon Legislature passed a law that will make wage thieves tremble. When employers fail to pay minimum wage or overtime, workers will be able to sue for triple damages. Construction contractors that cheat on prevailing wage laws will be barred from bidding on public works projects for 20 years. Lawmakers — alarmed by expert testimony that the problem is growing — also quadrupled the wage-and-hour enforcement budget of the state Bureau of Labor and Industries (BOLI), and even approved a budget note asking the state at-

torney general to create a special unit devoted to prosecuting wage thieves.

April fools! Actually, Oregon lawmakers did none of those things. But they could one day, if they ever wake up to the scale of the problem.

The triple damages proposal is part of a real piece of legislation introduced March 16 by U.S. Sen. Patty Murray (D-Wash.) and Congresswoman Rosa DeLauro (D-Conn.) Known as the "Wage Theft Prevention and Wage Recovery Act," the bill would also: require employers to provide regular pay stubs; give workers the right to inspect their employer's payroll records for them; and allow class action suits in cases where employers systematically defraud workers. The Senate bill has 10 cosponsors, including Democrats Jeff Merkley of Oregon, Elizabeth Warren of Massachusetts, and Bernie Sanders of Vermont. The House version has 32 cosponsors. But as long as Republicans remain in

charge of Congress, the bill is considered to have zero chance of passage.

In Oregon, the Democrats are in charge. They took at least a bite at the problem this year, cobbling together some of the least controversial parts of a bill that failed to win passage last year. SB 1587 passed 21-7 in the Senate, and the Oregon House had only one "no" vote (Tualatin Republican Julie Parrish). SB 1587 is still awaiting Gov. Kate Brown's signature to become law. Like Patty Murray's bill in Congress, SB 1587 requires employers to provide pay stubs to workers — spelling out pay rates and hours worked, and itemizing payroll deductions. It also requires employers to keep payroll records for three years. It gives BOLI three more wage and hour investigators (bringing the total to 10, to enforce the law for all Oregon workers.) And it makes it a Class C felony — punishable by up to five years in prison, a \$125,000 fine, or both — for a contractor to know-

ingly violate the state's prevailing wage law. [Look to future issues of the *Northwest Labor Press* for news about those prosecutions.]

But no one thinks those measures will stamp out the problem of wage theft.

State Sen. Michael Dembrow (D-Portland) — SB 1587's sponsor — said lawmakers will have to become much more aware of the problem before significant action is taken.

That action may start in the House Business and Labor Committee, chaired by State Rep. Paul Holvey. Holvey knows about wage theft firsthand: He's a Eugene-area union rep for the United Brotherhood of Carpenters, and construction is one of the industries where wage theft is most common.

"[BOLI] is underfunded," Holvey said, "and doesn't have the resources they need to do a thorough job of compliance."

Holvey said he expects to try

again to get a more significant bill passed in 2017, and will hold a hearing on the issue in May or September of 2016.

### Has WAGE THEFT happened to you?

Have you or someone you know been cheated out of wages or overtime, not given meal and rest breaks, told to work before or after punching out, or told by an employer that you're an "independent contractor" when that was news to you? If so, you may be a victim of wage theft. If it took place in Oregon, you should call the Bureau of Labor and Industries at 971-673-0761 — but only if it happened in the last year. Either way, let us know too — the *Northwest Labor Press* is looking for examples. Call us at 503-288-3311.

## New rule forces union-busters into the daylight

Effective July 1, the U.S. Department of Labor (DOL) is closing a legal loophole that has allowed union-busters to operate mostly in the dark for the last 54 years. The loophole has to do with the Labor-Management Reporting and Disclosure Act (LMRDA), which Congress passed in 1959. Because of the LMRDA, you can go to the DOL web site and get detailed information about union finances and salaries. The law was supposed to apply to labor relations consultants too: Any time an employer hires a labor relations consultant to persuade employees not to unionize, both the employer and consultant are supposed to report key details of their contract, including the amounts paid.

But in 1962, the DOL interpreted the law in a way that created a giant loophole: If consultants don't have direct contact with workers, they didn't have to report. Ever since

then, most union-busting consultants have spent their time training managers and supervisors to deliver their scripted anti-union messages, while themselves remaining "behind the curtain" to avoid disclosure.

Getting rid of that loophole was one of the first things labor union leaders asked President Barack Obama to do, even before he was sworn into office. He certainly took his time: The DOL didn't even publish the proposed rule change until 2011, and it's been in a bureaucratic rabbit hole most of the time since then. But on March 23, the DOL announced it's finalizing the rule. Business groups have complained loudly about the change. Unions have applauded it.

DOL predicts it will receive disclosures from about 3,414 employers and 2,601 advisers each year. Expect to read more about union-busters in these pages in the months to come.

## 40,000 Chicago teachers to strike for a day

CHICAGO (PAI)—Facing a pension cut and unpaid furloughs, members of the Chicago Teachers Union (CTU), American Federation of Teachers Local 1, voted March 24 to go out on a one-day strike on April 1.

Plans are for a mass protest in the city's Loop to demand the school administration and Mayor Rahm Emanuel keep their pension promises and negotiate a new contract.

Emanuel and the city schools' CEO say the money isn't there, and that the system faces a deficit of hundreds of millions of dollars.

"Now, as in the past, we see the powerful and wealthy undercut public education, neglect our pension fund, restrict bargaining rights and pass tax breaks for corporations and the rich," union President Karen Lewis wrote. "We are confident in our ability to stand up to them because we remain rooted in our schools and our communities, and we remain strong in our solidarity with one another."

Lewis told the 40,000 teachers that after a month of threats,



Chicago teachers, on strike in 2012.

CPS backed down from its plan to cut teacher pay by 7 percent on April 1. But it plans to cut a pension contribution at the conclusion of fact-finding in May, and it furloughed everyone on March 25.

Other unions, activists and workers citywide will join the teachers in the streets, Lewis said, just as they did when CTU struck for eight days in 2012.

The teachers will also present their plans for funding the school district, such as ending high-interest "toxic" borrowing from Wall Street and rechanneling a corporate subsidy called tax increment financing (TIF). TIFs alone, Lewis said, raise enough funds to reverse the board's cuts. The teachers will also call for a fair state-level tax on the rich.