



Painters organizer Roman Ramos (right) told commissioners how workers were cheated on a prevailing wage project. IBEW Local 48 apprentice Jemima Menkhuis and Blue Green Alliance director Ranfis Villatoro also testified.

Multnomah County takes on wage theft

The county could soon draft union reps to help with enforcement.

A proposed pilot program could make Multnomah County a trailblazer in fighting wage theft in construction. To make the case for it, a panel of union members and advocates addressed the County Commission April 9 about the many ways unscrupulous contractors cheat workers out of wages — and why the complaint-driven process at Oregon's understaffed Bureau of Labor and Industries isn't enough to stop it.

Wage theft is the underpayment or nonpayment of wages or benefits that workers are legally entitled to receive. It's not uncommon in construction — even on taxpayer-funded public construction projects that employ compliance staff to guard against it. Those staff need help, several union representatives told commissioners.

And they'd get that help under the proposal put forward by

Multnomah County Chair Deborah Kafoury's office. As detailed in a budget memo, the proposed Labor Compliance Pilot Program would allow knowledgeable members of the public, such as union representatives, to volunteer to help enforce prevailing wage and wage and hour laws on County construction projects. The volunteers would have access to the certified payroll records that contractors submit to the County — and be allowed to visit worksites to interview workers.

Modeled on a program at Los Angeles Unified School District, the pilot project would assign a half-time-equivalent staff person to train and support 10 volunteers who would visit the County's construction projects.

Often, workers don't know their rights, or they fear losing their job if they complain.

"Wage theft is out of control around the city," said tile setter Matteo Russo of Bricklayers Local 1.

Carpenters union organizer

Marcus Rodriguez told commissioners within his union, wage theft is most prevalent among drywall hangers and wood framers. Just last month, Woodburn-based LG Contractors paid \$99,258 to 34 workers to settle charges that they were paid as laborers for carpenter work they did on a 2017 building project at Clackamas Community College.

"It's tough to win bids against competition that has no intention of playing by the rules, no intention of paying their employees," said Jerry Henderson, executive director of the Oregon chapter of SMACNA (Sheet Metal and Air Conditioning Contractors National Association.)

After the presentation, commissioners spoke roundly in favor of the program.

The project is slated to be introduced April 25 as part of the County chair's budget proposal, which the board is expected to vote on May 30.

— Don McIntosh

Wage theft is tax fraud too



Pacific Northwest Regional Council of Carpenters held demonstrations in Portland (left) and four other Pacific Northwest cities April 15. The message: When corrupt construction contractors cheat workers of wages, they're also dodging state and federal income taxes. Nationally, it's estimated that as many as 1.2 million construction workers are being paid off the books, while another 300,000 are being misclassified as independent contractors.

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Thirteen ways to cheat your employees out of wages

Wage theft is far too common in construction. Here are some ways crooked contractors do it.

Don't pay them. Hire a day laborer for a day's work, then stiff them when the work is done.

Don't pay for breaks. Tell them the company's in too big a hurry for them to take meal and rest breaks.

Don't pay them overtime. You can't afford time-and-a-half.

Tell them they're independent contractors. That gets you out of paying employer Social Security tax, unemployment insurance, workers' comp, and maybe even minimum wage.

Don't pay them for time in transit. Tell them to pick up the company truck and equipment and drive 50 miles to the work site, but pay them only for the hours they work on site.

Call them apprentices. Pay your journeymen the apprentice wage.

Work them off-the-clock. Ask them to do a little prep work before they clock in, or a little cleanup after they clock out.

Ask for kickbacks. You gave them the prevailing wage job, didn't you? Have them pay some of those higher wages back to you, or to the foreman, or labor broker.

Pay piece rate. So what if it ends up less than minimum wage?

Deduct things from their wages. Why should you pay for the tools or supplies they need to do the job?

Misclassify them. On a prevailing wage job, pay them at the laborer rate while they do carpenter or painter work.

Leave off benefits. Prevailing wage includes money for benefits, but who can afford to offer them?

Lie about the number of hours they work. Pay the prevailing wage. Just tell the project superintendent that your employees worked half as many hours as they really did.