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As big development dollars flow into Portland amid an explosion of new luxury apartments, McMansions and high-rises, it's a money grab for those looking down from the top floor of the construction industry.

For many laborers at the bottom, however, it's a gamble.

Will they get a paycheck? Will it include payment for all the hours they worked, including overtime? Will their earnings, at the very least, equate to minimum wage?

Too often, the answer to those questions is no.

"You see all these buildings right now," explained Jason Sheckler, a local union carpenter, "you've got three stories of concrete, which is all union, and then after that, the next four stories on top of that are wood framing – non-union. That's a ton of jobs, and that's a ton of workers being exploited in this town. And they're carpenters. We have to change that."

During the past two years, labor regulators have found nearly 50 Oregon construction contractors failed to pay their workers at least \$3.4 million in back wages and overtime pay, and that figure includes only an audit and the two largest suits out of 260 wage claims in the construction industry in that time period.

Over the past five years, the Oregon Bureau of Labor and Industries, which handles prevailing wage claims against state-funded projects, has received 148 prevailing-wage complaints and claims worth \$1.12 million in Multnomah County alone.

Many of the skilled sectors in the commercial building industry are heavily unionized, but there are significant gaps among wood framing and drywall subcontractors – and among contractors working on residential projects, from home building to remodeling and maintenance.

Typically, it's Latino immigrants working for these non-union subcontractors who are most likely to be subject to exploitation, wage theft and threats of retaliation if they speak up or attempt to organize.

Sheckler's union, the Pacific Northwest Regional Council of Carpenters, has been sending Spanish-speaking union representatives to non-union commercial job sites in an effort to organize Latino workers in recent years.

It's an increasingly popular approach among labor unions, many of which in the past had blamed immigrant workers for declining wages and job shortages.

The way the carpenters see it, if immigrant workers are getting paid fair wages and benefits, everyone is better off.

"It's equal work, equal pay," said Juan Sanchez, a carpenters union representative. "We do not discriminate against anybody."

But getting workers to show up at union meetings isn't easy.

Sanchez said that when he makes site visits, workers heed the foreman's warnings



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*Labor disputes and worker exploitation  
in Portland's building boom*

not to talk to him, but he hands them his card anyway and tells them to call him if something happens.

"I am not going to expect a phone call that day," he said. "It may be a month. It may be three months. You know when it's going to be? When the job gets completed and they didn't get paid."

Sanchez is the heart and soul of the Union's outreach efforts, his fellow union members say.

That's because for Sanchez, it's personal.

"I was exploited," he said.

When he immigrated to Portland from Mexico in the late 1990s, he was flat broke, alone and could speak only three words of English: yes, no and please.

"I would point to the menu to order at McDonalds," he said.

He found a job hanging drywall in residential housing projects, no application needed. He was housed with other workers new to the U.S. on property owned by his new boss.

Six days a week, he'd hop into a van with six to eight other men at 4:30 a.m. and travel to a jobsite where he'd work into the

evening. He wasn't given breaks, and his employer deducted money from his paychecks for everything from van insurance and mileage to rent and the use of his tools while on the job.

"At the end of the month, he'd give me few 20s or 50s," Sanchez said. It was always less than \$200.

He said he "knows for a fact" Latino workers continue to face this form of exploitation in Portland's current market. It's what motivates him to continue his outreach.

When Sanchez was earning next to nothing, his boss was paying him piece-rate, meaning he was paid according to the number of tasks completed rather than by the hour.

It's legal, so long as complete records are kept showing the wages equate to Oregon's minimum wage or more per hour, said Karen Clark, a spokesperson for Portland's U.S. Department of Labor Wage and Hour Division.

She said piece-rate pay is common among drywall and wood framing contractors.

"Employers still need to maintain records of hours, but there's a mentality that because they are being paid piece rate, it

doesn't really matter," she said. "It does matter, because oftentimes people are not being paid minimum wage."

She said the sum can also be well above minimum wage, but frequently that isn't the case. "Not only are they not meeting minimum wage," she said, "they're not being paid the overtime rates too."

Property owners and developers overseeing the projects often escape liability, as the laborers getting ripped off are usually two or three times removed.

This is because the developer hires a general contractor, who often hires subcontractors, and sometimes the laborers are removed even further when these subcontractors hire their workers through labor brokers – also known as body brokers or coyotes.

It's also common for the contractor to pay the labor broker a lump sum on the books, and then the broker passes down under-the-table cash payments to an undisclosed number of workers.

"One of the banes of migrant labor has always been the use of labor contractors to recruit people," attorney Michael Dale said. He's the director of a nonprofit that

represents low-wage workers, the Northwest Workers Justice Project.

He said Oregon developed a good system for combatting wage theft among labor brokers in the agricultural sector by creating a bonding and licensing structure. But during Portland's pre-recession building boom in the mid-2000s, he said those same practices began to pop up in the construction industry.

"In fact," he said, "some were farm-labor contractors, or people who had been banned from being licensed farm-labor contractors, now bringing people to work in construction."

He said that as the construction industry picks up again, body brokers are making a comeback, but it hasn't reached pre-recession proportions yet.

He said it's when employers can't find enough workers – particularly in wood framing, drywall and painting – that they turn to body brokers to fill the positions.

These labor brokers are a big concern of the carpenters union as well.

"The coyote gets paid from the contractor, then he pays the worker cash – if he wants to. So no income tax, no state tax, no nothing," Sanchez said. "The bad thing about that is not only are the workers getting exploited and taken advantage of, but when that subcontractor has these coyotes, honest contractors can't nearly compete with that."

He pointed to several documents the union had obtained that showed instances where one man, a labor broker, had been paid a flat fee for a job that would take several men to complete.

"These contractors also work with people who bring people across the border. There's a circle of how they're connected," Sheckler said.

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