



ILLUSTRATION FOR EUGENE WEEKLY BY JEFF DREW

Wage Theft

How companies steal from our employees and communities

BY CAMILLA MORTENSEN

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en Basom of the Pacific Northwest Regional Council of Carpenters gives the example of a worker who came forward and started talking to the union about the Portland company that he was working for and the scams he was seeing. Basom says the employee's boss found out "and the next time we saw him, his arm was in a cast and he was all bruised up."

The worker said, "This guy knows where my family is in Mexico."

From July 2012 to June 2013, Oregon workers filed claims for more than \$3 million in unpaid wages with the Oregon Bureau of Labor and Industries. Juan Carlos Ordonez of the Oregon Center for Public Policy (OCP), which analyzed BOLI's data on the claims, says that's "just the tip of the iceberg" because workers fear retaliation if they complain about their missing wages, or they simply don't know how or where to file a complaint. BOLI is the agency that investigates and enforces Oregon's labor laws.

Basom says, "Workers are scared. They're trying to provide for families or themselves, and threats to that will turn them off from talking." Companies threaten to fire employees or even to force deportation of undocumented workers.

When workers don't get their legal or contractual compensation, that is wage theft. Wage claims are made when workers don't get overtime, when workers get break time deducted from their wages but don't get their full breaks or when workers don't get their last paycheck. Sometimes workers never get paid at all.

Wage theft is committed all over the U.S., and there are a number of high-profile Eugene businesses that face allegations of wage theft or have settled wage claim lawsuits. Despite fears of retaliation, workers do come forward and file wage claims.

Most recently, Delta Sand and Gravel has settled a case for \$1.3 million, in addition to money already paid through BOLI. A subcontractor with the high-profile 13th and Olive Capstone project is under investigation and Seneca Sawmill and Little Big Burger are facing class action suits.

Wage theft, even in small amounts, is a pervasive problem but can cause big headaches for workers and employers over time.

Reporting and Retaliation

Wage theft is "incredibly common" among low-wage workers, Ordonez says, and it's disproportionately common among food service and construction workers. For those workers, losing even small amounts of money from an already small paycheck can add up to trouble paying the bills or feeding a family.

It's an "uncomfortable feeling," says Portland/Vancouver wage claim attorney David Schuck, knowing that if he brings a case for a current employee, that employee might experience retaliation from his boss. Schuck was an attorney in a class-action wage claim suit in Oregon against Walmart that alleged failure to pay vacation, overtime and other wages upon termination on behalf of about 28,000 former workers.

Walmart settled in 2011 for up to \$4.4 million.

OCP notes that during the time of the 2012-2013 BOLI data, the agency's budget cuts led it to stop accepting certain types of claims it normally investigates, such as allegations of employers who wrongfully deducted money from wages. Despite that, there were 871 wage theft claims filed over the one-year period — more than two a day.

Michael Dale of the Northwest Workers' Justice Project (NWJP) agrees that the Oregon numbers are just the tip of iceberg but, he says, that's a pretty big tip on a pretty big iceberg. A study of workers in low-wage industries in the three largest U.S. cities — Chicago, Los Angeles and New