

Laborers Local 1010 Report

Wage Theft In New York City Public Works Projects

Written testimony submitted to the New York State Senate Finance Chair and Assembly Ways and Means Chair

Honorable Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee:

My name is Lowell Barton Vice President and Organizing Director of Laborers Local 1010. I have worked in the heavy highway construction industry in NY for 32 years. Currently the wage theft process in NYC is that when a worker that gets his wages stolen from their employer, they report the theft to a representative from the NYS DOL or the NYC Comptroller's Office. Then an investigation begins.

- The victims are mostly minority, or recently immigrated workers
- The Investigation can take years
- The bad contractors are well prepared and also aware of the laws, the risk, and procedures
- The settlement can be pennies on the dollar
- The burden of proof is on the victim
- The owners of the companies can easily close up and restart under a new name while the case is pending

To address any "Myth" that workers' wages are protected under our taxpayer funded public works projects

- We have found many of these contractors cheat wages "By Design" on our public works projects. They are not good contractors, they are skilled cheaters, and they recognize that wage theft is a lucrative underground business with very little risk
- When caught they sometimes pay penalties and get classified as "irresponsible Bidders" and rarely debarred, most bad contractors will try to re-enter the public works industry again
- Payments are held back on many jobs, but if the complaint and action is not timely the contractor can get paid in full of all monies owed, and then close up the business
- On NYC Parks Department Public works jobs there is no Bonding under one million dollars leaving the worker, Enforcement Agency, and the taxpayer with no money and big problems
- If the Contractor owes tax monies, the IRS will quickly take their share first leaving the workers that initially alerted the tax investigation, with nothing

There are many issues that construction workers face every day, such as workplace dangers and fatalities, daily safety issues, long term health risks, not many rights and very little job protections. For minority and recently immigrated workers these problems are compounded with the fact that they are targeted by bad contractors for long term wage fraud schemes. Most victims of wage fraud in public works projects in New York are Minority workers.

We join other members of the New York Coalition to End Wage Theft in calling on the New York State Senate and Assembly to appropriate more money so that the Department of Labor can hire 200 additional investigators and increase staffing for the Industrial Board of Appeals to clear up the backlog of cases and speed up the processing of incoming cases and appeals. We need to be able to always provide swift justice for every one in our state regardless of their race, religion, political affiliation or wealth.

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