



# Hot Sheet

October 2017



## CA Bill: Contractors Responsible for Subs Unpaid Wages

Assembly [Bill 1701](#) makes contractors responsible for the unpaid wages of their subcontractors. The bill is on the desk of **Governor Jerry Brown**. If signed into law, California will join the District of Columbia which has a similar law.

Too often, contractors choose low-road subcontractors or labor brokers that steal workers' wages. If subcontractors or brokers do not pay, the workers are left with nothing and the contractors move along to the next job using the same or another wage-stealing subcontractor.

AB 1701 corrects that problem. Contractors will be on the hook for the unpaid wages on their projects. That should encourage them to choose subcontractors who do not break the law by cheating carpenters and other construction workers. The bill would be enforced by the labor commissioner. In addition, labor-management committees can bring an action on behalf of unpaid workers. The bill also allows third parties owed fringe benefits from subcontractors to sue contractors. Attorney fees are also awarded to plaintiffs that prevail in their lawsuits.

The bill passed the state house and senate as other states and the US Congress are seeking to create safe harbors for contractors that use law-breaking subcontractors. The bill had the support of the **Southwest Regional Council of Carpenters** and the **Northern California Carpenters Regional Council**.

## MA AG Maura Healey Takes on Wage Thieves

Massachusetts **Attorney General Maura Healey** does not hold back when it comes to [collecting](#) workers' pay from wage thieves. According to her annual Labor Day [report](#), her office collected \$6 million in wages and \$2.5 million in penalties. The combined \$8.5 million is almost triple the amount recovered over previous years. The prime employer culprits were the construction and restaurant industries. Despite the successes, wage theft in Massachusetts remains a serious problem: it has been [estimated](#) to cost workers \$700 million a year. Also, the number of wage complaints has dropped which could be a reaction to the anti-immigrant climate.

## Carpenters Confront Lack of Enforcement in Arizona

Arizona's governor-appointed **Industrial Commission of Arizona (ICA)** is supposed to collect unpaid wages and protect the health and safety of workers. Its practice of reducing penalties against employers that violate safety laws is being scrutinized by federal authorities. Members of the **Southwest Regional Council of Carpenters** are also on the watch. Some 160 members of the Council showed up at a public hearing to [protest](#) the ICA's lack of enforcement of safety and wage laws.

"The black market for labor exploits desperate workers, creates the loss of tens of millions of dollars in tax revenues and perpetuates criminal activity," said carpenter **Steve Pasko** at the hearing. "How are legitimate companies supposed to compete and bid for projects when [others] are allowed to operate with impunity, due to the lack of enforcement by this commission?"

## Elections and Consequences

There have been a number of developments in states negatively impacting labor standards. Missouri and 26 other [states](#) have passed laws striking down local wage ordinances. Court decisions have upheld right to work laws in [West Virginia](#) and [Wisconsin](#). In addition Wisconsin **Governor Walker** wants to accelerate the [repeal](#) of the state prevailing rate law.

## Canada Says End Right to Work

As the parties to **NAFTA** prepare for re-negotiations, Canada is [challenging](#) the United States to raise its labor standards and get rid of so-called "right-to-work" (RTW) laws. Canada does not have RTW and sees them as eroding labor standards that threaten their workforce and make their employers less competitive. The Trump administration is expected to vigorously oppose Canada's demand.

## Central So. Hosts Labor Rights

The **Central South Carpenters Regional Council** [hosted](#) a labor-rights event in Austin, Texas. Council staff were joined by representatives from the **US Department of Labor**, **OSHA**, the **Mexican Consulate**, **Equal Justice Center**, **Secure Your Health** and **Refugee Services of Austin**.

## Payroll Fraud Kits

All communication kit materials are available by contacting [Matthew.Capece@Carpenters.org](mailto:Matthew.Capece@Carpenters.org).

**"@PayrollFraud" is All it Takes for Twitter, Facebook and YouTube**

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