

Testimony of Meg Heaton
Before the Senate Committee on General Government, Small Business and Consumer
Protection
April 5, 2013
SB 573 – Collecting Unpaid Wages

I have been practicing law in Oregon since 2005. I represented low-wage contingent workers on wage issues from 2005 through 2011 as the staff attorney at the Northwest Workers' Justice Project, one member of the sponsor of SB 573, Oregon Coalition to Stop Wage Theft. I currently serve as the staff attorney for Causa of Oregon, another member of the Coalition.

In my six years at the Northwest Workers' Justice Project, much of my case load was made up of workers trying to collect wages from unscrupulous employers who, even though they had assets, were insulated from their legal responsibility because the law provided no real way to enforce Oregon's wage and hour laws against them. These employers could have paid the wages they owed under Oregon law, but they didn't, because there were no real consequences for their failure to do so.

SB 573 is a major step forward for holding *all* employers accountable to the standards that law-abiding businesses already follow. The liens against property that SB 573 would create are a strong, proven deterrent against wage theft, and the solution it offers would have a real, meaningful impact on the problem of good employers being undercut in the marketplace by bad employers.

Four Oregon workers took a short term job doing siding for a small, un-established contractor in Clackamas County. The workers' families had been experiencing a particularly tough time financially, so the opportunity to work hard, even if it was just for a couple weeks, seemed like a blessing. So, in two weeks of working long hours, they earned almost \$4,000 in minimum wages and overtime. When their work was done, the contractor paid them with a check, and everything seemed great. But when they deposited the check, it bounced. They tracked down the contractor to ask him to pay the wages they were owed, but he never paid.

The four workers eventually sought legal help, and that's when they became my clients. When they came to my office I looked up the contractor on the CCB website, and although he had been licensed at some point, his license was inactive during the 2 weeks when my clients worked for him. This meant my clients couldn't recover their wages from the contractor's bond held by the CCB.

Even though his lapsed CCB license meant we couldn't collect from the bond, he was still working in the area, and he owned a house and a truck. Since he had some assets, there was a chance we could collect the unpaid wages if we filed a law suit. So, we filed a law suit, and served him, but he never responded. And even though we got a judgment against him by default, by that time he had sold his property and disappeared. We have been unable to locate him or any

further assets to collect the judgment. These workers will probably never get paid, their employer will never be held accountable, and the legal fees for representing them will never be paid.

Had these workers been able to put a lien on his other property, they would have been able to enforce their rights.

SB 573 is a much needed tool to level the playing field for all Oregon employers. I ask for your vote to pass SB 573 out of committee with a do pass recommendation.