

# Pacific Northwest Regional Council of Carpenters



*Affiliated with  
United Brotherhood of Carpenters and Joiners of America*



*Ben Basom, Director of Communications / Community Relations  
1636 E Burnside St • Portland, OR 97214 • 503-261-1862  
HQ in Kent, WA: 253-945-8849 • Email: [bbasom@nwcarpenters.org](mailto:bbasom@nwcarpenters.org)*

March 9, 2015

**Re: SB 718**

Dear Chairman Dembrow and Members of the Senate Workforce Committee:

On behalf of the Pacific NW Regional Council of Carpenters, please accept this written testimony in support of SB 718, which would give working Oregonians an outlet to expose unscrupulous business practices and collect wages owed to them.

Wage theft is unfortunately a growing problem, especially in the construction industry. Our organization has faced this issue for quite some time, and had allocated significant resources to combat this trend. A huge percentage of the construction workforce exists in the “shadow economy” where employers take advantage of working people, the local and state economy, and responsible honest contracting firms.

The underground system that exists is a highly advanced and intentional system where working construction trades individuals face things like:

- **Cash payments-** often times this is a lump sum for a day’s work. Often times this lump sum does not include overtime pay as required by law, and in many cases ends up being even less per hour than Oregon’s minimum wage. Payroll taxes are never accounted for, neither are workers compensation premiums.
- **Misclassification-** Workers being treated like employees and taking direction from an employer, yet asked to fill out 1099 forms in an attempt by an employer to skirt tax laws and shifting the burden to an employee.
- **Payroll kick backs-** Workers are often required to return part of their pay to employers for a variety of arbitrary reasons. Working people should not be required to pay their employer to work.

Payroll fraud and wage theft is a huge issue in today’s workforce. SB 718 will give employees an avenue to collect wages owed to them. Giving workers the tools and power to collect on wages owed will be a tri-fold advantage to our state. First by quelling the underground economy, and bringing payroll into the forefront, tax laws will be more difficult to skirt and revenue to the State and Local economies will increase allowing for more money to go to important improvements to infrastructure, schools, and other public services. Secondly, honest business can compete on a fair playing field, rather than facing unfair competition from companies that choose to operate using illegal business practices, or choosing to not pay it’s employees for work performed. Finally, when workers are paid for work performed, it allows for that worker to put more into the local economy. When working people have disposable income, that money directly positively impacts local communities, and small businesses.

In closing, on behalf of the Pacific NW Regional Council of Carpenters, I urge you to support SB 718 and break down the barriers so workers can recover wages owed for work they perform. We urge you to support SB 718 for the sake of working Oregonians, reputable businesses, and Oregon’s economy. Thank you.

Fraternally,

Ben Basom  
Communications Director  
Pacific NW Regional Council of Carpenters

Representing members in Alaska • Idaho • Montana • Oregon • Washington • Wyoming

[www.nwcarpenters.org](http://www.nwcarpenters.org)  

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