

Submitter: Jennifer Van Datta
On Behalf Of: Construction Workers
Committee: Senate Committee On Labor and Business
Measure: HB2057

Ten years ago, Southern Oregon University in Ashland, Oregon, solicited bids to build a new dormitory and dining hall on their campus. The overall cost for the project was over \$50 million. I was a representative for the carpenters union at the time. I had never heard of the subcontractor who was awarded the drywall on this project, so I did some research and discovered that they had never done a prevailing wage project and did not have the required public works bond. When construction on the project began, I checked to see if the drywall subcontractor had procured the required bond. They had not. I spoke with the superintendent for the general contractor and advised him that the drywall subcontractor did not have a public works bond. When the drywall phase began on the project, I checked again to see if the public works bond had been obtained. I discovered that the contractor did not have a public works bond and in addition, his contractor's license had expired. I shared this information with the general contractor.

A couple weeks after drywall installation began, the contractor was not able to make payroll. Many of the workers were Hispanic, and although most of them were here legally, they did not want to complain because they were afraid it would jeopardize their status. I contacted BOLI, and they advised me that I could not submit a claim on their behalf; the claims would have to come from the workers. I met with them off-site and helped them fill out BOLI complaints. I sent the claims to BOLI and they did what they could, but they were understaffed. The contractor was not answering his phone, and when a BOLI representative knocked on his door (his office was located in his home) he didn't answer. There was not a lot of construction work going on at the time, so some of these guys had traveled from Eugene to work on this project. They had been promised decent wages and help with room and board, but they were not getting any of it. It was right before Christmas. These men had families and no income. It was heartbreaking.

The general contractor on the project had not been concerned about the status of the drywall subcontractor because technically, it wasn't their problem. Most general contractors, when they solicit bids from subcontractors and one of them comes in a lot lower than the rest, they realize that the contractor has missed something. Responsible, ethical contractors ask the low bidder to check their numbers. Irresponsible, unethical general contractors accept that low bid, even though they know the subcontractor has probably missed something.

For reasons only the lawyers can explain, in the case of the Southern Oregon University project, the university was held responsible for the unpaid wages and ended up paying \$2.5 million. It makes me angry every time I think about it. The

general contractor was aware of what was going on all along and they were in the best position to do something about it, but they were not the ones held responsible.

When you consider this bill, please think about the workers who worked for weeks without a paycheck, confused and hurt that someone would not pay them for their hard work. It took three years for their case to make it through the courts, and by then many of them could not be located.

This bill will help workers, and it will also help responsible contractors who do the right thing but have to compete with those who do not. Owners will benefit by not being responsible for something they have little or no control over.

We have laws in place that are designed to prevent wage theft, but they are not working. It's difficult, if not impossible, for outside agencies to ensure that workers have a safe working environment and are being paid the wages and benefits that are applicable to the job. The general contractor, who is on site every day, is in the best position to do this.

This legislation is long overdue, please vote in favor of workers.