



House Bill 4089

Strengthening Oregon's Wage Theft Protections

THE PROBLEM

Wage theft in Oregon is widespread.

Wage theft occurs when employers fail to pay workers the wages, they've earned by underpaying minimum wage, not paying overtime, misclassifying, forcing off-the-clock work, or making unlawful deductions.

The scale is large and underreported.

Even though most violations never get reported, available data shows a major problem:

- Minimum wage violations alone cost Oregon workers an estimated \$283–\$405 million every year (2010–2020).
- 88,000–128,000 workers are underpaid the minimum wage each year.
- A Berkeley Labor Center study estimates that wage theft in the construction industry cost Oregon and the federal government about \$2.6 billion every year in lost tax revenue.

Wage theft claims are skyrocketing.

- From 2014–2021, BOLI averaged 1,400 claims per year.
- Since 2022, claims have jumped to nearly 3,500 per year—more than double.
- Oregon's BOLI routinely fails to collect what it orders. From 2015–2022, 41% of wages and penalties ordered by BOLI went unpaid.

THE SOLUTION

Denying workers the wages they've earned, whether through unpaid overtime, minimum wage violations, cash pay schemes, or misclassification, should be treated with the same seriousness as any other form of theft.

Criminal charges offer a stronger deterrent than civil fines. They reflect growing national recognition that wage theft is not a paperwork violation, it is economic theft that undermines families, businesses, and state revenues.

This proposal strengthens Oregon law by:

1. Expanding the definition of wage theft to capture current employer abuses and evasion tactics.
2. Lowering the mental state from “*intentional*” to “*knowing*,” aligning wage theft with other economic crimes and making enforcement practical.
3. Establishing meaningful penalties for using unlicensed labor contractors or construction contractors.
4. Adding wage theft to Oregon's RICO statute, enabling prosecutors to pursue large-scale, organized wage theft operations.