



Survey Finds Abuse of Wage Laws in Construction Industry

A Massachusetts labor-management foundation has found significant numbers of non-union employees in the Massachusetts construction industry are being denied mandated overtime pay and apprenticeship training, as well as health insurance and pension plans.

In a mail survey conducted over the last several months, the non-profit Foundation For Fair Contracting of Mass. (FFCM) found 20% of non-union construction workers have been denied overtime pay for overtime work, 81% never received promised

apprenticeship training, 43% have no health insurance and 48% have no pension plan.

Highlights of FFCM Survey of Construction Workers

- 47% of non-union workers do not receive employer paid health insurance
- Workers believe 50% of contractors cheat on prevailing wage
- 1 out of 5 non-union workers gets cheated out of overtime
- 89.2% of non-union workers believe the government should do more to enforce the prevailing wage law
- 58.3% of non-union workers believe they would be fired if they filed a prevailing wage complaint
- Non-union workers were more likely to contact the FFC (20.7%) than either the Atty. General (13.8%) or Unions (0.6%)

Karen Courtney, Director of the Foundation, said, "Unfortunately, the findings are not a surprise. Construction companies survive by submitting the lowest bid for a particular job. It's unfortunate that a portion of the industry in Mass. tries to submit that low bid by ignoring certain wage requirements."

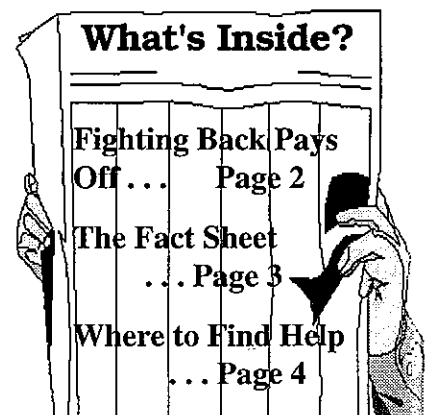
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FFCM's Wage Watch Sends Information about Construction Trades Rights Directly to Workers

The Foundation for Fair Contracting of Massachusetts (FFCM), a non-profit organization that monitors prevailing wage rates and other labor laws on public construction projects, is reaching directly into construction workers homes with a new quarterly newsletter - the Wage Watch. The FFCM assists construction trades workers with filing wage and overtime complaints against contractors at the Attorney General's Office.

The Wage Watch provides detailed information on public construction projects' prevailing wage rates, overtime requirements and instructions on which records construction workers should kept if you want to file a wage complaint and protect your rights. Men and women employed on Massachusetts public works projects will receive Wage Watch free of charge.

"Our recently completed construction workers' survey show that more employees on public construction projects get their information from the Foundation for Fair Contracting of Massachusetts than from any other source," explains FFCM Research Director Brett Smith. "Wage Watch is an important tool that can help construction workers successfully file prevailing wage violations, either with the FFCM's help or directly with the Attorney General's Office. Use it"



Fighting Back

Robert Hanley's story sounds familiar to anyone who has worked on a public construction project. Hired as an "apprentice carpenter" by a construction contractor, Hanley was excited about getting his foot in the door for a good job that would teach him the skills he needed to succeed. Instead, Hanley found himself swinging a sledge hammer as part of a demolition team at the Danvers, Ma. Fire Station with no carpentry work and no apprenticeship training classes offered. Robert Hanley decided to fight back.

During his first month of employment the only tools Robert Hanley worked with were a sledge hammer and a jack hammer. He spent several weeks breaking up concrete slabs and digging utility trenches. When construction began, Hanley was involved in erecting steel beams, steel studs and sheetrock while still being paid as an apprentice carpenter. "During my employment, I began to realize that I wasn't doing any carpentry work at all, and I wasn't set up with anyone that I could learn any carpentry skills at all either," said Hanley.

"I knew I wasn't doing any carpentry work and I came across some paperwork at the office about classifications and [prevailing wage] rates for people em-

ployed on rated jobs," explained Hanley. "I wasn't surprised to find an apprentice carpenter was the lowest wage rate, and a laborer (which is what I would classify myself as) was almost twice that rate of pay".

Even when he realized he was being underpaid, Hanley stuck with the job to get his foot in the door. Besides, said Hanley, he did not know who to bring his grievance to without being fired. In Dec., 1995, Robert Hanley was laid-off. He completed a full week's work and left Friday for the weekend. That Sunday night, two weeks before Christmas, Hanley got the call that informed him he was temporarily laid-off. He never heard from the contractor again.

Hanley met with an FFCM investigator in April 1996 and with the Foundation's assistance filed a wage complaint with the Attorney General's Office. Robert Hanley's case is currently under investigation. "I was extremely disappointed, mistreated and used by this company. I'm still trying to climb out of debt from the layoff," said Hanley. "I am eager to recover the wages that were not paid to me and to see that the company is penalized for their actions, so that this doesn't happen to someone else."

Fighting Back Pays Off

Prevailing wage and overtime complaints filed at the Attorney General's Office often take 12 months or more to be resolved but standing-up for your rights does pay off in the end. In 1996 the AG's Office recovered over \$2.8 million in back wages for workers and debarred (suspended from bidding on public projects) 25 contractors for violations of the prevailing wage law.

- A & M Roofing & Sheetmetal agreed to pay \$170,000 owed to 87 employees for overtime under payment
- \$102,000 in back pay to workers at Eastern Contractors, Inc.
- Five employees of Fiore Construction Co., Inc / Iron Construction Company will split \$100,000 in prevailing wage back pay
- Two employees of a Kentucky contractor, Pittsburgh Tank and Tower, got a total of \$7,500 in back pay after prevailing wage violations were discovered.
- Prevailing wage violations netted \$50,000 in back pay to employees of Stanley Roofing.
- \$8,000 in prevailing wage violations back pay for two employees of Sunset Drywall
- DER, Inc. returned \$10,500 to workers for non-payment of prevailing wages.
- \$3,200 in back overtime for employees of Stannah Stairlifts, Inc.
- Ajax Construction Co., Inc paid employees \$9, 476 for violations of the prevailing wage law.
- \$21,176 to six workers at Just Grind It for overtime and prevailing wage violations.

The Fact Sheet

by Brett Smith, Research Director

The Foundation for Fair Contracting receives hundreds of calls a year from workers on prevailing wage jobs. While some employees just have questions or comments, most have legitimate complaints against their employer or former employer regarding their not being paid the prevailing wage on state or federally funded projects.

When these types of circumstances arise and the worker wants to file a complaint against the employer, it usually comes down to being the employer's word against the worker's. Unfortunately, many workers do not keep records to support their claims, and therefore, the complaint has less chance of being decided in their favor.

It is very important to document your work, even if you believe you are being paid the prevailing wage. First, keep all of your pay stubs. Secondly, keep a

log book or journal in the glove compartment of your car/truck. This can be anything from a small spiral-bound notebook to a pocket-sized daily planner. In this book, it is a must to keep track of what project you worked on that day, who you worked with, what your hours were, and what type of work you were doing. These items can be jotted down at the end of each day, in a couple of minutes before leaving for home.

This will provide you with documentation that can be used in complaints regarding prevailing wage issues, as well as workers compensation and unemployment claims. While it would still be your word vs. the employer's, courts and government agencies do take well-maintained log books and pay stubs as evidence which can be used against the employer. So a little time out of each day can pay off in the long run. Keep those records!

Wage Abuse Survey

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Courtney added, "That's why the Foundation For Fair Contracting was created by both management and labor representatives in the construction industry. It's important there be a level playing field. If some companies are going to play by the rules, we have to do our best to ensure all companies play by the rules. That gives everyone a fair chance."

The Foundation monitors compliance with the state's prevailing wage law, as well as other laws governing public works projects.

Courtney said when the Foundation receives and documents a complaint alleging a company doesn't comply with the state's wage laws, the complaint is forwarded to the Atty. General's Fair Labor and Business Practices Division for further criminal investigation. In 1996, 22 contractors were barred by the Atty. General from bidding on public projects and the state recovered \$2.8 million in back wages.

However, of those surveyed, 92% said the government should do more to enforce the prevailing wage law, and they believe 50% of employers cheat on the prevailing wage. Approximately three dozen Foundation-assisted complaints are currently being handled by the Attorney General's office.

The survey was mailed to 3,3718 workers whose names appeared on payroll records for public jobs, 309 or 8.3% responded.

The Foundation for Fair Contracting of Massachusetts

The Foundation for Fair Contracting of Massachusetts (FFCM) was created to help construction workers when contractors pay less than the prevailing wage or overtime on public works projects. Workers can also get help when contractors treat them as bogus "subcontractors," cheating them out of unemployment benefits, workers compensation benefits, and payment of employer taxes. When tradesmen and women contact the FFCM, they are assured of confidentiality. More and more workers are calling because now they can get triple back pay when they file a complaint. Helping workers helps fair contractors who treat their employees decently. That helps the whole industry!

Save Your Pay Stubs...Keep a Log of the Job...

Make a Complaint

(Even after the job is finished!)

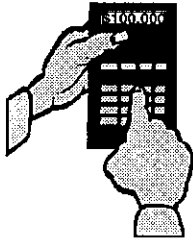
Call 1-800-224-FAIR



The Wage Watch is published quarterly by the non-profit Foundation for Fair Contracting of Massachusetts. The FFCM mailing address is Box 256, State House Station, Boston, MA 02133. *The Wage Watch* accepts Letters-to-the-Editor. For information call 1-800-224-FAIR.

Employees Prevailing Wage Lawsuit

Contractor Hit With Trebled Damages of \$100G



In a decision issued in December 1996, a judge of the Middlesex Superior Court ordered Boston Pipecovering, Inc. to pay close to \$100,000 in trebled damages and attorney's fees to two former employees for failing to pay them the prevailing wage on a Logan Airport project.

The judge found that Boston Pipecovering committed a willful and knowing violation of the law when it failed to keep true and accurate payroll records for the work done installing insulation at Logan Airport's heating plant. The judge also found that Boston Pipecovering violated the law when it failed to pay Ronald Rosati and Robert Croteau the prevailing wage for each of the hours they worked on the airport job, and ordered the contractor to pay Rosati and Croteau their lost wages, trebled, with interest, plus their costs and attorney's fees.

The judge rejected Boston Pipecoverings' defense, that some of the employees' work was done offsite and therefore not subject to the prevailing wage. The case is currently on appeal.

FFCM Hires Attorney

The FFCM has recently hired an attorney to represent workers on private right of action claims for non-payment of wages against their employers. Workers are permitted to sue their employers under MGL Chapter 149 after filing a complaint with the Attorney General's Office. The employee must receive permission from the AG to take the case to court independently.

Where To Find Help

FFCM Hotline
1-800-224-FAIR (3247)

The Industrial Accident Board
1-617-727-4900
(Workers' Compensation Claims)

National Labor Relations Board
1-617-565-6700

Occupational Health & Safety
Administration
1-617-565-7164
(OSHA)

Mass. Dept. of Labor & Industries
1-617-727-3492

The Attorney General
Wage Complaints
1-617-727-3477

AG's Springfield Office
165 Liberty St., Springfield, MA

AG's Pittsfield Office
46 Summer St. Pittsfield
(Open Tuesday)

AG's Worcester Office
340 Main St., 2nd Fl., Worcester
(Open Mon. & Tues.)

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