

**Written testimony submitted to the New York State Senate Finance Chair and Assembly Ways and Means Chair**

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**Honorable Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee:**

I am submitting this written testimony in my capacity as the Director of Operations for the Construction and General Building Laborers' Local 79, a local of over 6,500 active members who work throughout the five boroughs of New York City. Local 79 is part of the New York Coalition to End Wage Theft, a broad-based coalition of community based organizations, labor unions, and religious and civic groups.

The passage of the Wage Theft Prevention Act in 2010 was a significant step forward in expanding the Department of Labor's authority to enforce the labor law and for expanding remedies available for workers who have been the victims of wage theft. However, it is a well-known fact that the Department of Labor has a huge backlog of cases and workers who submit complaints to the Department of Labor about wage theft are sometimes waiting for years to get their cases heard and resolved.

Local 79's interest in stricter enforcement of the Wage Theft Prevention act is both principled and practical. We believe there are few things more shameful than robbing workers of what is due them for their labor. On a practical level, employers that do not comply with minimum wage, overtime, and prevailing wage regulations (to name the most common forms of wage theft), provide unfair competition for companies that abide by the laws.

Local 79 and the Mason Tenders' District Council, of which we are a part, have been advocating for non-union workers who have been the victims of wage theft for many, many years. For example, in 2006, we worked to help non-union demolition workers receive a settlement for \$475,000 against Advanced Contracting Corporation. To hide their law breaking, Advanced Contracting, which was the only client of two staffing agencies, had not

provided the agencies with sufficient monies to pay for the overtime wages to which the workers were entitled.

Another more recent case, in September of 2013, required Signal Restoration Services to pay over \$500,000 to workers who were involved in Hurricane Sandy cleanup work at New York City Hospitals. In this case, subcontractors of Signal Restoration Services paid well below the prevailing wage and in many cases failed to pay overtime. At the resolution of the case, Attorney General Schneiderman thanked the Mason Tenders' District Council along with Make the Road New York, another member of the New York Coalition to End Wage Theft, for playing a part in bringing the case to his attention.

Each of the examples above, of which there are many more, involved advocacy organizations that helped pave the way for these settlements through the Attorney General's office. Unfortunately, settlements of this kind, which apply to an entire class of people, appear to be the exception to the rule. As noted in a recent article in The New York Times, there are over 14,000 complaints of wage and hour violations that are sitting at the New York State Department of Labor waiting to be resolved. No doubt there are thousands upon thousands of workers who have not filed complaints, probably in large part because the word on the street is that it just plain isn't worth the time or effort.

If countless numbers of New Yorkers were being robbed of hundreds of thousands of dollars each day in the streets, the public would surely be outraged and call for more law enforcement officers to end this most visible form of theft. Yet when countless numbers of New York City workers are the much less visible victims of an estimated \$1 billion in wage theft in 2010 alone, there is no immediate rush to increase the funding to bolster the ranks of those who would enforce the Wage Theft Prevention Act.

We join other members of the New York Coalition to End Wage Theft in calling on the New York State Senate and Assembly to appropriate more money so that the Department of Labor, whose personnel devoted to enforcement of this law is clearly inadequate, can hire 200 additional investigators and increase staffing for the Industrial Board of Appeals to clear up the backlog of cases and speed up the processing of incoming cases and appeals. While

**this may not put an end to the ongoing criminal behavior of unscrupulous employers who steal the labor of their workers, it will signal that New York State is serious about enforcing the law and will make employers think twice about violating the law. At the same time, it will allow worker to recoup stolen wages without waiting, in many cases, almost indefinitely.**

**Respectfully submitted on February 7, 2014,**

**Thom Thacker**

**Director of Operations, Construction and General Building Laborers' Local 79**

**520 8<sup>th</sup> Avenue, 6<sup>th</sup> Floor**

**New York, NY 10018**

**[tthacker@laborerslocal79.org](mailto:tthacker@laborerslocal79.org)**

**212-465-7928**