



Hot Sheet

January 2022



Study Shows 39% of Construction Families Need Public Assistance Costing Tax Payers Over \$28 Billion a Year

New [reports](#) from the **UC Berkeley Labor Center** show the impact of the attack on union representation, low wages and illegal employment practices. Nationally, 39% of construction worker families are enrolled in at least one safety net program to make ends meet, costing state and federal governments \$28 billion a year. Additional reports found similar results in [California](#), [Connecticut](#), [Illinois](#), [Pennsylvania](#), [Texas](#) and [Washington](#).

“This report shows just how outrageous the common, illegal business practices in the construction industry really are,” said **UBC General President Douglas McCarron**. “It demonstrates that, not only are cheating contractors hurting construction industry families, but they are pocketing profits at the expense of taxpayers. We have a construction industry that rewards low-road employers and turns a blind eye to white collar crimes against blue collar workers. The result is that taxpayers foot the bill.”

“Good employers and good jobs that support strong families and create a strong middle class are no accident of history. They are the result of hard-working people in the labor movement and the employers, legislators and allies who united to organize for progress,” said **UBC General Vice President Frank Spencer**. “This report needs to be a wake-up call to the construction industry, legislators and law enforcement. You better believe that the UBC will continue to take action.”

Election Consequences and Results

The **Build Back Better (BBB)** legislation being held up in the US Senate has two very important provisions for attacking construction industry tax fraud. **BBB** creates fines for employers who retaliate against employees engaged in concerted activities protected by the **National Labor Relations Act (NLRA)**. Currently, violations result in posting notices, and, if a worker was terminated, only paying back wages. Second, much needed funding is restored to the **IRS** to investigate and collect unpaid taxes from scofflaw employers.

The **US Department of Labor (USDOL)** and the **National Labor Relations Board** signed a [memorandum](#) agreeing to share information about respective violations of the laws they enforce. Additionally, they will refer employees who have had their rights violated to each other.

The **USDOL Office of Labor Management Standards** reminded employers in a [blog](#) that they also have reporting requirements. Other than reporting payments to firms hired to persuade employees not to unionize, employers need to report on surveillance of employees and violations of the NLRA. The blog also contains a link to a tip line for complaints.

STANDING UP TO
TAX FRAUD
SPEAK OUT. TAKE ACTION.

Construction Industry Tax Fraud
Days of Action – April 11-16, 2022

Countdown has Begun for Tax Fraud Days of Action 2022

Tax Fraud Days of Action 2022 will be April 11-16 this year. Past years’ Days of Action have seen regional councils succeed in passing legislation and putting scofflaw contractors on notice that we will never give up.

New York Contractor to Pay Nearly \$1 Million

A federal court approved a [consent judgment](#) following a **US Department of Labor (USDOL)** investigation into concrete-construction contractors **Macedo Construction, Inc.**, **Macedo Contracting Services, Inc.** and **Odecam Concrete Supply Corp** resulting in **Manuel Macedo** paying \$987,591 in back wages, liquidated damages and interest. The USDOL investigation uncovered a scheme to evade paying overtime. Macedo and his commonly-owned companies paid the workers without combining the hours worked.

USDOL Collects \$115K from Hawaii Contractor

The **US Department of Labor** [caught](#) Honolulu’s **Vladimir’s Marble & Granite, Inc.** not paying overtime. Vladimir’s had misclassified employees as independent contractors. Total wages and liquidated damages recovered were \$115,000.

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