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A Division of the WV State Building Trades, AFL-CIO | Bill Hutchinson, *President* | Dave Efav, *Secretary-Treasurer* | Steve White, *Director*

60 Day 2019 Legislative Session Underway in WV

The 2019 Legislative Session began on January 9 with many new members and new leadership in both the House and the Senate.

The good news, according to WV State Building Trades Secretary-Treasurer Dave Efav, is the amount of labor friendly legislators increased from previous year.

The bad news is Labor friendly legislators are still a minority.

"We have our work cut out for us," said Efav. "We must stay on the alert for more legislative efforts to hurt working families and the construction industry."

Some areas of concern which were defeated last session and already introduced for 2019 include the attack on licensing of certain trades and contractors.

Attempts to weaken the crane operator certification law passed the state Senate last session but never were acted on in the House. Senate Bill's 64 and 68 are new versions in-

roduced the first day in the Senate.

Efforts to defund the WV Division of Labor and Contractor Licensing Act have also mostly failed but could return.

Sheet Metal Workers were able to negotiate a compromise on an effort to repeal the HVAC and Fire Dampener installer licensing law by creating a new residential HVAC license. The

rules guiding that new law will be voted on this session.

Attempts to stop wind power projects by raising the taxes they

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(From right) Senator Glenn Jeffries (D-Putnam) talks with Justin Williams of Operating Engineers Local 132 and Andy Walters of the WV AFL-CIO about the 2019 session on the floor of the West Virginia State Senate.

Pittsburgh Passes Resolution to Create Construction Industry Fraud Task Force

The city of Pittsburgh has created a task force to tackle fraud in the construction industry.

The Joint Task Force on Construction Industry Fraud was established after members of the Trades showed city council members the tax revenues lost to the underground construction economy.

The resolution read in part that

"violations of ordinances in the construction industry frequently include the failure to comply with the payment of proper wages that make it difficult for construction workers and their families to reach and maintain a middle-class livelihood."

Among the many craft leaders promoting the effort was Steve Mazza, a representative of the Keystone-

Mountain-Lakes Regional Council of Carpenters and a resident of Pittsburgh.

"All the Trades were involved. We talked about collecting taxes the city needs to operate and showed how all too often some contractors were not paying what they should," said Mazza.

According to Mazza cash wage

payments are a big problem that is well documented.

He has seen many instances where workers were paid cash, without any deductions.

"Our city has been through bankruptcy, we need to go after these tax dollars."

Mazza hopes to be on the Task

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Jobs Act Violations, Late Completion Payrolls Show Another Out-of-State Contractor Fails to Pay Taxes on Public Project

Payroll documents have uncovered another bridge painting contractor violating state law by not withholding West Virginia taxes on their tax funded projects in West Virginia.

Elite Contractors, Inc. of Campbell, Ohio was awarded a \$1.3 million bridge painting contract in June of 2017 by the WV Turnpike Authority.

The job includes painting on five bridges in Kanawha and Fayette Counties.

The evidence of nonpayment comes from payroll records collected by Painters District Council 53.

State law requires contractors on public projects to submit payroll records. These are considered public records and are often reviewed by labor groups.

Most of the workers were from Tarpon Springs, Florida and no state income tax deduction was shown on the payroll documents.

State law requires payroll taxes be paid on behalf of all workers unless

they reside in a bordering state and then the taxes can be paid directly to

“Our government apparently has a system that gives out-of-state companies who import workers a competitive advantage over companies from our area who use local workers”

Brian Stanley

*Director of Marketing
Painters DC 53*

their home state.

In addition Elite was fined \$7,500

by the WV DOL in July of 2018 for multiple violations of the WV Jobs Act in connection with this project.

Further, the contract specifications called for the project to be complete by June 29, 2018.

However they did not complete the project until November and were not asked to pay any costs associated with being late, such as for the four extra months to pay on-site inspectors.

“Our government apparently has a system that gives out-of-state companies who import workers a competitive advantage over companies from our area who use local workers,” said Brian Stanley, Director of Marketing, Painters DC 53.

“We can compete with anyone when we are on a level playing field,” said Stanley.

“But if companies don’t pay their taxes, don’t follow the law, and don’t follow the specifications then local workers and contractors don’t stand a chance.” ■

60 Day 2019 WV Session

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must pay has also passed the Senate but failed to pass in the House last year. SB 20, 47 and 53 all increase the tax on wind projects and were introduced on the first day.

Similarly a bill to make construction payrolls on public projects a secret has also return as SB 69 and HB 2045.

“We have caught more than one contractor cheating the state or workers from these payroll documents and making them secret would be a great help to the cheaters,” said Efaw.

Bill’s to eliminate responsible contractor language have also been reintroduced.

Current law states the lowest responsible bidder is to be awarded a contract. SB 65 and 70 would outlaw any attempt to stop contractors with terrible track records from receiving an award of tax payers funded projects.

There are some glimmers of hope.

SB 1 is a renewed effort to make community colleges free.

The Trades want to make sure apprenticeship programs are included in the measure rather than being excluded from any funding.

A few additional bills talk about the need to enhance apprenticeship opportunities which makes sense when skilled labor is in demand.

“We want to make sure a person going into an apprenticeship program has the same consideration as someone going to a community college,” said Efaw. “We don’t see why tax dollars should benefit one method of training and punish the other.”

Efaw also said the Trades will be working to promote more gas industry related construction jobs including support for pipeline projects, better compliance with the WV Jobs Act and the state tax laws.

“We have too many companies importing workers and not paying taxes.” ■



Elite Contractors, Inc., from Campbell, Ohio, imported bridge painting workers from Florida but did not pay the state income tax required by law. A company called Seminole Equipment from Tarpon Springs, Florida, was caught in 2017 doing the same thing. Both times it was a citizen review of payrolls that showed the violation.

Wage, Safety Violations

Questions Raised about Florida Bridge Painting Contractor's Track Record

A bridge painting contractor from Tarpon Springs, Florida which was recently awarded a \$4,584,350 Blue-stone Bridge painting project, has a troubling record according to documents provided by Painters District Council 53.

The Council provided the documents to the West Virginia Turnpike Authority at their Executive Board meeting held on December 6 in Beckley.

Records show Southern Road and Bridge, Inc., has a long list of wage and safety violations resulting in hundreds of thousands of dollars in back pay and fines.

The records come from Pennsylvania, Florida, Georgia, New York and Massachusetts.

"We want to make sure the Turnpike Authority is aware they have once again awarded a project to a contractor they will need to watch very closely," said Dan Poling, Business Manager of Painters District Council 53.

Wage violations in three states during 2017 totaled around \$475,000.

In New York the company had to pay \$185,320 in back wages and fines.

In Massachusetts they paid \$208,407 and in Pennsylvania it was \$82,834.

In addition, the company received OSHA violations and a warning regarding problems associated with the e-verify system which is used to make sure workers are legal.

The Turnpike project was bid on June 28, 2018. Southern Road and Bridge bid \$4,584,350.

Eagle Industrial Painting from Ohio, a company that uses local union labor, had the next best price at \$4,809,352.

According to Poling the project has not even begun some six months after the award.

"We don't know why this project has not started, but we suspect when they do start they will import their

workforce and leave local workers in the unemployment lines," said Pol-

ing.

"We are tired of paying for jobs

that workers from Florida and Louisiana and North Carolina get." ■

New IBEW 466 Training Facility



The [Apprenticeship program](#) for IBEW Local 466 in Charleston has a new hands-on training facility under construction. The 50' x 60' building will have 20 foot ceilings and an open floor plan for flexible training mock-ups. The project is expected to be complete later this year. MIRC Construction Services of Charleston is the general contractor.

Walk-Ins Staged on First Day



Teachers and school service workers in Fayette County met early in the morning on the first day of the legislative session for a 'walk-in' event. The same action took place at local schools across the state to send a message to legislators meeting in Charleston.

RTW Leads to Fewer Jobs in Kentucky

The rate of job growth in Kentucky was significantly higher before a so-called Right-to-Work law was enacted.

The rate of job growth has declined significantly since the RTW measure became law in January of 2017.

That fact, released in December by the nonpartisan Kentucky Center for Economic Policy, used Bureau of Labor Statistics employment data.

The report, entitled: "Kentucky's Economic Performance Falls Short of Claims Based on Corporate Announcements," examines the Kentucky Cabinet for Economic Development's 2017 report identifying \$9.2 billion in corporate investment announcements.

Of the announcements only 18 percent of the new investment came from new companies.

This is a sharp contrast to the prediction that RTW would attract a large amount of new companies to the state.

The data shows Kentucky added 700 net new jobs a month on average in the 21 months since the RTW law

passed, in contrast to 2,100 net new jobs a month in the 21 months before the law passed.

The data also showed the state added a net 1,000 manufacturing jobs total since the law was enacted compared to 13,600 net manufacturing jobs in the same amount of months before the law.

"The promise that RTW would result in a Kentucky manufacturing jobs bonanza was nothing but a lie to hide the truth that RTW is a discriminatory, punitive and unfair law"

Bill Londrigan

*President
Kentucky AFL-CIO*

Since Kentucky's RTW law passed, jobs have grown 0.8 percent in Kentucky compared to 2.8 percent for the U.S. and 3.1 percent for the South.

Bill Finn, State Director of the Kentucky State Building Trades, noted the state has changed the way they report job growth by no longer including lost jobs.

For example, a Trane plant in Lexington was recently moved to

South Carolina resulting in 600 lost jobs to Kentucky but those numbers are no longer reported.

"If you just count what you deposit in your checking account and not what you spend, of course your finances will look good," said Finn.

The report notes rigorous research finds most state job creation is not the result of luring companies from

elsewhere, but through the start-up of new businesses and the expansion of existing companies.

Lower labor standards and policies such as expanded tax breaks are not linked to stronger economies.

"The promise that RTW would result in a Kentucky manufacturing jobs bonanza was nothing but a lie

to hide the truth that RTW is a discriminatory, punitive and unfair law," said Bill Londrigan, President of the [Kentucky AFL-CIO](#).

"Its true purpose is to hamper the ability of unions to increase wages, benefits and improve conditions for Kentucky's hard working men and women." ■

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Pittsburgh Passes

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Force representing the Trades. The city of Philadelphia has some measures he would like to see in Pittsburgh.

"I am hoping we can work to get ahead of the problem, to make sure at the start of the projects things are set up properly rather than wait until the end of the job."

The Task Force resolution passed city council on December 27, 2018 and is in the process of being formed.

It should be up and running by February.

The Task Force is expected to include representatives from the Pittsburgh City Council; Pittsburgh

Mayor's Office; Allegheny County District Attorney's Office; Pittsburgh Regional Building and Construction Trades Council; Pennsylvania Department of Labor and Industry; Office of City Controller; Department of Permits, Licenses and Inspections; and other groups to be determined.

According to the resolution it will review existing practices, provide recommendations to the Mayor and City Council, and create a report with any recommended code and/or policy changes to protect businesses and their workers against tax fraud and unfair construction industry trade practices. ■


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