



For Immediate Release: April 15, 2019

For more information, contact:

Andrew Disch
NCSRCC Political Director for Wisconsin
608-354-8064

Evers Signs Historic Order on Payroll Fraud & Worker Misclassification

Carpenters Union hosts, supports Governor's action

Madison – Wisconsin Governor Tony Evers signed a historic executive order Monday that will strengthen the state's ability to investigate and take action against employers that cheat taxpayers by misclassifying workers.

"We applaud Governor Evers for taking bold action to address an epidemic in the construction industry," said John Raines, Executive Secretary-Treasurer of the Carpenters. Evers signed Executive Order #20 while flanked by members at the union's Training Center in Madison.

From 2016 to 2019, the Department of Workforce Development [DWD] found 44% of workers investigated during employer audits had been misclassified as independent contractors. By paying these workers in cash or as independent contractors, employers cheated the state's unemployment insurance fund to the tune of \$1.8 million.

"The taxpayers of Wisconsin are getting a raw deal," added Raines. "Tax fraud hurts law-abiding contractors, workers and their families. Enhanced enforcement is necessary to curb this illegal and immoral activity."

Tax fraud gives cheating contractors a 30% advantage in labor costs, leaving responsible contractors who play the rules underbid and losing work. This happens especially on public projects where contracts are awarded based on the lowest bid.

The public is already with Governor Evers on this issue. A poll this month from Wisconsin Infrastructure Investment Now [WIIN] found 68% of Wisconsin voters oppose companies labeling their employees "consultants" to avoid paying Social Security, Workers Compensation and payroll taxes.



In addition, 91% agreed that all bids should accurately reflect full wages and benefits without hidden costs to taxpayers. When workers are injured on the job and the contractor hasn't paid into the workers compensation system, taxpayers often pay emergency room and other costs.

"Payroll fraud deprives workers of key protections, deprives government of tax revenue and gives cheating contractors an advantage over law-abiding contractors. We commend Gov. Evers for addressing this issue of fairness," concluded Raines.

"The Carpenters Union looks forward to working with members of the task force to ensure the laws that protect taxpayers are being enforced."

#

North Central States Regional Council of Carpenters represents nearly 26,000 Carpenters across Wisconsin, Minnesota, Iowa, North Dakota, South Dakota and Nebraska. As a union, we are dedicated to protecting and elevating the economic and social condition of all people.