

TO: Oregon State House Committee on Business and Labor

FR: Amber McCoy

ATTN: Chairman Holvey, Vice-Chairs Elmer, and Sosa

RE: HB 2057

March 8, 2023

Good morning, Chair Holvey and members of this committee. My name is Cody Muchow. I am testifying before you today on the issue of wage theft, particularly HB 2057. I have not personally suffered from wage theft, but it is prevalent in the construction industry and affects every tradesperson.

Wage theft has a rippling effect that costs workers, their families, and communities billions of dollars each year.

The U.S. Department of Labor hired several new investigators for the Wage and Hour Division last year to assist with complaints; the infrastructure package passed in 2022 will require increased investigations on wage theft, and The Build Back Better Act includes more than \$4 billion earmarked for the Wage and Hour division to bolster enforcement activities, along with other measures to protect workers. Additionally, an increasing number of district attorneys and state attorneys general have begun prosecuting employers for wage theft.

Several states have also taken action to increase the costs of wage theft to employers. Connecticut requires employers to pay employees back double for any wages stolen. Some states require employers to pay back three times the amount stolen from workers. Minnesota has a law that specifies criminal charges with jail time and fines of up to \$100,000 for those who commit wage theft. In Washington, D.C., employers who commit wage theft can be found guilty of a misdemeanor and sentenced to up to 90 days in prison, in addition to a \$10,000 fine for each affected employee.

California, Iowa, and South Carolina have instituted preventative laws that require employers to provide clear, written information to new hires about their expected wages, deductions, paydays, paid sick leave, workers' compensation, and employer contact information to make it easier for employees to recognize wage theft.

HB 2057 will help contractors to regulate themselves and rids the industry of unethical contractors. HB 2057 will take care of the workers who have been laid off for asking if they are being paid correctly. HB 2057 will address workers who have been misclassified or have not been paid.

Please vote yes on this bill and help the State of Oregon, workers, and the communities in which they live and work.

Thank you for your time.

Cody Muchow