



LISA FRAGALA
STATE REPRESENTATIVE
HOUSE DISTRICT 8
FROM THE WILLAMETTE RIVER TO SPENCER BUTTE
HOUSE OF REPRESENTATIVES

February 27, 2025

Chair Prozanski, Vice Chair Thatcher, and Members of the Committee,

My name is Lisa Fragala and I represent House District 8, which includes central and south Eugene, as well as part of the Crow-Applegate-Lorane Valley. I am writing in support of SB426.

SB426 seeks to strengthen protections for construction workers in Oregon by introducing joint and several liability for certain stakeholders in construction contracts for unpaid wages, benefits, and penalties owed to workers by their subcontractors at any tier.

At the heart of the bill is an effort to protect the working men and women who build our state's communities, and is, in my opinion, a long overdue solution to what is unfortunately a widespread challenge for Oregon's construction workers. Between 2006 and 2022 workers filed claims with BOLI for \$50 million in stolen wages, and BOLI determined most of these claims to be valid. Additionally, we know that BOLI has a significant backlog of unprocessed claims, resulting in delays for workers to receive wages and support.

When I spoke to your committee, I brought with me a document with me that has been making its way around the capital building. This report contains the wage claims of Oregon workers who have been the victims of wage theft from 2015-2022. There are over 900 pages printed with lists of names. Each of these cases is not described in detail, so what this document represents is over 900 pages of workers who have been the victim of wage theft in Oregon. This is a significant number of Oregonians who worked an honest day's labor and may not have receive their hard-earned compensation.

Each line on the document represents an individual in one of our communities, not just a number, so today I'd like to share a more personal story with you. Sebastian was working for a wood framing sub-contractor hanging drywall on a construction project, and initially, was getting paid in both cash and check, however he was also being charged 18-20% each time he was paid to receive his earnings; these were not the usual tax withholdings. A short time later Sebastian and his wife, who was pregnant, communicated that they had become homeless and were staying on a coworker's couch. Sebastian's labor broker had stopped paying him and owed him three weeks wages. The stress of their predicament took a toll on Sebastian's wife's health and the couple worried constantly about the well-being of their child.

At this point, Sebastian didn't even have enough money to pay for gas to get to a job site and the couple was only able to eat with the help of the local mission. This continued for another three weeks before the labor broker eventually paid Sebastian A PORTION of the money he was owed. The financial strain on Sebastian and his family because of wage theft was significant, but his story, unlike many others, does eventually have a positive outcome. Sebastian eventually was able to get a job on a union project and the stability of this job finally brought some financial relief to his family.

The over 900 pages of this document are not simply statistics; they are in reality life stories similar to Sebastian's, Oregonians who worked an honest day's labor but did not receive their hard-earned wages. In addition to wage theft, labor trafficking has become an increasingly alarming issue in construction. Recent reports from other states indicate that over 20% of construction workers experience labor trafficking. These practices target some of Oregon's most vulnerable communities.

By establishing joint and several liability, SB426 tackles the root causes of wage theft in the construction industry. It ensures accountability, compliance with labor laws, and strengthens the protections for working men and women who help to build our state's communities. It will strengthen Oregon's construction industry by fostering fairness, ethical practices, and safeguards for our workforce. Thank you for the opportunity to speak with you today. I urge you to join me in supporting SB426.

Sincerely,

Lisa M. Fragala

Representative Lisa Fragala
House District 8

Rep.LisaFragala@oregonlegislature.gov - www.oregonlegislature.gov/Fragala
Capitol Address: 900 Court St. NE, Salem, OR 97301 - Office Phone: (503) 986-1408

