



*Testimony in Support of HB 4089 (2026)*

Dear Chair Grayber, Vice-Chairs Scharf and Muñoz, and Members of the House Labor and Workforce Development committee,

My name is Kate Suisman. I am an attorney at the Northwest Workers' Justice Project (NWJP). Thank you for the opportunity to provide testimony on this important bill. We represent workers in low-wage jobs when bad things happen to them at work: when they are not paid, or are discriminated against for being in a protected class or are retaliated against for speaking up. Finally, we engage in policy advocacy and try to bring the important perspectives of workers in low-wage jobs and immigrant workers to these policy discussions.

For twenty years, NWJP has been focused on ending wage theft. Yet despite the hundreds of cases we have successfully litigated and won alongside workers, wage theft continues mostly unabated. This is true despite the work the Legislature has done as well, including adding construction to the Oregon Contractor Registration Act in 2013, and our state labor agency standing up a unit to focus on strategic wage theft cases in construction and a few other industries.

Despite this good work aimed at addressing wage theft in construction, some low-road employers make the calculated decision that committing wage theft is worth the risk. They know our enforcement system is complaint-driven, and many workers are reluctant to speak up. They also know that even if they get caught, they only have to pay the wages of the workers who spoke up, and keep the wages of the many who never complain. (This may not be true in a class-action lawsuit or in a strategic enforcement case brought by BOLI, but these are rare exceptions.)

The bill before you today aims to recalibrate that calculated decision that some employers make, and remind them that they could face significant financial penalties and even jail time if they steal workers' wages. It aims to do this in a few important ways.

First, it expands and clarifies the definition of "theft of services," a part of Oregon's theft of property statute, ORS 164. It adds the specific ways wage theft shows up, such as underpaying workers, not paying overtime, illegal deductions, requiring kickbacks or working off the clock, and others. This gives law enforcement the clear authority they need to address wage theft as a criminal matter. (Section 1(1)(c).

Next in Section 1(5), the bill explains how to calculate the amount of theft that occurred, using the difference between what was paid and what should have been paid.

In Section 3, certain state agencies are directed to report systemic wage theft to the Attorney General, or the district attorney where the theft took place. If the named agencies "identify a pattern of conduct that may constitute theft of services," they *shall* refer these cases. The

agencies invoked here are the Bureau of Labor and Industries, Department of Consumer and Business Services, Department of Revenue and the Employment Department. This section is important to NWJP and to workers since it should have the effect of making certain state agencies take a more proactive role in rooting out patterns of wage theft, however safeguards need to be in place to make sure sensitive worker information is not shared with law enforcement without written worker consent. When a “matter” is referred to law enforcement, this section should be amended to make clear it is limited to referring *employer* information and no sensitive worker data will be shared without consent.

Section 4(7) is also important. It makes a new Class C felony for violation of the above-mentioned Oregon Contractor Registration Act when someone knows or should have known they were using the services of an unlicensed labor contractor. ORS 658.410. We have seen very lackluster enforcement of this law by state agencies, and private enforcement, while effective, has not been done at large scale. This new felony will help employers who are using labor contractors make sure they are only contracting with registered entities.

Similarly, Section 5(2) creates a Class C felony for using the services of an entity that is not a licensed construction contractor under ORS 701.021. (This is the law governing the Construction Contractors Board or CCB.)

Finally, Section 5(5) bill creates a Class C felony if a licensed contractor lets another person use their CCB license with an intent to deceive the public. This deceptive practice happens regularly in the wage theft cases we see. An entity that may have no insurance, no workers’ compensation, no license of any kind pays a licensed contractor an amount of money to use their license. This is a serious and dangerous situation that will be addressed by this section.

Stepping back to think about how this bill fits into the current enforcement landscape, NWJP acknowledges that this approach alone will not solve the problem of wage theft. Workers, especially low-wage workers, need to be able to recover the money they are owed when due so they can pay bills and life expenses. That should always take priority, but these types of serious, criminal consequences are an important piece of the puzzle to send a strong message of accountability to employers who steal wages. We also acknowledge that our criminal justice system has not been applied fairly in the past and continues to show disparate outcomes for Oregonians depending on race, language, income and other factors. Implementing this bill should be done with awareness of the unequal way our criminal justice system has treated and continues to treat people.

We appreciate your attention to this important bill and ask for your support. Thank you.