



NEW YORK STATE SENATOR

William T. Stachowski

Stachowski Works WITH Senate Labor Committee at Public Hearing to Investigate Illegal Activities of Unscrupulous Contractors

WILLIAM T. STACHOWSKI January 13, 2010

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Hearing Examined the Loss of Revenues to the State Caused by Employee Misclassification in the Construction Industry, and the Negative Impact on Law-abiding Workers and Employers

As a member of the Senate Standing Committee on Labor, Senator William T. Stachowski (D-C, Lake View) today participated in a public hearing in Albany that examined the problem of employee misclassification in New York's construction industry – both upstate and downstate – and its impact on the State's economy, workers and employers.

Misclassification occurs when employers wrongly classify workers as independent contractors, rather than as employees, to avoid paying unemployment insurance, payroll taxes, workers' compensation, social security and prevailing wages.

"We are learning now just how serious this problem has become," said Senator Stachowski. "By hiring workers off the books, unscrupulous employers are able to pocket millions of dollars in taxes that would otherwise be paid to the State. Today's hearing revealed that this figure is more than \$300 million."

Senator Stachowski is cosponsoring legislation (S.5847) designed to ensure that contractors and subcontractors who compete for and win public works contracts in New York State meet specific responsibility standards.

“Not only will this legislation level the playing field for honest contractors, but it will weed out those who are cheating the state’s taxpayers and return \$300 million to New York State that we clearly cannot afford to keep losing in these difficult economic times,” added Stachowski.

Witnesses at today’s hearing included: New York State Workers’ Compensation Board Chairman Robert Beloten; Jennifer Brand, Executive Director of the New York State Joint Enforcement Task Force on Employee Misclassification; John Donoghue, President and Business Manager of the Plattsburgh/Saranac Lake Building Trades Council; Robert Mantello, President of the Greater Capital Region Building and Construction Trades Council; Matthew Capece, national representative of the General President of the United Brotherhood of Carpenters; Michael L. Conroy of the Empire State Regional Council of Carpenters; Jack Kittle of the International Union of Painters and Allied Trades District Council #9; Pat Tirino, Secretary-Treasurer of Bricklayers and Allied Craftworkers, Local 2; Anthony LaCava and Michael Barbera, business agents for Bricklayers and Allied Craftworkers, Local 1; Linda Donahue, Senior Extension Associate for the Cornell University School of Industrial and Labor Relations; James Parrott, Deputy Director and Chief Economist for the Fiscal Policy Institute; Todd Helfrich, Managing Director of the Eastern Contractors Association, Inc.; and Lou Anthony, Vice-President of Sam Greco Construction, Inc.