



## United Brotherhood of Carpenters and Joiners of America (UBC)

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### **On April 14 – 17 Carpenters Will Hold Events to Protest Tax Fraud Across Canada and the United States**

Washington, D.C. – The United Brotherhood of Carpenters and Joiners of America (UBC) announced that its regional council affiliates will hold Days of Action events April 14 – 17, 2021, to protest against widespread construction industry tax fraud in the U.S. and Canada. Details on the actions can be found at [StopTaxFraud.net/StandUp](http://StopTaxFraud.net/StandUp).

Many of the Tax Fraud Days of Action events will be virtual and all in-person events will be held in strict accordance with local regulations due to COVID-19.

Those who engage in tax fraud use a variety of schemes. Many employers deliberately misclassify workers as independent contractors or pay them off the books so they can avoid paying employment taxes. In 2020 an [authoritative study](#) found that as many as 2.41 million construction workers, over 20 percent of the construction workforce, are illegally paid off the books or misclassified as independent contractors. Using mid-range estimates, the federal and state tax losses are \$8.4 billion a year.

Other schemes in the fraud playbook include using shell companies, laundering money, refusing to pay overtime and falsifying workers' compensation data to avoid paying premiums. Immigrant workers are especially vulnerable to wage theft and often fear standing up for their rights.

Tax Fraud is a scourge in Canada as well. In Ontario alone, \$3.1 billion is lost every year.

“Those who perpetrate fraud schemes undermine legitimate employers by underbidding them and steal tax revenue that should go to needed services,” said UBC General President Douglas J. McCarron.

“But at the end of the day this is about the fair and equitable treatment of workers, both those who suffer directly from labor abuse and those who lose out on the decent, middle-class jobs that law-abiding contractors provide,” McCarron said.

Examples of planned Days of Action events include:

- On April 15, the Michigan Regional Council of Carpenters will host a virtual roundtable press event with Governor Gretchen Whitmer and construction employers to announce upcoming changes to the state’s procurement process that will help combat fraud.
- On April 14, Louisiana Governor John Bel Edwards will be the leadoff speaker at an educational webinar on tax fraud hosted by the Central South Regional Council of Carpenters. The speakers list includes a variety of stakeholders and officeholders from Texas and Louisiana.
- Members of the North Atlantic States Regional Council of Carpenters in Connecticut will gather in-person in Wooster on April 15 to rally against tax fraud, along with state Attorney General William Tong and other officeholders. The council is also holding events in numerous cities and towns throughout New England and New York State.
- On April 15, 16 and 17, the Southwest Regional Council of Carpenters will hold a press event, a roundtable discussion and a Balboa Park rally, with participation from a variety of state and local officeholders as well as contractors and workers.
- UBC regional councils throughout Canada are holding informational meetings with federal and provincial officials and distributing literature to educate the public.

Michigan Attorney General Dana Nessel recently wrote a blog post as part of the Tax Fraud Days of Action campaign. “The actions of dishonest employers are unconscionable and continue even during the COVID-19 pandemic when so many are struggling,” Nessel wrote. “These shameless employers must be stopped.”

“We can no longer tolerate fraud in the construction industry,” McCarron said. “We need to fully fund our tax and employment law enforcement agencies and hold contractors responsible. All we, law-abiding contractors and taxpayers are asking for is fairness.”

*The United Brotherhood of Carpenters represents over 500,000 members and strives to build a strong construction industry with contractors across the United States and Canada.*

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