



United Brotherhood of Carpenters and Joiners

STANDING UP TO
TAX FRAUD
SPEAK OUT. TAKE ACTION.

Construction Industry Tax Fraud
Days of Action — April 12-18, 2023

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For Immediate Release:

April 12, 2023

Union Carpenters and Allies Hold Events Across Canada and the United States to Protest Employer Tax Fraud and Worker Abuse in Construction

Washington, D.C. — The United Brotherhood of Carpenters and Joiners of America (UBC) announced that its regional affiliates will hold Days of Action events April 12 – 18, 2023, to educate the public and protest widespread construction employer tax fraud and abuse of workers in the United States and Canada.

Details of the events can be found at StopTaxFraud.net/StandUp.

State and federal tax losses reach at least \$8.4 billion a year due to schemes used by perpetrators of fraud and abuse. Many employers deliberately misclassify workers as independent contractors or pay them off the books to avoid paying employment taxes.

A recent [authoritative study](#) found that as many as 2.4 million construction workers, or up to 20.5 percent of the construction workforce, are victimized through these methods. These illegal schemes increase taxes on working families, with shady contractors forcing \$3.5 billion of Social Security and Medicare taxes, which they should be paying, onto their workers' backs.

Other fraud schemes include using shell companies and shady banking practices, laundering money, refusing to pay overtime and falsifying workers' compensation data to avoid paying premiums. Immigrant workers are especially vulnerable to abuse and often fear standing up for their rights.

Tax fraud is a scourge in Canada as well. In Ontario, \$3.1 billion is lost every year, while the number is \$1.5 billion in Quebec.

Another recent study revealed even more [evidence of abuse](#). The University of California Berkeley Labor Center found that 39 percent of U.S. construction worker families, about

three million, rely on one or more taxpayer-funded safety-net programs due to low-road employment practices and fraud.

This means that taxpayers end up subsidizing shady contractors whether that's through Medicaid, the earned income tax credit, temporary assistance for needy families or federal nutrition assistance. In fact, this is costing state and federal taxpayers \$28 billion a year.

“Exploited workers do not deserve the hand they've been dealt because of the greed and callousness that is the foundation of the tax fraud business model,” said UBC General President Douglas J. McCarron. “Law-abiding contractors who provide decent pay and benefits also suffer, as they lose important bids to perpetrators of tax fraud, who are pocketing huge profits.”

“Construction employer tax fraud hurts us all because as taxpayers, we all foot the bill,” McCarron said. “The level of fraud is especially egregious now, as the entire industry is trying to recruit workers for hundreds of infrastructure projects across the continent. We will not rest until this ends.”

Examples of planned Days of Action events include:

- Hosted by the North Central States Regional Council of Carpenters, elected officials will participate in ride-alongs in several Midwestern cities, traveling to different construction sites to see the clear difference between law-abiding contractors and contractors that are paying workers off the books.
- On April 13, the Central South Carpenters Regional Council is hosting an event at San Antonio City Hall to speak out about the effects of construction employer tax fraud on the community, and ways to stop it. Speakers will include San Antonio City Council members Terry Castillo and Mario Bravo, as well as a worker who has been a victim of employer tax fraud.
- On April 13, a rally with members of the North Atlantic States Regional Council of Carpenters in Framingham, Mass., will call attention to a developer who has a project pending before the local Planning Commission. Workers on previous projects with this developer have alleged that wage theft occurred.
- Representatives of the Indiana/Kentucky/Ohio Regional Council of Carpenters will meet with officials of an Indianapolis bank to discuss the ways that perpetrators of fraud may engage in banking violations such as wire fraud, money laundering and labor trafficking. Banks are being urged to add the characteristics of financial crimes in the construction industry to their alert systems.
- On April 13, over 1,000 members of the New York City District Council of Carpenters will rally against wage theft on the steps of the New York City Public Library in Manhattan.

- On April 14, members of the Pacific Northwest Regional Council of Carpenters will rally on the state capitol steps in Olympia, Wash., and meet with legislators to discuss solutions to construction employer tax fraud.
- In Canada, UBC regional councils will hold events and activities to reach banking and financial institutions, governments at all levels and the community. Members are writing letters to their Members of Parliament and the UBC in Canada is launching a year-long campaign for general contractor liability legislation at the federal and provincial levels.
- On April 13, the Eastern Atlantic States Regional Council of Carpenters will hold an online conference with attorneys general from Delaware, the District of Columbia, Maryland, New Jersey and Pennsylvania.

The United Brotherhood of Carpenters and Joiners represents 500,000 skilled workers throughout North America. For more information on the United Brotherhood of Carpenters, please visit: www.carpenters.org

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