



United Brotherhood of Carpenters and Joiners of America (UBC)

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Union Carpenters and Allies Hold Events Across the United States and Canada 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 13 – 19, 2024, 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 \$10 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 [national study](#) gives evidence of the toll that tax fraud takes. Using conservative estimates, the study found that up to 2.1 million construction workers, or 19 percent, are misclassified as independent contractors or paid off the books. Workers are deprived of \$1.9 billion in overtime wage theft, and working families suffer a \$5.1 billion tax increase because crooked employers shift their own responsibility to pay employment taxes onto their workers' backs. In addition, workers' compensation insurers lose \$5 billion to employer premium fraud.

Other fraud schemes include using shell companies and shady banking practices, laundering money, refusing to pay overtime, labor trafficking, child labor, 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. According to a recent study, Ontario alone loses up to \$3.1 billion a year in federal and provincial taxes and WSIB premiums. Nationwide, Statistics Canada indicates the underground economy amounts to \$61.2 billion. Twenty-six percent of that, or \$13 billion, is in the residential construction industry.

Another recent study documents [tax fraud's devastating toll](#). 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 through Medicaid, the earned income tax credit, temporary assistance for needy families or federal nutrition assistance. This is costing state and federal taxpayers \$28 billion a year.

“We’re in crisis mode with a systemic problem,” said UBC General President Douglas J. McCarron. “Employers at every level are involved, from the smallest subcontractors and labor brokers to the largest developers and construction company owners. They all know it’s happening.”

“Employer fraud is a cancer that has become a business model and eradicating it is not easy. But we’re not backing down,” McCarron added.

Examples of 2024 Tax Fraud Days of Action events include:

- On April 8, Ohio Attorney General Dave Yost will visit construction jobsites in Columbus with representatives of the Central Midwest Regional Council of Carpenters to learn more about how tax fraud schemes operate on many sites.
- On April 9, in Boise, Idaho, members of the Western States Regional Council will pack a city council meeting to testify about examples in the city where employer tax fraud is occurring.
- On April 11, the Central South Carpenters Regional Council is hosting an event in Oklahoma City where elected leaders will speak out about the effects of construction employer tax fraud in their state. Speakers will include Oklahoma Labor Commissioner Leslie Osborn, State Senator Michael Brooks, and State Representatives Mickey Dollens and Ben Sherrer.
- On April 15, members of the Eastern Atlantic States Regional Council of Carpenters will hold a large rally including state officials at the Pennsylvania State Capitol in Harrisburg.
- On April 17, members of the Central Midwest Regional Council of Carpenters will rally at the Porter County courthouse in Valparaiso, Indiana. State Senator Mike Bohacek, City Council Chair Robert Cotton and council candidate Bob DeRuntz will speak at the event.

- On April 18, the Michigan Regional Council of Carpenters will host Hardhat Day at the State Capitol in Lansing, where members will speak with legislators about the tax fraud crisis and the council will conduct tours for legislators of its 44-foot Schools2Tools Mobile Field Trip “semi” truck.
- Throughout the Days of Action campaign, members of the Mid-America Carpenters Regional Council will take part in banner events, jobsite rallies and public-awareness demonstrations at numerous post offices and federal, state and local government buildings in Illinois and Missouri.
- Throughout the week-long Days of Action campaign, in New York, workers and supporters will rally at the State Capitol in Albany, at state office locations including Binghamton, Syracuse, Watertown and Utica, at the District Attorney’s office in White Plains and at events in Buffalo, Patchogue, Rochester and Plattsburgh. Hundreds of UBC members will rally against wage theft at the New York City Public Library in Manhattan, with public officials on hand as speakers.

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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