

CONSTRUCTION INDUSTRY

# TAX FRAUD DESTROYS COMMUNITIES

## CONSTRUCTION INDUSTRY POOR SAFETY STANDARDS



**CONSTRUCTION WORK TAKES A PHYSICAL TOLL AND CAN BE DANGEROUS. AVOIDING ACCIDENTS AND INJURIES SHOULD BE PRIORITY-ONE. BUT CONTRACTORS WHO SKIRT WORKERS COMP, WAGE AND TAX LAWS OFTEN CUT CORNERS WITH SAFETY, TOO.**

### RESPONSIBLE CONTRACTORS TAKE SAFETY SERIOUSLY

Law-abiding responsible contractors make the effort and commit the resources to conduct business safely. They train their workers to high standards and pay them decently. They contribute properly to the workers' compensation system. They operate a clean and safe worksite and provide safety classes and protective equipment to the crew.

### GREED DRIVES FRAUD – FRAUD THREATENS SAFETY

For corrupt contractors, the goal is maximum profits. If closing their eyes to safety hazards helps, then their eyes remain closed. You can bet there are more deadly falls and that more trenches, scaffolds and cranes collapse on sites run by crooked contractors.

### WE ALL ARE INJURED BY FRAUD

Workers hurt on the job, and their families, bear the worst scars, but everyone loses. Workers' compensation fraud ultimately costs honest businesses, insurance companies and taxpayers millions of dollars in the cost of treating injuries, while injured workers themselves end up paying out of pocket for much of the care that the "no fault" compensation system is supposed to cover.

Meanwhile, the crooked contractor gets a leg up when bidding for work against honest businesses. It's a vicious cycle, as fraudulent contractors win contracts and bring their shady, unsafe practices to jobsite after jobsite. And everyone suffers as construction industry tax fraud robs our state and federal governments out of a minimum of \$10 billion a year.

### A MINNESOTA CONTRACTOR MADE FRAUD— AND POOR SAFETY STANDARDS—HIS BUSINESS MODEL:

*"Batres had lied to state agencies, claiming he employed no workers, and therefore did not have workers' compensation insurance. Instead, he would send the injured workers to a massage therapist...."*

*—Hennepin County DA, 2019*

## HOW YOU CAN HELP

### YOU CAN HELP PROTECT CONSTRUCTION WORKERS AND THEIR FAMILIES:

- › Support honest contractors and fair competition
- › Hold corrupt contractors accountable for using crooked subcontractors or labor brokers.
- › Support law enforcement
- › Talk to colleagues about this problem
- › Stay informed, visit @StopTaxFraud on Facebook & Twitter and 'Stop Tax Fraud' on YouTube