



An Act to Prevent Wage Theft, Promote Employer Accountability, and Enhance Public Enforcement

Senator Sal DiDomenico & Representative Dan Donahue (S.1179 & H.1959)

THE PROBLEM



1. Bad employers steal about \$1 billion in wages from hundreds of thousands of low-wage workers each year in MA. Overall, workers get back less than two percent of the wages stolen from them. The whole state is cheated out of greater economic activity, jobs, and tax revenue.

2. Wage theft has become business-as-usual, with employers increasingly able to dodge responsibility for their workers through outsourcing and subcontracting. The epidemic of wage theft has overwhelmed the capacity of our existing labor laws and enforcement tools.

THE SOLUTION:

Clarify responsibility for upholding labor standards and provide the Attorney General and workers with additional tools for holding violators accountable and recovering money wrongfully taken from workers and the Commonwealth.

INCREASE RESPONSIBILITY

Hold "lead contractors" **accountable for the wage theft violations of their subcontractors**, as long as there is a significant connection to their business activities or operations.

LEVEL THE PLAYING FIELD

Promote fair competition by ensuring that **all businesses, including lead contractors, play by the rules** and give their workers an honest day's pay for an honest day's work.

PROTECT WAGE RIGHTS

Protect workers from wage theft (e.g., nonpayment of wages, failure to follow minimum wage, overtime, or prevailing wage laws, and employee misclassification), and **strengthen protection against retaliation.**



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HOW DOES THE BILL ACCOMPLISH ITS GOALS?

- 1. LEAD CONTRACTOR LIABILITY**
 Provides "lead contractors" with notice when their subcontractors fail to obey the law. Allows them an opportunity to ensure that wage problems are corrected without enforcement action or establishment of lead contractor liability.
- 2. ENHANCED PUBLIC ENFORCEMENT**
 Allows the AG's Office to bring civil wage theft cases directly to court. Clarifies that criminal penalties are not applicable to lead contractors, only to employers with their own employees. Also aggrieved employees and other whistleblowers to bring public enforcement actions, while allowing the AG's Office to intervene or object as it sees fit.
- 3. STOP WORK ORDER**
 Allows the AG's Office to issue a "stop work order" if it has determined that certain types of wage theft or unemployment insurance violations have occurred. Provides employers an opportunity to correct violations and resume work, or to request a hearing.
- 4. WHISTLEBLOWER ENFORCEMENT**
 Generates new revenues for the Commonwealth by bringing in penalties for wage theft violations. Allows action to fight wage theft on behalf of the Commonwealth even where the AG's Office does not have the resources to pursue a case. Allows workers to fight wage theft when employers have forced workers to sign mandatory arbitration agreements.
- 5. STRONGER PROTECTION FROM RETALIATION**
 Clarifies the scope of activities protected from retaliation under the wage laws. Ensures that workers are able to obtain appropriate remedies and relief when an employer retaliates because they have asserted wage rights. Creates a rebuttable presumption of retaliation when an adverse action takes place after a worker has asserted wage-related rights.

i QUESTIONS OR NEED MORE INFO?

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