

## **Workers deserve to be paid**

By **ANDREW FRIEDMAN AND AMY TRAUB**

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At a time of massive revenue shortfalls and harsh budget cuts for New York, it's rare to find a policy that produces public benefits without painful costs. But new legislation introduced by Sen. Diane Savino, D-Brooklyn-Staten Island, and Assemblyman Carl Heastie, D-Bronx, does exactly that. The Wage Theft Prevention Act, which strengthens incentives for employers to comply with the wage and hour regulations already on the books, would put money in the pockets of working New Yorkers, boost law-abiding businesses and stimulate investment in local communities. It would also curb employment tax avoidance that costs the state an estimated \$427 million a year in lost revenue -- revenue New York simply cannot afford to keep writing off. Albany must stop looking the other way on wage theft and quickly pass this commonsense legislation that's long overdue.

Recent state Labor Department investigations have revealed egregious cases of wage theft against construction workers in Rochester, servers at restaurants in Ithaca, race track employees in Saratoga Springs and retail salespeople on Long Island, to name only a few. Statewide, nearly a million workers see their wages stolen annually. The stolen wages amount to 15 percent of affected workers' paychecks -- money they could be spending on food, clothing and other necessities in their communities, supporting their families and putting dollars to work rebuilding New York.

This disturbing trend is consistent with the findings of a bombshell report from the National Employment Law Project, released earlier this year, that revealed just how common it is for employers to violate state and federal employment laws by paying less than the minimum wage, making employees work off the clock, stealing tips and failing to pay overtime or workers compensation. The in-depth study, based on thousands of interviews with working people, found that cheating employees -- and the state -- has become a routine business practice in many low-wage industries, robbing 586,000 low-wage workers in New York City alone every year.

Enforcement of workplace laws is so inadequate, and penalties are so low, that corrupt businesses often come out ahead. Unscrupulous employers simply factor the risk of getting caught breaking the law into their cost of doing business. Responsible business owners are put at a competitive disadvantage by rival companies that cut costs by cheating their employees. Small retailers and restaurant owners struggle to win customers when the shop down the street can undercut them on prices because they have illegally reduced their tax bill and labor costs.

The Wage Theft Prevention Act creates real incentives for all employers to follow the law by increasing damages, strengthening penalties, improving the investigation and prosecution of wage theft, enhancing the ability to collect on judgments, and better protecting workers who speak up from retaliation and coercion.

From Washington State to Miami-Dade County, state and local governments across the nation are taking action to stop the worst employers from robbing their workforce, undermining responsible businesses and stealing from their tax base.

Now leaders in the New York Legislature must follow suit by supporting this bill and standing up for fair labor and business practices and the recovery of lost revenue at a time of fiscal crisis.

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