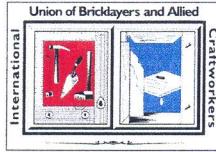


International Union of Bricklayers and Allied Craftworkers
Administrative District Council, New Jersey
Locals No. 4 & 5

3281 Route 206
Bordentown, NJ 08505

Office (609)324-9681
Fax (609) 324-9685

Richard E. Tolson
Director



John F. Capo
Secretary-Treasurer

**Statement on Worker Abuse to Hudson County Freeholders from
International Union of Bricklayers and Allied Craftworkers
Director Richard Tolson**

*Tolson testified at the Public Resources Committee Hearing, calling Hudson County
'ground zero' for 'worker abuse, wage theft and corporate welfare'*

*At Least 14 Active Development Sites in Hudson County are Operating via an Illegal
Business Model and Cheating Workers*

Thank you to Freeholder O'Dea and the members of the Public Resources Committee for taking the time to hear from some of the men and women who help move Hudson County forward. Members of our union are proud to be contributing to Hudson County's progress, and we are here today to talk about how we hope the workers who are very literally helping build a better Hudson County can be treated more fairly.

When I say "we," I mean all of us. I believe the injustices we are speaking about today have an effect on all residents who pay taxes and on the governments that represent them.

Throughout the entire state of New Jersey, wealthy developers have taken advantage of lax labor law enforcement and outdated regulations to increase profit margins by abusing workers, robbing workers and the state of revenue and creating an unequal business environment where illegality is the optimal business model.

These millionaire developers are utilizing construction contractors who break Federal and State laws by misclassifying full-time workers as part-time contractors, committing wage theft by violating overtime requirements, establishing illegal work weeks, paying cash and evading taxes – all with one goal: to increase profits. This widespread worker abuse is occurring while the developers are charging record rents, record warehouse prices and recording obscene profits, and often with the benefit of State or local sponsored tax breaks.

The fact that these illegal practices are allowed to continue in plain sight amounts to direct corporate welfare, with working men and women being abused and the taxpayers being cheated. And, frankly, Hudson County is literally ground zero for the issue.

The progress over the last decade and more in Hudson County has in fact been built in part on criminality and worker abuse, and it continues today with at least 14 active sites across the county operating illegally (full list below.)

Further, at a time when the state is teetering on government shutdowns and raising taxes to increase revenue, I believe it's important to consider the millions of dollars being stolen from New Jersey residents and the state due to the vast fraud that is taking place. According to a comprehensive report from Stockton University, approximately 35,000 workers are off-the-books or illegally misclassified as independent contractors, which leads to the state losing \$25 million a year in tax revenue.

We are seeking basic fairness and economic justice: a level playing field so businesses operating within the law can compete and for all workers to be treated fairly and afforded the protections already granted to them in existing law.

We are extremely happy the Board of Freeholders is exploring this issue, and by no means are we assigning blame to county government, as this issue is a State-wide problem, and decades in the making. But hard-working, middle-class employees are being abused so corporate developers can benefit, and this is happening on a massive scale in your county.

The good news is progress is being made. After eight years of the Christie administration completely turning a blind-eye to the issue, we see some rays of hope. Governor Murphy is taking on the issue, appointing an outstanding, creative and aggressive Labor Commissioner in Robert *Asaro-Angelo* and *issuing an executive order creating a task force to attack the issue*.

While much of the issue falls to the State, the County can play a role too. We are hoping this is the start of a productive dialogue, and we are optimistic the County will seek creative solutions to this problem.

We believe three overall concepts could create greater fairness for the working men and women of Hudson County and more tax revenue for local governments:

- **More aggressive and comprehensive enforcement – at every level of government – of existing laws;**
- **Stronger, smarter labor laws – New Jersey lags behind neighboring states in establishing modern, effective laws; and**
- **Awareness – the problem is in plain sight, but too many officials in government are unaware of the scope of the problem, its impact and the available solutions.**

We are grateful for the Committee's interest in this issue, and we hope to partner with you in addressing it.

Active Development Sites in Hudson County Using Illegal Business Model and Abusing Workers

Job Location	Developer	Contractor	Sub-Contractor
235 Grand Street, Jersey City	Ironstate	AJD	Demza
189 Steuben Street	Panepinto/applied	Fields	Concrete systems
109 Hoboken Avenue, Jersey City	BNE/Millennium Ho	BNE	Roy Rock
331 Warren Street, Jersey City	Lennar Homes	Fields	Roy Rock
Holiday Inn Express	Savan Hospitality	March assoc	IBN
213 Van Vorst Street, Jersey City	Fields	Fields	Roy Rock/Best
333 Grand Street, Jersey City	Harborside North	Peter Mocco	Peter Mocco
460 Grand Street, Jersey City	456 Grand Realty LLC	456 Grand Realty	
81 Monitor Street, Jersey City	Fields	Fields	Roy Rock
100 Monitor Street, Jersey City	Ironstate	Fields	Roy Rock
380 Newark Avenue, Jersey City	Molfeta	Molfetta Const	Molfetta Const
469 Newark Avenue, Jersey City	Fields	Fields	Concrete Systems
134 Baldwin Avenue, Jersey City	Tovaste LLC	Tovaste LLC	Roy Rock
100 Water Street, Jersey City	SL Green Realty NY	Fields	Concrete Systems/Pardo