

Oregon Contractor Learns the Hard Way About Following CA Labor Laws, Fined \$450k

"An Oregon contractor was fined for not following CA labor and safety laws," says Los Angeles wage-and-hour lawyer Eric Grover.

LOS ANGELES, CA, USA, September 23, 2013 /EINPresswire.com/ -- The California Labor Commissioner has sent a message to all out-of-state construction contractors warning them that they must abide by [California's labor laws](#) when working within the state's borders, regardless of what their home state's laws may be. An Oregon construction company found that out the hard way after being found guilty of failing to pay prevailing wages and provide meal and rest breaks at a Holiday Inn Express project in Eureka, reports [Los Angeles wage-and-hour lawyer Eric Grover](#).

PacWest Contracting LLC of Bend, Oregon, was slapped with a mechanics' lien after failing to pay \$427,681 in wages, including meal and rest break violations, to 31 of its construction workers who worked on a Eureka Holiday Inn Express project in early 2013. PacWest Contracting was also levied a fine of \$27,000 in Cal/OSHA violations, as a result of 13 workplace safety violations.

A mechanics' lien is a claim upon property as a security for debt collection from another individual in order to obtain priority of payment, says Grover, a Los Angeles wage-and-hour lawyer.

The Labor Commissioner's office, along with Cal-OSHA and California's Labor Enforcement Task Force (LETF), launched an investigation on March 27, 2013 into the Oregon construction company after receiving [reports of labor law violations](#) from a local labor union, Carpenters Local 751.

According to the Labor Commissioner's office, Redwood Coast Hospitality, LLC hired general contractor Jansen Construction to complete the hotel project. Jansen Construction then subcontracted with PacWest Contracting LLC to perform work on the project.

Although PacWest Contracting was not properly licensed to work in California as a contractor, they hired employees under the impression that they would be working as independent contractors.

In addition, investigators found that several employees, who were compensated through checks,

often had them returned as a result of insufficient funds.

“Misclassification of employees as independent contractors harms legitimate businesses and cheats the hardworking men and women of California who are entitled to a just day’s pay for a hard day’s work,” said Labor Commissioner Julie A. Su in a press release. “This is an underhanded tactic to deny workers’ pay for every regular hour worked and overtime. Misclassification is also used to cut costs and to underbid projects, making it extremely difficult for legitimate construction contractors to compete.”

The investigation also revealed 13 workplace safety violations, which included “serious” violations like unsafe ladders, failure to provide fall protection and scaffolding, inadequate training to recognize fall hazards and unguarded saws, according to the Labor Commissioner’s release.

“If you are working outside of your home state, its important that you know the labor laws of the state you’re working in,” says Los Angeles wage-and-hour lawyer Eric Grover. “You should not take for granted that your employer has your best interests in mind and you’re being properly compensated. Labor laws change from state to state and only you can protect yourself against wage theft.”

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