



United Brotherhood of Carpenters And Joiners of America

Carpenters and Allies Will Spotlight Costly ‘Epidemic’ Of Construction Industry Tax Fraud with Events, April 13-15

FOR IMMEDIATE RELEASE

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WASHINGTON, D.C., April 12, 2019 – With billions of dollars’ worth of tax and insurance fraud perpetrated annually by dishonest contractors and labor brokers at the expense of taxpayers and honest construction companies, carpenters and their allies hope to draw the public’s and policymakers’ attention to this costly corruption with over one hundred events across the United States and Canada April 13-15.



According to estimates commissioned by the UBC, the construction underground economy in the U.S. is \$148 billion, leading to federal and state tax losses of at least \$2.6 billion a year from unreported wages paid to construction workers. According to Statistics Canada, the residential construction industry is the largest contributor to the underground economy there, accounting for just over a quarter of the total, or \$13.7 billion.

Regional Council Days of Action events range from informing taxpayers with handbills and banners at post offices to rallies at city halls and at state and provincial capitols. In Harrisburg, PA, carpenters will be joined by state Attorney General Josh Shapiro. Carpenters and their allies will also rally at Freedom Plaza in Washington, DC and at the state capitol in Sacramento, CA. In Toronto, Ontario carpenters will be meeting with city representatives about improving law enforcement. Many of the events and contacts for further information can be found at <http://standinguptotaxfraud.net/events/>.

“We found at least 1.2 million construction workers paid off the books in the U.S.,” said Frank Spencer, UBC General Vice President. “Another 300,000 are intentionally misclassified as ‘independent contractors’ so their cheating employers can avoid making tax deductions and paying premiums for workers compensation insurance that’s supposed to protect workers.”

Spencer explained that cheating contractors illegally lower their labor costs and drive law-abiding employers out of business.

“I’m sure most of us would prefer to see those missing tax revenues properly collected and put to work building better roads, bridges and schools,” Spencer said. “Most of us would like to see our veterans better cared for, too, and Medicare and Social Security funding made more secure. But rampant cheating in the construction industry makes all of that harder to do.”

Spencer urged the public, policymakers and the media to learn more about widespread tax and insurance fraud in the construction industry at a special UBC website, StandingUpToTaxFraud.

The United Brotherhood of Carpenters represents over 500,000 members and strives to build a strong construction industry with contractors across the United States and Canada.

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