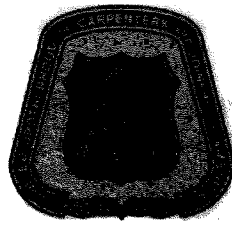


**NORTH ATLANTIC STATES REGIONAL COUNCIL OF CARPENTERS**  
**United Brotherhood of Carpenters and Joiners of America**  
**Locals 349 & 352**

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**Maine New Hampshire Vermont**  
**John M. Leavitt**  
**Business Manager-Clean Energy Development**

February 6, 2024

**Committee on Labor and Housing**

Chair Sen Michael Tipping	Rep Amy Roeder Chair	Rep Joe Galletta	Rep Marc Malon
Sen Matthea Daughty	Rep Dick Bradstreet	Rep Valli Geiger	Rep Ronald Russell
Sen Matthew Pouliot	Rep Gary Drinkwater	Rep Traci Gere	Rep Charles Skold
			Rep Mike Soboleski

**Support LD 372 An Act to Increase Enforcement and Accountability for Wage and Hour Violations**

Senator Tipping, Representative Roeder, and Members of the Committee,

My name is John Leavitt, I am the Manager of Carpenter Union Locals 349 & 352.

Please accept this testimony in support of LD 372 as I believe this is a great loss of tax revenue for the state and a disservice to legitimate contractors trying to compete in the state.

We have been discussing misclassification of employees by posing as independent contractors or classifying themselves on a lower labor rate through prevailing wage projects for many years.

**2000:** Gov King suggested amnesty for all who came on board by a specific moratorium date.

**2005:** Harvard University which proved 18% misclassification of employees.

**2007:** ME DOL Study proved 49% misclassification of employees.

**2009:** Gov Baldacci Executive Order to establish Misclassification Task Force-where DOL, UI, and WC work together on enforcement.

**2011:** Gov LePage abolish Task Force

**2013:** Predetermination of Independent Contractor with WC Director Paul Sighnpolfi

**2016:** 60% misclassification

**2024: ?**

The issue with all these efforts was the inability to execute enforcement and the parameters on the penalties still encouraged people to avoid the correct process.

I believe the state has been put in a situation where it is nearly impossible to enforce labor laws and when they can the fines are lower than the cost of doing business so there is no incentive to play by the rules. Ultimately the legitimate companies and taxpayers continue to carry the load, especially on publicly funded projects where the employees working in these buildings are paid by taxpayers where the tax funds were drained to pay for construction of their facility.

**EXAMPLE:**

We followed the FOI process for payroll for the York County Judicial Center. We discovered many violations; Wagner Drywall was awarded the contract who provided 12 carpenters who met prevailing wage requirements. they awarded J&R Drywall as second tier subcontractor/labor broker. J&R brought in 45 carpenters who submitted payroll with zero deductions for State or Fed taxes and false names and addresses for the workers. They were misrepresented by the company owner Francisco Pimental who met his workers at Cibaena Food Market/check cashing facility where he cashed their check and handed them between \$15.00-\$22.00 per hour with no 1099 or W2 at the end of the year. This information comes from the workers who were asked to file affidavits and Maine DOL Statement of Claim for Wages & Hour complaint. We reported this information to DOL, WC, UI but there were no findings.

Thank you for your time and I urge you to support LD 372,  
I am happy to answer any questions and attend any workshops on this matter.

Sincerely,  
John Leavitt