



UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

CHICAGO REGIONAL COUNCIL OF CARPENTERS

A POSITIVE FORCE IN BUILDING COMMUNITIESSM

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Chicago Regional Council of Carpenters' Fight for Fair Wages Results in Unprecedented \$1.1 Million Payout for Illinois Workers

Union behind major win for Illinois taxpayers

CHICAGO – The Chicago Regional Council of Carpenters (CRCC) today announced a major victory in the fight against wage theft in the building trades. Thanks to the CRCC's efforts, the Illinois Department of Labor is requiring the developer of a senior living center in Northbrook and its subcontractors to pay more than \$1.1 million back to workers for failing to meet state-certified prevailing wage and benefit rates.

The case involves the Lodge of Northbrook, a 164-unit development funded by bonds issued through the Illinois Finance Authority. The Lodge of Northbrook's developer is Essex Corp., its general contractor is McShane Construction Corp., its carpentry contractor is Horizon Carpentry, Inc., and its drywall contractor is Russ's Drywall, Inc. The Department of Labor (DOL) ordered the contractors to provide back pay to their employees after the CRCC filed charges alleging violations of the Illinois Prevailing Wage Act.

Under DOL's terms, Horizon is forced to pay its workers an additional \$692,000, Russ's is forced to pay an additional \$249,000 and Essex has to pay a penalty of \$188,000.

"Wage theft and the loss of tax revenue affects everyone," said CRCC Executive Secretary-Treasurer Gary Perinar. "It takes advantage of workers, many of whom are unaware of their right to receive fair wages and benefits for themselves and their families. It puts signatory union contractors at a disadvantage for competitively bid projects. And it cheats communities out of tax dollars to increase future growth, new projects and public services. Thanks to our research team for discovering this injustice and to the Department of Labor for enforcing the law."

The Prevailing Wage Act requires contractors and subcontractors to pay laborers, workers and mechanics employed on PUBLIC WORKS construction projects no less than the general prevailing rate of wages (consisting of hourly cash wages plus fringe benefits) for work of a similar character in the county where the work is performed. The CRCC filed charges against McShane Construction Company and its subcontractors in early 2018 but they were never investigated under former Gov. Bruce Rauner despite the fact that the Illinois Finance Authority issued bonds to fund the project.

"We appreciate Gov. J.B. Pritzker's Department of Labor for addressing wage theft with the seriousness it deserves," Perinar said. "This is the largest back pay award we've facilitated in our Council's history. We have a new department dedicated to combatting wage theft and are putting unscrupulous contractors on notice that cheating workers and taxpayers will not be tolerated."

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About the Chicago Regional Council of Carpenters

The Chicago Regional Council of Carpenters represents over 30,000 working men and women from 19 local unions across Illinois and Eastern Iowa. The Chicago Regional Council provides the construction and maintenance industries with productive, competitive and certified professionals, encompassing a wide variety of crafts and skills.