

# PREVENTING FORCED LABOR AND WORKER MISCLASSIFICATION ON UNIVERSITY CONSTRUCTION PROJECTS

Forced labor and worker misclassification practices are pervasive in the construction industry and often find their way onto university construction sites. This means labor forces may be working involuntarily and under intimidation. In addition to being overworked and underpaid, for some, the absence of a proper paper trail brings fear that an employer will refuse to return identity papers or threaten to disclose immigration status to authorities. In these situations, the higher ed institution not only risks its reputation, but can also become liable under its state worker misclassification laws. In recent years, elite universities have faced negative publicity due to worker misclassification claims on projects at their respective institutions.

**4.5 MILLION CONSTRUCTION WORKERS ARE VICTIMS OF FORCED LABOR AROUND THE WORLD.**

**18%** of all victims of forced labor work in the construction sector.

**30%** of employers have misclassified workers, disproportionately affecting workers of color.

**\$3,710** is wrongfully withheld per employee and government when workers are misclassified.

## 3 STEPS TO PROTECT YOURSELF FROM LIABILITY FOR A CONTRACTOR'S MISCLASSIFICATION

### 1 REVIEW CURRENT CONTRACTOR COMPLIANCE POLICIES

Conduct an internal audit of your current contractor compliance policies and make sure they are compliant. Review records of services performed by contractors and confirm that all of the contractors you've engaged in the past have federal tax ID numbers.

### 2 IMPLEMENT A PREQUALIFICATION PROGRAM

Create a contractor prequalification policy, including subcontractor pre-approval requirements, as part of your procurement process. Make certain to scrutinize certified payroll submissions; strengthen indemnification provisions and release forms to cover wage claims and worker misclassification. Take steps to ensure that the contractor has satisfied all state and university regulations and policies.

### 3 HIRE UNION CONTRACTORS

Union contractors pay their workers on the books, creating a paper trail, and preventing worker misclassification. When universities hire union contractors, they are hiring vetted workers who are protected by wage and hour laws and contribute to public tax revenue.

WONDERING ABOUT THE SCOPE OR COST OF YOUR PROJECT?  
CONTACT THE CARPENTER CONTRACTOR TRUST FOR MORE INFORMATION:

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