

# WAGE THEFT ON THE RISE

'CRIME WAVE NO ONE TALKS ABOUT' | Employers find ways to cheat in hard times

BY EMILY BAZAR

More workers are getting stiffed just when they need their pay the most.

Complaints of wage theft have risen as the economy tumbled. Allegations range from underpayment to not getting paid at all.

"It's definitely on the rise nationally because of the economic crisis," says Ted Smukler, public policy director of Interfaith Worker Justice, a Chicago advocacy organization for better wages, benefits and working conditions. "Employers are desperate to shave corners when their profits are going down, and some are just greedy."

Wage theft is most common among low-wage earners and day laborers, he says. It affects non-immigrants and immigrants, legal and illegal.

Last year, the U.S. Department of Labor collected \$57.5 million in back wages for 77,000 workers in industries such as agriculture and garment-making. The year before: \$52.7 million.

Chicago's Working Hands Legal Clinic has been getting more complaints from construction, restaurant, janitorial and other workers, says Chris Williams, the group's executive director. It got 252 in the first half of the year, compared with 161 in the same period last year.

Most are immigrants, Williams says. The Labor Department says illegal immigrants are covered under minimum-wage and overtime laws.

"We do a lot of work with workers at temporary staffing agencies, people who work maybe 32 hours, but they're only getting paid for 26," Williams says.

Posted on [wagetheft.org](http://wagetheft.org) is a film made by Loyola University students that follows how activists with the Interfaith Workers Center attempt to collect stolen wages from a bakery owner. Says one victim, a young woman, "I was in a position where I didn't have the resources to fight back."

Kim Bobo, founder of Interfaith Worker Justice and author of *Wage Theft in America*, says the practice is "the crime wave no one talks about."

Wage theft includes not only being stiffed for pay but also businesses misclassifying employees as contractors and allowing them to illegally deny workers overtime pay.

Wage theft is "widespread and pervasive across all types of companies," Bobo writes, including such occupations as construction workers, nurses and bookkeepers.

"Although some of the worst wage theft occurs when immigrant workers aren't paid minimum wage or aren't paid at all, the largest dollar amounts are stolen from native-

born white and black workers in unpaid overtime," says Bobo.

In June, a report by the Government Accountability Office criticized the Labor Department's enforcement of wage-theft complaints, calling its investigations "ineffective."

In response, Rep. George Miller of California and Rep. Phil Hare, a Downstate Illinois Democrat, have co-authored a bill that would freeze the statute of limitations on wage-theft claims during investigations, giving workers time to pursue options such as lawsuits.

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