

FOR IMMEDIATE RELEASE

Press Contact:

Michael Horecki
mhorecki@evokebrands.com
608.556.6999

#FIGHTTHEFRAUD

**CONSTRUCTION BUSINESS GROUP LAUNCHES CAMPAIGN
TO COMBAT WORKER MISCLASSIFICATION**

*New #FightTheFraud Program Designed To Raise Public Awareness Through
Education On Common Fraudulent Construction Industry Practices*

(MADISON, Wis.) – [Construction Business Group](#) (CBG), a leading voice for the Wisconsin construction industry, has launched a new public information campaign to educate the Wisconsin public on the fraudulent practices used by businesses in the construction industry. The campaign, titled *#FightTheFraud*, focuses on the 15,000 workers who are misclassified by their construction companies each year in Wisconsin, which has significant detrimental impacts on those workers and a major state-wide financial impact on tax revenues.

“Most people are unaware of what is going on behind closed doors for thousands of construction workers across Wisconsin. From workers getting paid in gift cards to having no benefits, action is needed to remedy these unfair practices,” said Robb Kahl, Executive Director of CBG. “Everyone in Wisconsin is affected as these fraudulent business practices cost the State of Wisconsin over \$200 million in lost tax revenue each year. It’s time that we start holding companies who misclassify their workers accountable and make them pay their fair share in our State.”

The topic of worker misclassification is complex, but its impact on the State of Wisconsin can be sorted into three specific categories:

Tax Fraud:

By misclassifying workers, businesses evade their income, payroll and unemployment tax obligations. Tax fraud alone makes up nearly \$200 million that should be paid to the State of Wisconsin each year but is instead unjustly kept by bad actors not paying their fair share. The \$200 million consists of: \$91.2 million in unpaid personal income tax; \$50.7 million in unpaid business tax; \$56 million of unpaid unemployment insurance tax; and \$2.6 million for injured employees working for illegally uninsured employers.

Insurance Fraud:

If the company does not correctly classify a worker as a full-time employee, the company likely is not properly reporting that worker for insurance purposes. Doing so is called insurance premium fraud, which is illegal. Premium fraud in the construction industry alone costs the insurance industry \$26 million annually in lost workers’ compensation premiums.

Wage Theft:

Research from the Midwest Economic Policy Institute shows that misclassified workers earn on average \$23,500 less per year than their legally classified co-workers. Misclassified workers get \$8,300 in wages and \$15,200 in benefits taken away from them every year by their employers, who reaps the financial benefits.

Due to these significant financial impacts on the State, as well as on the impacted workers and their families, Wisconsin can no longer turn a blind eye to the issue of worker misclassification – which is why CBG is calling on Wisconsin to *#FightTheFraud*.

To learn more about the *#FightTheFraud* campaign, visit www.fightthefraud.org.

For more information on CBG, visit their [website](#) or follow them on [social media](#).

###

Construction Business Group

Construction Business Group is a Joint Labor-Management organization representing the interests of 30,000 Operating Engineers, Carpenters, Laborers and Painters and 4,500 contractors. CBG's purpose is to enhance business opportunities and quality of life by ensuring fairness, equity and standards of excellence in the construction industry of Wisconsin. Learn more about CBG by visiting their [website](#) or following them on [social media](#).