

**THE  
ACT  
REPORT**

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The ACT Foundation is a division of The West Virginia State Building and Construction Trades Council, with offices in Charleston and Clarksburg. Steve Burton, President; Roy Smith, Secretary-Treasurer; Steve White, Director.

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# Close Elections Yield Many Mixed Results

**The 2000 Election is likely to go down in history books as one of the most exciting elections ever.**

For West Virginia's working families, the battle to elect leaders who will fight to improve the lives of all working families was won and lost in several elections.

Perhaps one of the most significant election wins in West Virginia was in the gubernatorial race where Second District Congressman Bob Wise, a champion of working families, defeated incumbent governor Cecil Underwood.

An important issue in the campaign was the candidates' stance on helping local construction workers get the jobs created with tax-funded economic development efforts.

The ACT Foundation was successful in bringing attention to the issue, especially after illegal aliens were caught working at the WVU Coliseum.

ACT commercials held Underwood accountable for his veto of legislation aimed at testing the West Virginia Jobs Act.

Another very important race was, as always, the presidential election.

Unions across the state endorsed Democratic candidate Al Gore.

However, Republican candidate George Bush won West Virginia's five electoral votes.

In an unbelievable finish certain to be long remembered, the election of a new U.S. president

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Gore greets supporters, three days before the election, with U.S. Senators Robert C. Byrd and Jay Rockefeller by his side. Gore told supporters at the recent campaign rally in Huntington that he will always defend American workers' right to organize.

## Workers Picket Wayne Co. Power Plant Construction

**Promise made - promise broken.**

That's what local workers are saying about promised jobs at a power plant construction project in Wayne County.

ACT members are protesting the building of a six turbine, 300 megawatt, gas-fired power plant being constructed in Wayne County because the contractor is using imported labor.

Constellation Energy, better

known as Baltimore Gas & Electric, through its subsidiary company Constellation Power, is constructing the \$110 million

**LOCAL CONSTRUCTION WORKERS  
HAVE BEEN LEFT OUT OF THIS  
ECONOMIC GAIN.'**

**STEVE BURTON, TRI-STATE BUILDING TRADES**

power facility using the Tennessee-based contractor, H&M Industrial.

Although Constellation promised to bring local jobs to the area, the company allowed the out-of-state contractor to im-

port workers from distant states like California, Texas, Louisiana and Mississippi.

Not only is the company benefitting from West Virginia's natural resources, it also is ask-

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# Deregulation Plans Could Affect Workers

**Sheet Metal Workers, Plumbers and Pipefitters, as well as Electricians and other crafts, will be affected by plans for electric deregulation.**

Whether it is a positive or a negative impact, remains to be seen.

At a recent Public Service Commission hearing, the agency outlined its plan for deregulation.

Private contractors and union workers are concerned about a provision dealing with cross-subsidies of utility companies.

In general, a monopolistic utility company can use the company's assets, like trucks and

other equipment, to underbid private contractors on projects.

This difference in bidding allows the utility company to unfairly compete against private contractors and is funded by that company's rate-payers.

Roy Smith, Secretary-Treasurer of the West Virginia Building Trades, said electric deregulation has been an important topic for many workers.

"This has been a major issue for all three groups because this plan for deregulation could give the utility companies an unfair advantage when bidding on a project," Smith said.

"The Building Trades has expressed its opposition of the

proposed rules to the Public Service Commission.

"We believe this proposal does not provide sufficient protection against cross-subsidization."

Vince Trivelli, a lawyer representing the Building Trades and the ACT Foundation, said their opposition to the agency's plan deals specifically with the Code of Conduct.

"The Code of Conduct describes how utility companies will interact with one another," Trivelli said.

"The current proposal does not protect rate-payers from having a portion of their fees subsidizing non-regulated busi-

nesses."

He said this issue is not exclusive to construction workers and contractors, but it affects everyone.

"Not only does this affect the small businesses and construction workers, but it also may result in higher prices for consumers," Trivelli said.

Trivelli said the law wasn't absolutely clear regarding a utility company's use of its assets when bidding on projects.

"Currently, there is no framework to make sure this doesn't happen," Trivelli said.

Smith said it is important to have fair bidding processes.

"We want to make certain we

are competing on an even playing field," Smith said.

He said the Building Trades has held meetings with stakeholders about the proposal.

"It is important for everyone who will be affected by this to be informed," Smith said.

"We are working hard to protect our members and the consumers."

Smith said if the deregulation plan is not modified concerning cross-subsidies, then the Building Trades and ACT will have to oppose the Public Service Commission's proposal.

"I feel confident we can work with these groups to get a deregulation plan that we would support," Smith said.

## ELECTION

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remained in doubt at the time of this writing.

Al Gore narrowly won the popular vote nationwide.

However, neither candidate could account for the 270 required majority votes in the Electoral College.

In another tight contest, Republican candidate Shelley Moore Capito defeated Democrat Jim Humphreys to gain the Second Congressional seat vacated by Bob Wise.

Although some Republican representatives support working family issues, the loss of a Democrat-held seat in the U.S. House of Representatives may be a cause for concern until the seat comes up for re-election in 2002.

Of the races for the West Virginia Senate and the House of Delegates, seven of 11 endorsed senators and 52 of 67 endorsed house delegates won.

## West Virginia AFL-CIO Endorsed Candidate Winners

### Governor

Bob Wise

### Attorney General

Darrell McGraw

### Supreme Court of Appeals

Joe Albright

Robin Davis

### West Virginia State Senate

2nd District - Jeffrey Kessler  
6th District - John Pat Fanning  
9th District - Billy Wayne Bailey  
10th District - Anita Skeens Caldwell  
11th District (unexp) - Mark Burnette  
14th District - Jon Blair Hunter  
16th District - Herb Snyder  
17th District - Larry Rowe

### U.S. House of Representatives

1st District - Alan Mollohan

3rd District - Nick Joe Rahall

### U.S. Senate

Robert C. Byrd

### West Virginia House of Delegates

1st - Joe DeLong, Randy Swartzmiller  
2nd - Roy Givens  
3rd - Jack Fahey  
4th - Scott Varner, Ken Tucker  
5th - Dave Pethtel  
10th - Rick Modesitt (R)  
13th - Dale Martin, Brady Paxton  
15th - Margarete Leach, Arley Johnson  
16th - Susan Hubbard, Dale Stephens  
17th - Richard Thompson  
18th - Don Perdue  
19th - Steve Kominar, Harry

Keith White  
20th - Tracy Dempsey, Greg Butcher, Lidella Wilson Hrutkay  
21st - Earnie Kuhn  
22nd - Emily Yeager, Lacy Wright  
23rd - Rick Staton, Richard Browning  
25th - Richard Flanigan, Mark Wills  
26th - Mary Pearl Compton  
27th - Virginia Mahan, Randolph McGraw, Sally Susman  
28th - Tom Campbell

29th - Tom Louisos  
30th - Bonnie Brown, Ray Keener, Bobbie Hatfield, Joe Smith, Sharon Spencer  
31st - Carrie Webster  
34th - Brent Boggs  
36th - C. Randy White  
40th - Mary Poling  
41st - Ron Fragale, Frank Angotti  
43rd - Mike Caputo, Paul E. Prunty, A. James Manchin  
44th - Barbara Fleischauer, Charlene Marshall  
52nd - Vicky Douglas  
56th - Dale Manual

# Labor Ready Faces Investigation

**The Building and Construction Trades Department (BCTD) of the AFL-CIO, which represents more than three million workers, is charging that Labor Ready, Inc., a national temporary employment agency that supplies construction workers, may be systematically misclassifying the work performed by its employees so the company can benefit from lower workers' compensation premiums.**

An analysis of workers' compensation records conducted by

the BCTD showed Labor Ready has been paying lower premium rates for a significant share of its employees in two states.

Labor Ready consistently describes its workforce as "primarily blue-collar" workers, for whom workers' compensation rates are considerably higher. Yet payments have been weighted significantly to the less costly clerical classifications.

Because of this discrepancy, the BCTD is calling for an investigation into Labor Ready's practices by state governments and the National Council on Compensation Insurance, the primary organization that determines workers' compensa-

tion rates.

BCTD President Edward Sullivan said Labor Ready's practices are questionable.

"This is yet another example of how Labor Ready builds its

involved clerical, retail sales or "white-collar" activities of any kind.

And yet a thorough review of the workers' compensation records in two states where La-

Earlier this year, the BCTD launched the "Temp Workers Deserve A Permanent Voice @ Work" campaign because of the growing number of temporary agencies providing workers for the construction industry.

The national campaign was created to shed light on the abuses of these workers.

In the past, the ACT Foundation has fought against Labor Ready because of its attack on living standards of local construction workers.

In West Virginia, Labor Ready has made several illegal attempts to thwart union organizing activities.

In January 1999, Labor

**'THIS IS YET ANOTHER EXAMPLE OF HOW LABOR READY BUILDS ITS INCOME IN WAYS THAT APPEAR SUSPECT.'**

**EDWARD SULLIVAN, BCTD PRESIDENT**

income in ways that appear suspect," Sullivan said.

In one section of Labor Ready's Web site, the company lists 36 types of work performed by its workforce, none of which

bor Ready operates -- Ohio and Washington -- revealed the company has been making premium payments at the lower "white-collar" rates for many of its workers.

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## WORKER PROTEST

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ing for a huge tax break from Wayne County and the state of West Virginia to the tune of approximately \$34 million over the next 20 years.

Constellation Power asked the county to issue industrial revenue bonds.

In return for these bonds, the company promised to supply the local economy with job growth.

The tax break given to the company not only affects the county's taxpayers, but also the state's tax revenue because the company will not have to pay full property taxes and the bond interest is tax-free.

Steve Burton, Business Manager of the Tri-State Building

and Construction Trades, said the contractor, H&M Industrial, is paying its workers substandard wages.

"The Wayne County Commission agreed to give the com-

Tim Millne, Laborers District Council assistant business manager, said the company stands ready to benefit financially from the industrial revenue bonds.

He said breaking promises in

order to save money by paying workers substandard wages is intolerable.

"Constellation Power is simply taking advantage

of an area that needs good jobs," Millne said.

"This community believed it would benefit from the plant construction.

"As a result of these broken promises, the community should take a look at the company's lack of responsibility and cancel planned incentives."

**'CONSTELLATION POWER IS SIMPLY TAKING ADVANTAGE OF AN AREA THAT NEEDS GOOD JOBS.'**

**TIM MILLNE, LABORERS DISTRICT COUNCIL**

pany tax incentives in the name of economic development," Burton said.

"Local construction workers have been left out of this economic gain.

"Instead, workers from every state other than West Virginia, Kentucky, or Ohio are being paid substandard wages to work on this job."

## DON'T TRUST Baltimore Gas & Electric



Constellation Energy Group, better known as Baltimore Gas & Electric, is building a gas-fired power plant in West Virginia.

In return for a huge \$35 million tax break, Constellation promised to hire local workers.

Promise made - promise broken.

Now, the Tennessee-based contractor hired to build the plant is importing workers from distant states like Texas, California, Mississippi and Louisiana.

Local workers and their families need these jobs in an area where the unemployment rate remains high.

**Why is Baltimore Gas & Electric Taking Advantage of Working Families?**

Building Trades workers plan to use this flyer at a protest at Baltimore Gas & Electric's headquarters in Baltimore, MD.

# Painting Companies Found Guilty

**Two illegal painting companies are no longer in business thanks to the perseverance of Painters Local 813 in Huntington and the ACT Foundation.**

Owners of North American, Inc. and its successor, I.P.I., Inc., have been convicted on numerous counts of fraud and violations of environmental laws.

The allegations made against the firms in court were:

- I.P.I. dumped waste from a state bridge job into a Fayette County creek.
- North American wasted \$300,000 worth of paint to falsely inflate the cost on many state bridge painting projects.

Matthew Joseph "Joey" Taylor, an officer for I.P.I., Inc. and North American Inc., entered a guilty plea Oct. 16 on behalf of each corporation before U.S. District

Judge John T. Copenhaver in Charleston.

Investigations into these companies, owned by Taylor and his former business partner, Joseph Morris, began as inquiries made by Painters Local 813 after company employees alleged fraud and illegal dumping by their employers.

Taylor pleaded guilty to a pollution charge, admitting that he allowed one of his businesses to illegally store drums of industrial paint thinner.

Taylor admitted I.P.I. violated the Clean Water Act by sending paint, rust and waste sand into Armstrong Creek while under contract to paint the Powellton area bridge in July 1998.

He also admitted North American was guilty of mail fraud by submitting a padded bill for repainting the 29<sup>th</sup> Street Bridge in Hun-

tington while under contract in May 1997.

Taylor and the two corporations must repay \$300,000 to the state

the companies' activities seemed suspicious," McMillan said. "We got help from the ACT Foundation in gathering information. Their help really made a difference."

He said the Painters Local alerted the appropriate officials who could investigate the allegations. This brought in the help of the West Virginia Legislature's Commission on Special Investigations.

Investigators allege that North American would underbid other contractors for paint jobs, then waste paint to increase their billings.

They also allege workers would dispose of the paint by spraying extra paint onto the bridges, onto tarps below the bridges and into large trash cans.

McMillan said hard work and determination by people involved in the investigation was worthwhile.

"The hard work put forth by several people has paid off," McMillan said.

"These owners and their companies weren't playing by the rules and they have paid the price."

**'THE HARD WORK PUT FORTH BY SEVERAL PEOPLE HAS PAID OFF.'**

**GERALD McMILLAN, PAINTERS LOCAL 813**

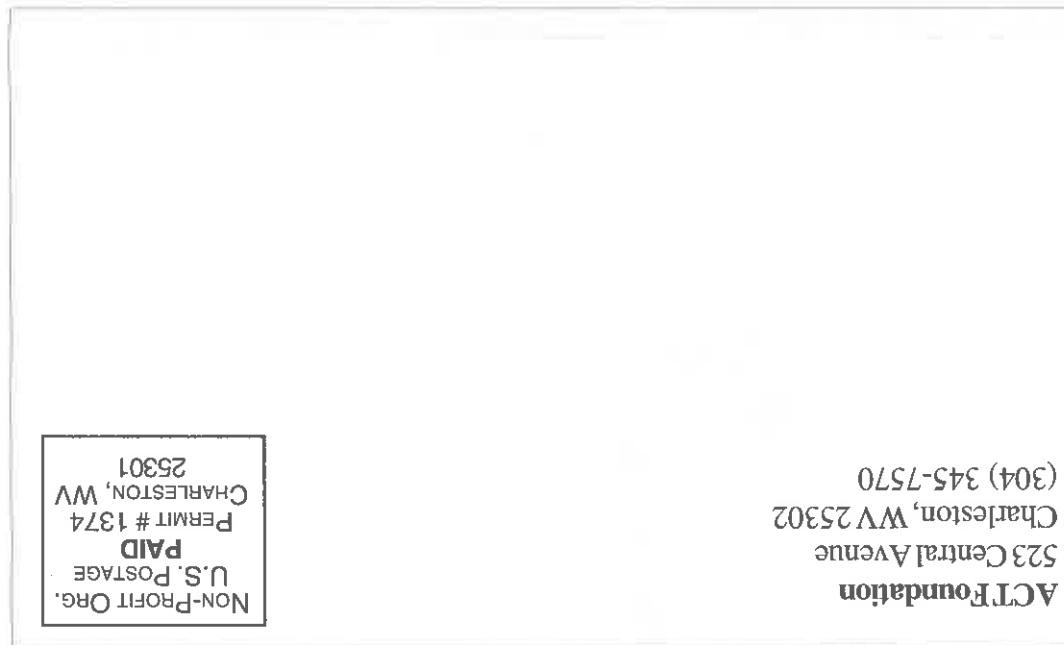
Division of Highways for North American's inflated billing on several bridge painting projects throughout the state.

Taylor also could face imprisonment at a Jan. 3 sentence hearing.

Taylor's partner in North American, Joseph Morris, pleaded guilty last year on charges of money laundering and tax evasion and currently is serving a prison sentence.

Gerald McMillan, Painters Local 813 business agent said the persistence of both the Painters Local and the ACT Foundation played a key role in the charges brought against both companies.

"Workers began coming to us when



## LABOR READY

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Ready filed suit against dozens of local labor leaders and building trades unions. This past July, the suit was found to be illegal by the National Labor Relations Board.

In response to the lawsuit, Tri-State Building and Construction Trades' lawyers filed a complaint with the NLRB alleging Labor Ready filed the lawsuit to strip work-

ers of their unionizing rights guaranteed by the National Labor Relations Act.

In its complaint dated July 31, the NLRB agreed with the unions. According to the complaint, Labor Ready officials "...have been interfering with, restraining and coercing employees in the exercise of the rights guaranteed" by federal labor law.

A hearing has been scheduled for Nov. 28 in Charleston before an administrative law judge.

