

THE ACT REPORT

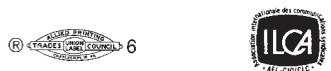
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The ACT Foundation is a division of The West Virginia State Building and Construction Trades Council. Steve Burton, President; Roy Smith, Secretary-Treasurer; Steve White, Director.

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Asbestos Workers Collect \$45,000

After years of delay Asbestos Workers Local 80's Health Fund finally got \$45,000 they were owed.

When a member fell ill and died in the late 1980's doctors first said his illness was not work related.

Bills piled up and the Asbestos Workers Health Fund paid them. That's what insurance is for.

But in 1995 the members widow was able to prove her husbands death and illness were due in large part to deadly mesothelioma, a cancer caused by asbestos, and a work related disease.

Winning the case also meant

the Asbestos Workers Health Fund was entitled to be reimbursed for the medical bills that should have been paid by workers compensation.

However, some eight years later the money still was not paid. During a trustees meeting last Summer advisors to the health fund were suggesting the money

be written off.

"That's \$45,000 our fund needed and I was not willing to give up," said Steve Pigg, Business Manager for Asbestos Workers Local 80 and a trustee of the health fund.

Pigg got together with staff of the ACT Foundation and began a series of meetings and correspondence with the WV Workers Compensation Fund that started last September.

Lawyers for both the health fund and Workers Compensation had changed over the years and putting together a document trail took time. Copies of bills paid, the law suit order and earlier attempt to settle claims were assembled.

But after some hard work and negotiations, persistence paid off. Workers Compensation agreed the money was clearly owed and Pigg worked out the \$45,000 settlement. The check was finally issued in April.

"Every dollar counts," said Pigg. "Our lawyers had all but given up, we couldn't have done it without the help of ACT."



PERSISTENCE PAYS OFF! Asbestos Workers Local 80 Business Manager Steve Pigg displays a long overdue \$45,000 check to reimburse their Health Fund.

\$135,000 Grant Questioned

A state grant meant for training non-union construction workers has come under criticism for its lack of accountability.

The anti-union Associated Builders and Contractors, WV Chapter (ABC) received five grants totaling around \$135,000 from 2000 to 2003.

The largest of the grants, \$120,000 was awarded in late 2001. A request for information about the grant to the state Development Office came up short when looking for required documentation of the purpose,

receipts and accomplishments of the public expenditure.

According to state development office officials the grant was first approved by the Underwood Administration but never awarded. Under threat of a law suit the grant was finally approved by the Wise administration but key parts of a required grant proposal, including the Statement of Work, which describes what will be done with the money, can not be found.

Expenditures for items such as advertising, materials, rent, computers and salaries are not properly documented.

A required close-out package lists the names of 50 appren-

tices, the apparent beneficiary of the grants. However federal Bureau of Apprenticeship records show no apprentices entered the ABC's program during the grant period.

Some of the supposed apprentices have been contacted by union representatives and deny receiving any training. Others were trained at vocational schools and complained about a lack of on-the-job opportunities.

Four additional small business grants of \$10,000 or less were given by the state development office, one each for the years 2000 through 2003. The mini-grants were for specific

training courses. But key records are missing regarding receipts, class attendance and training provided.

Some class rosters appear to be copies from prior years with altered class dates. Other classes were held outside of allowable dates.

Although grant proposals often stated hundreds of people would be trained, these goals were never reached or even approached.

During ACT's initial investigation some state officials defended the grant records. In an April 8 letter to ACT the Governor's Workforce Invest-

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Workers' Comp Gets Tough Election Results

On Corporate Cheaters?

Workers Compensation cut benefits for injured workers almost instantly after Governor Wise signed a 'reform' bill last summer.

But included in the bill, at the insistence of ACT, was a provision to crack down on companies and their owners who benefit from unpaid premiums.

That crack down is now underway some nine months later.

At the March meeting of the newly formed Board of Managers a resolution was passed, over the objection of at least two business representatives, to implement the tough measures.

Those measures include a ten percent ownership rule that holds company owners personally responsible for any unpaid company premiums.

"We've waited a long time for Workers' Comp to go after cor-

porate cheaters," said Lesly Messina, ACT research director.

The rule puts the names of any person who owns ten percent or more of a default company onto a list called the Employer Violator System or EVS. If your name is on the EVS you cannot start a new company or get any permits, licenses, or other permissions from the state.

After 45 days a second enforcement tool goes into effect, revoking existing licenses.

These new procedures apply to all companies that owe more than \$20,000, and sole proprietors, who are found on what is called the active default list.

To be on the active default list you must have missed a quarterly payment by thirty days and not worked out a payment plan after an additional 60 day.

Letters went out in mid-April and the EVS list is now up and

running on the Workers Compensation web site.

By early June the revocation phase is to begin.

"We can point to dozens of companies that are owned and operated by the same people who owe the state millions of unpaid premiums," said Messina. "Comp has already gone after the innocent, it's time to crack down on the guilty."

The Board of Managers also agreed to continue seven lawsuits aimed at collecting more unpaid premiums from coal companies over the objections of lawyers representing those companies.

ACT helped the state recover more than \$60 million in unpaid premiums from similar coal companies in early 2001.

"People are too quick to forget corporate debt and too quick to blame injured workers for the failures of the comp system," said Messina.

\$200 Million Grant Case Over

Rather than face a trial the Wayne County Economic Development Authority has withdrawn their request for \$990,000 from the state Grant Committee.

In a March 31 letter to the WV Economic Development Authority the Wayne County EDA "officially withdraws its application for the grant and relinquishes all rights to the grant proceeds."

ACT had gone to court to block the money because the grant application had been made illegally. The money was intended for an auto parts plant built by the Italian company Sogefi.

The \$200 million grant fund had been created by the legislature to

stimulate economic development projects.

Grant money could only go to projects with a public partner and at the time of the grant application only Sogefi and HADCO, a Huntington development group, were listed.

HADCO refused to comply with Freedom of Information Act (FOIA) requests claiming they were not a public authority.

After the application deadline passed HADCO dropped off the grant and the Wayne County EDA was added. This was also illegal according to the rules of the grant.

ACT filed suit to stop the issuance of the funding to the Sogefi project. The suit became a problem when the bond to fund the \$200 million was about to go to

market. Bond lawyers feared the pending law suit would hurt bond sales and postponed the deal.

That sent negotiators scrambling and led to a compromise which allowed the bonds to be sold. ACT agreed to change their suit to focus only on the Sogefi project and in return got assurances that no money would be given to Sogefi until a court heard the case.

Because the grant money will not go to the Sogefi project ACT has agreed the grant case should be closed.

However, dropping the request for the grant committee funding does not mean the company will not get public funds, it only means those funds will not come from the \$200 million grant fund. In the

After spending thousands, if not millions, to defeat Supreme Court Justice Warren McGraw big business suffered a stunning defeat on May 11th.

State residents rejected the message sent by the local and national Chamber of Commerce as well as corporate lawyers, doctors, insurance companies and a host of out-of-state concerns.

"Business put on one of the dirtiest campaigns I've seen," said Roy Smith, Secretary-Treasurer of the WV State Building Trades. "I'm proud the majority of the voting public was not tricked by the false message sent by business."

Joe Manchin captured the democratic nomination for Governor and will face Monty Warner, the Republican nominee, in the fall.

Wayne County March 31 letter they state "the WCEDA has received \$990,000 from another source." News reports indicate the money came from Gov. Wise's contingency fund.

"We accomplished our goal of stopping the grant money from going to this project," said Steve Burton, Business Manager of the Tri-State Building Trades Council. "Our next step is to examine this latest payment."

ACT still has a suit against the development authority and others who refused to answer FOIA requests early in the project.

"We still want to know how this publicly funded project was awarded without public bidding and prevailing wage rates like the law requires," said Burton.

WV AFL-CIO Endorsed Winners

Supreme Court

Warren McGraw

U.S. House

1st Congressional District:

Alan Mollohan

3rd Congressional District:

Nick Joe Rahall

Attorney General

Darrell McGraw

State Senate

1st: Andy McKenzie (R)

2nd: Jeff Kessler

4th: David Mullins

5th: Bob Plymale

8th: Margaret Workman

10th: Anita Skeens Caldwell

11th: Shirley Love

14th: Jon Blair Hunter

16th: Gregory Lance

House of Delegates

1st: Joe DeLong

2nd: Jack Yost

3rd: Orphy Klempa

4th: Ken Tucker

9th: Jeff Lewis

10th: Patrick Radcliff; John Ellem (R)

13th: Dale Martin; Brady Paxton

16th: Susan Hubbard; Dale Stephens

17th: Richard Thompson; Don Perdue

19th: Greg Butcher; Lidella Wilson Hrutkay; Jeff Eldridge

21st: Harry Keith White

22nd: Richard Browning

25th: Michael Magann

27th: Virginia Mahan; Sally Susman; John Wooton

28th: Tommy Scarles

29th: Tom Louisos

30th: Bonnie Brown; Bobbie Hatfield; Mark Hunt

31st: Carrie Webster

32nd: Jon Cain, Sr.; Curtis Robinson

34th: Brent Boggs

35th: Sam Argento

39th: Bill Hamilton (R)

40th: Mary Poling

41st: Ron Fragale; Richard Iaquina; Tim Miley

42nd: Diane Parker

43rd: Mike Caputo; Tim Manchin; Linda Longstreth

44th: Barbara Fleischauer; Charlene Marshall

46th: Stan Shaver

53rd: Jerry Lynn Burton

54th: Walter Duke (R)

Prevailing Wage Cost Effective

Two new studies show prevailing wage laws improve community living standards and can lead to cost effective construction to save taxpayers money.

These new studies are the latest in a series of scientific reports that have consistently shown prevailing wage laws provide positive results for the construction industry, local communities and taxpayers.

One study, by the University of Missouri, looked at new projects in the Great Plains region and concluded "There is no statistical difference in mean square foot cost across all types of construction for the period 1993-2002 for prevailing wage states versus non-prevailing wage states."

The study also found eliminating prevailing wage laws hurt communities and workers by lowering wages, reducing benefits, reducing tax revenues, weakening apprenticeship opportunities, increasing injuries and increasing construction work done by out-of-state contractors.

A second study was done for the National Heavy and Highway Alliance by the DC-based Construction Labor Research Council. This study looked at federal highway construction costs from

1994 to 2002.

The study found the cost per mile of highway was less among those state which pay higher hourly wages.

They also reason that hourly wage rates of construction workers is not an accurate predictor of total costs.

The study updated an 1995 report and issued the same conclusion.

"Simplistic views and pronouncements that proclaim lowering the hourly wage rates of construction workers will reduce construction costs and expenditures show a basic misunderstanding of the construction industry."

Opponents of prevailing wage laws are quick to claim great savings to taxpayers if the laws are repealed. However they seldom have any evidence to back up their claims.

"These studies prove what we have said all along, prevailing wage laws are good for us all," said Ronnie Burdette, Business Manager of Operating Engineers Local 132.

"The folks who fight prevailing wage never look at productivity and training because they don't believe in it."

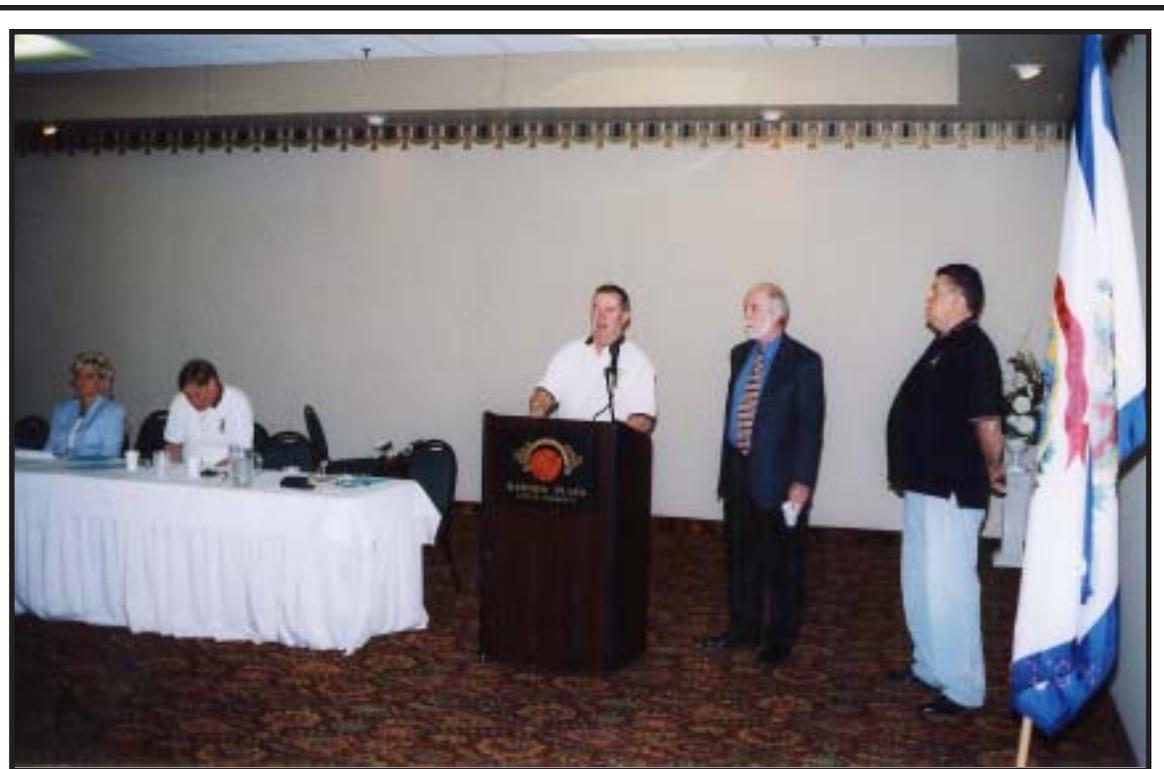
Both studies, and many more, can be found at the National Alliance for Fair Contracting web site www.faircontracting.org.

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OPERATIVE PLASTERERS' and Cement Masons' General President John Dougherty (standing left) speaks to about 30 members at the annual Ohio and West Virginia conference.

The conference was held in Wheeling on April 17th.

General Secretary-Treasurer Patrick Finley, Vice President William Schell, Canadian Representative Mary Thompson, and International Representatives Daniel Rauch and Earl Hurd were also in attendance.

Roy Smith, WV State Building Trades Secretary-Treasurer (center)

and Ray Parr, Business Manager for Cement Masons' Local 39 joined President Dougherty at the podium.

"This was the second year in a row our General President and officers attended our meeting and we appreciate it," said Parr.

Workers' Memorial Day

April 28th is Workers' Memorial Day

and this year the event honoring those who have died on the job was held in Charleston.

More than 125 people attended the service at the Veteran's Memorial on the Capitol Complex.

This year a joint service honoring veteran's was held. After the bell was rung for each of the 41 workers

who lost their lives to the workplace in 2003, there was also a moment of

silence for all the veteran's who lost their lives while they were working.



READING THE NAMES of workers who died on the job is Kenny Perdue, Secretary-Treasurer of the WV AFL-CIO. B.B. Smith rang the bell for each name. Last year 41 workers died on the job, up from 34 in 2002.

Longview Project Moving Ahead

The proposed Longview Power project moved one step closer to reality after the Public Service Commission hearings were concluded late last month.

Three days of testimony included some tense moments when opponents repeatedly tried to stop the project. At one point they accused the PSC Chairman of being bias in what looked like an attempt to provoke the Commissioners.

However no surprises were offered and the overall application looks very close to being complete.

At an open public comment

period on April 27th members of the trades crowded the hearing room and made comments in support of the project.

Throughout the testimony representatives from the North Central WV Building Trades were on hand to both testify and provide valuable insights into the development process.

ACT successfully petitioned to be a party to the case and ACT's attorney Vince Trivelli participated by putting on and cross examining witnesses.

Darwin Snyder, President of North Central, Tom Halfin, Business Agent for Operating Engineers Local 132, Ed Boone, Business Manager for Plumbers and Pipefitters Local

152 and Bill Dean, Business Manager for Iron Workers Local 549 all testified.

They covered the local manpower needed, the memorandum of understanding between developers GenPower and North Central to use local union labor, and the good pay and benefits that local workers will receive.

Opponents had claimed local workers would not build the mill and that the jobs were low paying.

"We testified about many benefits the project will bring for local union construction workers," said Snyder.

ACT also had on hand an economist to testify about the

huge economic benefit the billion dollar facility would bring. Peak construction employment will be 1200 with an average of 540 construction workers over the 39 month project. Construction wages will be around \$120 million.

Other benefits include related jobs and businesses for suppliers and coal producers, taxes,

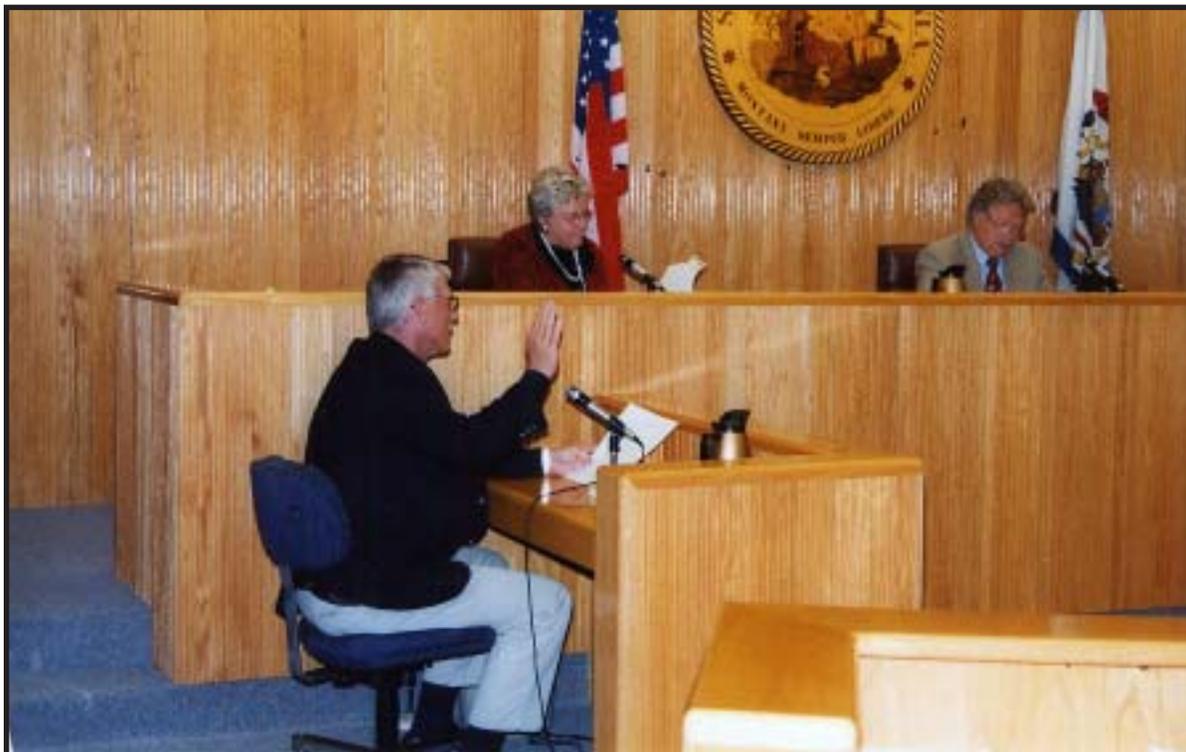
and the permanent jobs and maintenance for the plant.

The plant still needs to secure more permits and financing before it is a reality.

Another hearing must take place regarding the transmission lines for the project and the air permit has been appealed and will be heard before the Air Quality Board later this Summer.

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SWEARING TO TELL the truth before the PSC is Tom Halfin, Business Agent for Operating Engineers Local 132. PSC member Martha Walker and Chairman Ed Staats are in the background.

Grant

CONTINUED FROM P. 1

ment Division Director David Lieving wrote, "From our perspective it appears the Associated Builders and Contractors fulfilled their obligation to report

outcomes and show fiscal accountability."

But ACT director Steve White disagrees.

"They can't tell us what the grant money was for, where it went or how people were served. So how can they say the

money was spent properly?"

White has written to both the West Virginia Economic Development Office and the Attorney Generals Office requesting an investigation.

"We have been told by the Development Office an investi-

gation is underway and they have acknowledged serious problems exist and need to be dealt with."

ACT's research is part of an ongoing effort to hold the ABC accountable for their actions. The ABC often claim to be leaders in craft training but the results are hard to find.

A study by West Virginia University in 2003 showed the

ABC had never graduated an apprentice in the ten year period of 1992 to 2002. Their numbers on women and minority recruitment were also terrible.

"The bottom line is the ABC talks about training but doesn't do much," said White.

"These funds should either be accounted for or paid back. And if fraud is found criminal charges should be brought."

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