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Mid-America Carpenters Union Secures \$1 Million Settlement from Drive Construction Over Failure to Pay Employee Benefits

The \$1 Million payment is the largest settlement obtained by the Mid-America Carpenters Regional Council, which has 52,000 members across Illinois, Missouri, Kansas and eastern Iowa.

CHICAGO — The Mid-America Carpenters Regional Council today announced an agreement to settle a lawsuit against Drive Construction, Inc. and Accurate Construction, LLC over Drive's alleged failure to pay fringe benefits contributions on behalf of its carpenter employees for a five-year period ending in September 2021. The \$1,000,000 settlement is a major victory in the union's fight against wage theft and tax fraud in the construction industry.

The Carpenters Union's lawsuit began in late 2019 when several current and former Drive employees complained that they had been paid in cash at a rate far below what is required by the union's Collective Bargaining Agreement. Over the course of the lawsuit, more than 20 former Drive carpenter employees provided testimony that they had been offered cash by Drive superintendents or had been paid in cash. Paying employees in cash is a common scourge in the construction industry that results in the state losing out on key revenue because cheating contractors are not paying income taxes, employment taxes for Social Security and Medicare, and contributions for workers' compensation and unemployment insurance.

A recent study from the Illinois Economic Policy Institute said wage theft and tax fraud costs the state \$186 million in lost revenue every year.

"This agreement puts the construction industry on notice that the Mid-America Carpenters Regional Council will aggressively pursue action against any contractor who tries to cheat the system and exploit workers by lowballing them and withholding the family-sustaining benefits they depend on," said Gary Perinar, Executive Secretary-Treasurer of the Mid-America Carpenters Regional Council. "It's unconscionable that contractors making good money on projects funded by Illinois taxpayers would rob their employees of much-needed healthcare coverage and pension benefits. Every time this illegal activity occurs it means less money in the public coffers for education, public safety, healthcare and other essential services. We will continue to apply every resource at our disposal to hold those who break the law accountable."

While Drive and Accurate deny any wrongdoing, the union's lawsuit alleges that Drive utilized Accurate Construction, a non-union company, to funnel millions of dollars through fictitious companies set up by Drive Construction superintendents which was then converted to money orders and cash to pay Drive's carpenter employees.

Based upon the strength of the union members' testimony, the Illinois Attorney General launched its own investigation into Drive Construction's payroll practices and currently has a case pending against Drive and Accurate in the Circuit Court of Cook County.

About the Mid-America Carpenters Regional Council

The Mid-America Carpenters Regional Council represents over 52,000 working men and women in 324 counties across Illinois, Missouri, Kansas and Eastern Iowa. The Mid-America Regional Council provides the construction and maintenance industries with productive, competitive and certified professionals, encompassing a wide variety of crafts and skills.