

Construction Underground Economy Advisory Committee - Problem Statements and Suggested Solutions

May 13, 2015

Problem Statement	Actions Currently in Progress	Status	Proposed New Action	Status/Anticipated Completion
(A) Misclassification of independent contractors.	(1) Internal training scheduled for L&I auditors on how to clearly and consistently apply independent contractor laws in workers' compensation.	(1) Phase II Independent Contractor training scheduled for June 3-4, 2015, and will include Auditors and Litigation Specialist. A separate training (TBD) will be held for Account Managers.	Continue current work.	N/A
	(2) Explore use of IRS data for detection purposes.	(2) Project kicked off in May, and will be completed in December 2015. This is to maximize the use of data in Field Audit, Collections, and Detection, Tracking & Outreach.		
	(3) L&I, Employment Security Department (ESD) and Department of Revenue (DOR) currently share data and referrals across agencies.	(3) Ongoing		
	(4) Provide external training on the application of independent contractor laws in workers' compensation.	(4) Ongoing		
(B) Professional work being done by people who aren't licensed to do that type of work.	(1) Continue to support the ProtectMyHome.net website by advertising.	(1) Ongoing - Another advertising campaign began in January 2015. Continuing to work with Washington Association of Building Officials and Washington International Codes Council Chapters.	(1) Partner with Washington Association of Building Officials (WABO) to have L&I compliance inspectors meet with local WABO chapters.	(1) "On the Level!" goes on the WABO website. The "Contractor Steps for Success" document was shared at the statewide meeting in April 2015.
(C) Lack of higher consequences for repeated incidences of non-compliance.	(1) Launch of the Verify lookup app, which provides web portal for checking out a contractor.	(1) Up and running. Currently on the third set of improvements.	(1) Continue to receive feedback and improve operations. (2) Phase two of the Verify app is planned to allow referrals to be entered from within the app itself.	(1) Ongoing. Encouraging use of the "feedback" button.
	(2) Create the agency level effort to review violation consequences, identify gaps and implement changes.	(2) Contractor Compliance, Electrical, Employment Standards and the Division of Occupational Safety and Health are completed. Employer Premium launched on Friday, October 17, 2014.	Continue current work.	N/A
(D) Processes for filing complaints takes too long and lacks feedback loop.	(1) Create web pages for customer referral center, including Employment Standards and Prevailing Wage complaints.	(1) Reportacontractor.lni.wa.gov is now live.	(1) Continuing to collect customer feedback. (2) Summary report on referral activity.	Ongoing
(E) Homeowners using unregistered contractors.	(1) Each compliance team to conduct four compliance sweeps per year.	(1) Ongoing	Continue current work.	N/A
	(2) Continue to support the ProtectMyHome.net website by advertising.	(2) Mike Holmes will be the spokesperson through June 2015.	(2) The Department is working with the Mariners and ROOT Sports on partnership advertising.	(2) Consumer research will be conducted to determine what will happen in the fall.
	(3) L&I continued participation in home shows and consumer events as part of agency outreach efforts.	(3) Ongoing	Continue current work.	N/A
(F) Homeowners having unpermitted work done.	(1) L&I provides a brochure on hiring a contractor and homeowner responsibilities.	(1) Follow up with building departments was performed in June 2014, and will continue to be ongoing.	(1) Complete the "Hire Smart" brochure.	(1) The "Hire Smart" brochure is complete.
	(2) Explore potential relationships with and outreach to real estate industry and home inspectors, real estate home inspectors and lending institutions.	(2) Ongoing	Continue current work.	N/A
(G) Improve understanding and compliance with prevailing wage laws.	(1) Outreach to awarding agencies to raise awareness of their statutory obligations.	(1) Ongoing	(1) Conduct usability study with customers on the prevailing wage internet information. (2) MRSC 4 joint presentations	(1) In process
	(2) Improve web materials explaining prevailing wage and certified payroll requirements.	(2) Various enhancements have been implemented in 2015, including: Project Dashboard, Contractor Strike List, Contractor Debar List, Awarding Agency Portal, Certified Payroll Report System, and Prime Contractor Portal.	(2) Conduct internal training for Prevailing Wage staff to increase familiarity with jobsite practices and standards.	(2) Training for Customer Service Specialists is ongoing at weekly meetings.
	_____	_____	(3) Develop standard work for Prevailing Wage field investigations.	(3) A Lean event was conducted in April 2014, and additional statewide training was conducted in September-October to improve turnaround time for investigations, and to standardize work.