



August 2013



## Construction Underground Economy Advisory Committee

L&I is teaming up with state agencies and external stakeholders in the fight against the construction Underground Economy. On July 17<sup>th</sup> the Construction Underground Economy Advisory Committee had its first meeting. In the tradition of the 2007 Underground Economy Taskforce, the committee will have balanced participation between business, labor, government and consumer interests.

The committee is focused on developing strategies to more effectively combat the Underground Economy in the construction industry, focusing on delivering measurable results. In the process they will improve collaboration, strengthen key connections and share information. Members will help to develop a set of policy and activity recommendations to improve effectiveness in combatting the Construction Underground Economy.



## Independent Contractor Guide Update

We have updated our [Independent Contractor Guide](#). The publication is a general guide to help you understand how and when L&I applies workers' compensation laws to independent contractors. Based on stakeholder feedback, we revised the guide to provide a wealth of specific examples for guidance and clarity.



## Paving Scams Return to the Pacific Northwest

The return of sunny weather to the Pacific Northwest also signals the return of driveway paving scams. Typical scams involve pavers offering homeowners a deal because they have left over material from an area project. Scammers offer to re-seal driveways at a discount to use up the material. However, final prices may change from the original quote and ultimately homeowners are left with a driveway full of loose gravel requiring even more repairs.

Driveway paving jobs can go bad in a number of ways, including:

- Sub-standard materials, including watered-down asphalt.
- Asphalt poured too thinly, allowing grass and weeds to pop through.
- Little or no attention to the driveway's foundation, causing cracking and breakage and later on.
- Drainage problems.

The driveway paving scam is something L&I compliance officers see every summer. Be wary of any contractor offering door-to-door services, using high-pressure sales tactics encouraging you to act now. Take the time to follow L&I's guidelines at [ProtectMyHome.net](#) before starting any home improvement project.



## See Something, Say Something

If you saw another contractor or employer in the field, would you recognize if they were unregistered? If you knew they were unregistered would you know how to report that information to L&I?

The same tips we provide to consumers hiring a contractor may be useful in spotting an unregistered contractor. Keep an eye out for contractors who:

- Offer a special price only if the customer “signs today” or other high pressure sales techniques.
- Accept only cash, require large deposits or the entire cost upfront.
- Ask to be paid personally, rather than the name of a business.
- Do not provide a written contract or complete bid.
- Want to do most or all the work on weekends and after-hours.
- Give an offer that sounds “too good to be true”.

If you suspect someone is engaged in Underground Economy call 1-888-811-5974 or email [EmployerFraud@Lni.wa.gov](mailto:EmployerFraud@Lni.wa.gov) .

Tips from the public play an important role in our fight against the Underground Economy. Last year, L&I received 2,616 fraud leads from the public which led to \$3.2 million in premium assessments.



## Trust but Verify

L&I will soon launch a new Web and mobile application to look up and verify information about contractors, tradespeople and businesses.

The *Verify* application will offer a “One-Stop Shop” to look up and verify the most requested information from our customers. From your computer, laptop, smartphone or tablet, you’ll be able to:

- Verify a contractor’s registration, bond, insurance, and infractions.
- Check to see if a plumber, electrician, elevator mechanic or manufactured home installer is licensed.
- Find out an employer’s workers’ compensation premium status.
- Look up an employer’s safety inspection history.
- Track a contractor.
- Use links to quickly find other related information, such as Department of Revenue status.

The *Verify* application will replace several current older L&I applications, including the [LookUp a Contractor or Tradesperson application](#) and [Verify Workers’ Comp Premium Status](#).

Watch the [L&I website](#) for future announcements and more information about the new *Verify* application.