

What is wage theft and what laws does it break?

- Commonly, wage theft is a violation of the Federal Labor Standards Act (FLSA) which provides a federal minimum wage and requires employers to pay time and half for overtime worked over 40 hours a week. It is also crime bosses that commit wage theft can be charged with theft.
- Wage theft also occurs when employers make illegal deductions from your pay-check or steal tips, when they make you work off the clock, or withhold payment after being terminated.
- Wage theft can also include violation of tax laws, through the misclassification of workers as independent contractors, which excludes employers from having to pay overtime or benefits, as well as their share of payroll taxes, passing on the burden to the worker.
- In the most egregious cases, wage theft occurs when an employer simply refuses to pay any wages to a worker for any amount of hours worked.



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WAGE THEFT



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How big is the scope of the wage theft problem?

Survey evidence suggests that wage theft is widespread and costs workers billions of dollars a year, a transfer from low-income employees to business owners that worsens income inequality, hurts workers and their families, and damages the sense of fairness and justice that a democracy needs to survive.

A three-city study of workers in low-wage industries found that in any given week, two-thirds experienced at least one pay-related violation. The researchers estimated that the average loss per worker over the course of a year was \$2,634, out of total earnings of \$17,616.

The total annual wage theft from front-line workers in low-wage industries in the three cities approached \$3 billion. If these findings in New York, Chicago, and Los Angeles are generalizable to the rest of the U.S. low-wage workforce of 30 million, wage theft is costing workers more than \$50 billion a year.

It is useful to compare the cost of these wage and hour violations with crimes that are better recognized and greatly more feared, though they are much smaller in their overall dollar impact. All of the robberies, burglaries, larcenies, and motor vehicle thefts in the nation cost their victims less than \$14 billion in 2012, according to the FBI's Uniform Crime Reports. That is well over one-third of the estimated cost of wage theft nationwide.

Looking in more detail, in the United States in 2012, there were 292,074 robberies of all kinds, including bank robberies, residential robberies, convenience store and gas station robberies, and street robberies. The total value of the property taken in those crimes was \$340,850,358. Those are not the robberies that were solved; those are all the robberies that were reported to the police, anywhere in the nation.

No one knows precisely how many instances of wage theft occurred in the U.S. during 2012, nor do we know what the victims suffered in total dollars earned but not paid. But we do know that the total amount of money recovered for the victims of wage theft who retained private lawyers or complained to federal or state agencies was at least \$933 million—almost three times greater than all the money stolen in robberies that year.

How To Protect Yourself Against Wage Theft

Slavery is a system under which people are treated as property to be bought and sold, and are forced to work. For many of us, as wage earners, our livelihoods depend (read: forced to work) on wages, especially when the dependence is immediate, meaning you live pay-check to paycheck. We are essentially at the will of the employer, for better and for worse; enslaved by the wage system in which employers use to exploit the working class. This is where the term “wage slave” comes from.

So what can we do to protect ourselves from such exploitation?

One thing we must always remember - labor creates all wealth, and no boss should come between us and that wealth. It is the historic mission of the working class to do away with capitalism, to organize ourselves, not only for everyday struggle with capitalists, but to carrying on production when the capitalist system is abolished.

Here are some simple, tried and true ways to protect yourself and your fellow workers:

- **Track Your Hours:** The U.S. Department of Labor has created a smart phone app to help workers track their hours. If you don't have a smart phone, it is still important to keep your own records. Write down hours worked, break times, and any over time worked.

- **Keep A Work Journal:** A workplace journal is always a good idea. The more detailed your journal is, the better your chances will be when challenging your employers Unfair Labor Practices (ULP). Keep your journal in your car and write down times, dates, names of potential witnesses, and any other detail you think would be helpful later, not while working.
- **Fill Out Tax Forms:** Being paid under the table sometimes can be really great, but it also means you are extremely vulnerable to being underpaid, or not paid at all. Without proof of employment, it's your word against theirs. Following the above practices will help you in your case, but you should demand to be placed officially on the books.
- **Know Your Rights:** Familiarize yourself with your rights and who you can call to file a complaint or ask for advice. If you want a pamphlet explaining your rights, get in touch and we'll get you a copy.
- **Organize/Unionize:** We stress that an organized workplace is the safest workplace. Not only can you safe guard yourself from wage theft, but also demand other changes that make your workplace experience more tolerable. A union is defined by two or more workers acting in concert with one another, and is protected by the government. To act as a union does not require a large organization or external leadership, only organized solidarity among fellow workers.

If you would like to learn how to organize your place of work, get in touch with your local branch of the Industrial Workers of the World.

Organize! Educate! Emancipate!