



Construction Business Group Annual Conference  
April 11, 2024

# Panel Participants

**Gary Hahn** – CBG Wage and Hour Investigator

**Jeff Hennen** – CBG Wage and Hour Investigator

**Brent Granger** – CBG Wage and Hour Investigator

**Victor Centeno** – CBG Wage and Hour Investigator

**Dawn Jones** – CBG Wage and Hour Investigator

**Gary Hahn**  
**CBG Investigator**



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Statewide-Misclassification Specialist

# **Construction Business Group 2021 – 2023 Investigative Summary**

- **1,205 total investigations**
- **230 out of state contractors investigated**
- **611 Davis-Bacon projects investigated**
- **270+ private projects investigated**

# **Construction Business Group 2021 – 2023 Investigative Summary**

- **160 referrals to the DWD Unemployment Insurance**
- **74 referrals to the DWD Worker's Compensation**
- **196 referrals to the DOR**
- **73 referrals to the IRS**
- **60 referrals to others (OSHA, local law enforcement, US Attorney, DOL, State Patrol, DNR, NLRB, ERD /WI Equal Rights Division, law firms)**

# **Construction Business Group 2021 – 2023 Investigative Summary**

- **26 individual wage complaints filed with CBG assistance**
- **\$140,298.32 collected so far, via wage complaints or working directly with subcontractor, general contractor or owner to pay workers**

**Jeff Hennen**  
**CBG Investigator**





**Construction Business Group (CBG)** makes referrals to the following agencies:

Department of  
Workforce  
Development  
(DWD)

Wisconsin  
Department of  
Revenue (DOR)

Internal Revenue  
Service (IRS)

Wisconsin  
Department of  
Natural  
Resources (DNR)

United States  
Department of  
Labor (DOL)

Occupational  
Health & Safety  
Administration  
(OSHA)

Wisconsin  
Department of  
Transportation  
(WisDOT)

Other  
Agencies/Misc.

# Department of Workforce Development (DWD)

## DWD Unemployment Insurance Section

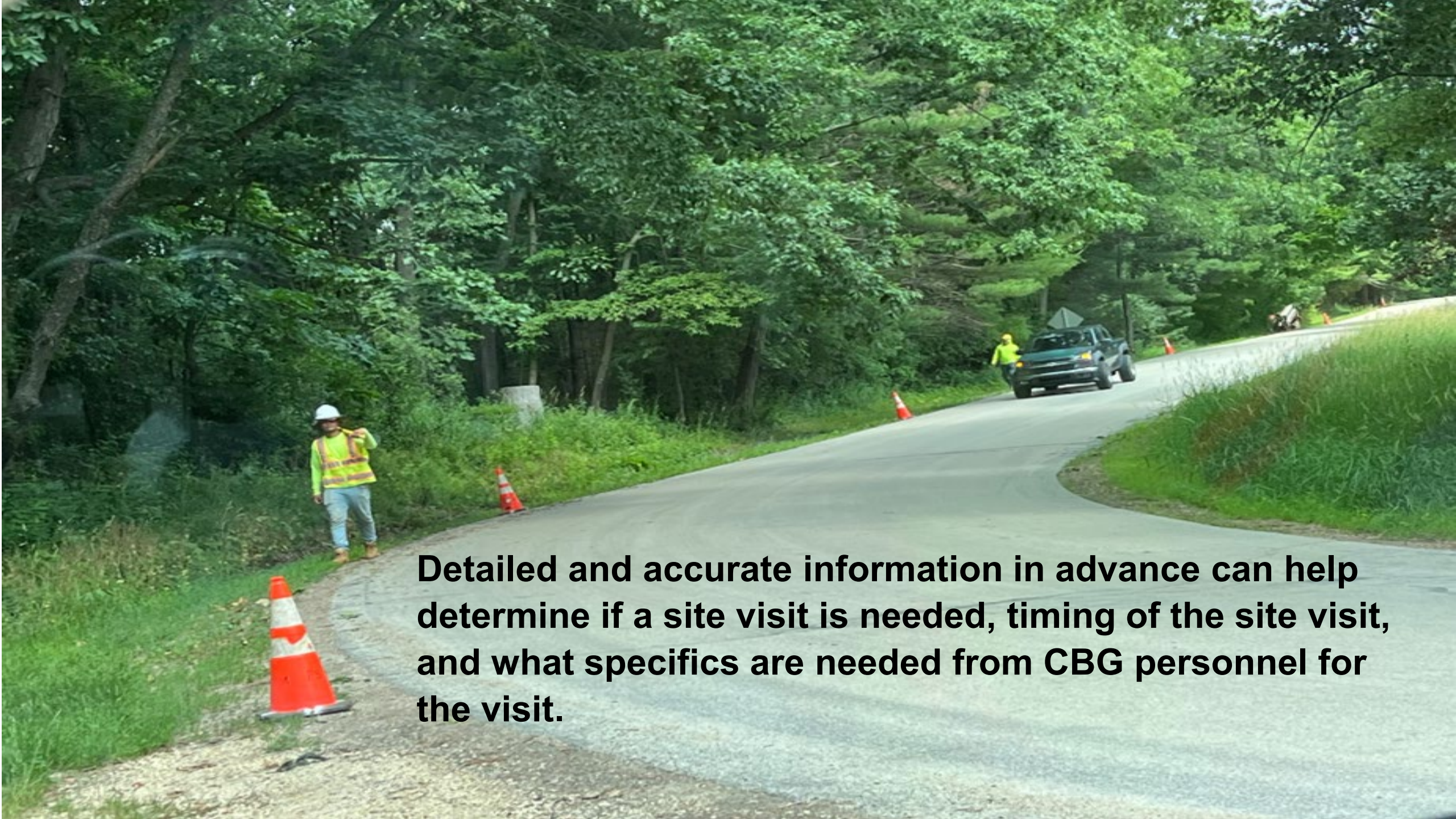
- Mostly worker misclassification cases-workers being treated as independent contractors when they are really employees. Examples are drywallers, painters and fiber optic cable installers
- DWD will only audit a company once in a 2-year period and not all companies referred will result in an audit. DWD will only audit WI companies
- CBG will assist workers with filing a wage complaint with DWD for unpaid or underpaid wages



When requesting CBG to conduct a site visit please try to provide as much information as possible including the following:

- Address and type of project
- Name of the General Contractor and any relevant subcontractors
- Type of violation and # of workers
- Suspicious activity such as out of state plates, OSHA issues, workers being paid in cash and/or by the day, by debit/gift card or personal check
- Need for language interpretation (i.e. Spanish, Portuguese etc.)
- Lack of PPE for workers





**Detailed and accurate information in advance can help determine if a site visit is needed, timing of the site visit, and what specifics are needed from CBG personnel for the visit.**

Check for:  
WI Department of Financial Institution  
Worker Compensation Insurance  
Prior Wage Complaints  
OSHA violations



# DWD Worker's Compensation

- Referrals made for both in State and Out of State companies that do not have WC coverage.
- Out of State companies must have insurance rider in Wisconsin.
- When possible CBG referrals should include:
  - USDOT #s
  - Company
  - License Plates (especially out of State registrations)
  - State vehicle is registered in



# Wisconsin Department of Revenue (DOR)

- Referrals made for Out of State companies that are not registered to do business in WI and therefore not paying WI taxes
- Examples include restaurant and chain store building crews, fiber optic crews, commercial painting crews (water towers/bridges).



# Include with CBG Referrals:

- What state the business is from
- Number of workers
- Locations of work in WI and duration
  - **DOR won't audit a single violation only**
- How long the company is planning on working in WI
- CBG will try to visit mobile crews **ASAP** as they are “here today, gone tomorrow”





# Internal Revenue Service (IRS)

Referrals made for suspicious activity including:



Workers paid in cash/gift cards



Company is not registered or no company exists at all



Accounting irregularities

# Wisconsin Department of Natural Resources

Referrals for: Erosion control  
ex no silt fencing or silt bag

- Putting harmful materials into lakes/rivers
- Illegal disposal of hazardous waste

Anonymous tips

**1-800-TIP-WDNR**

Can check status on

**WI CCAP**



# US Department of Labor (DOL)

Civil Division-the majority of CBG referrals involve misclassification of work performed

- (ex: equipment operator being paid as a laborer).

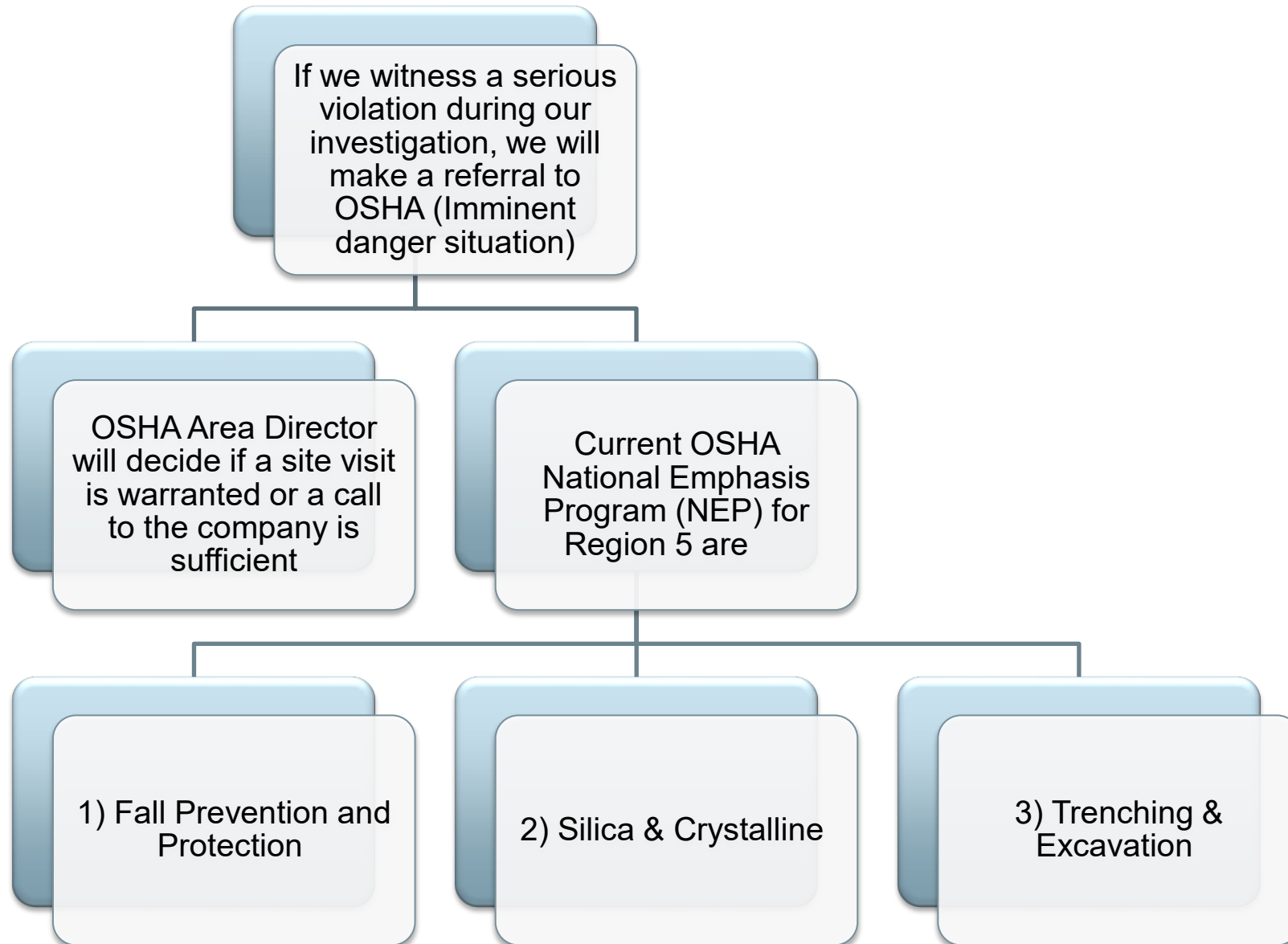
Office of Inspector General (OIG)

- Often work with HUD

Will only investigate:

- Criminal cases
- Repeated violations after civil action by DOL in cases on public projects with very high dollar amount

# Occupational Health & Safety Administration (OSHA)





- **Whistle Blower Cases (WB):**

CBG will assist workers file WB cases involving safety issues  
(Trench safety/asbestos etc.)

Complaints are filed via Region 5 in Columbus, OH.

CBG will assist with interpretation and outside legal assistance

## Wisconsin Department of Transportation (WisDOT)

Usually Hwy projects

- Many have PW, but not all
- CBG checks for PW violations and obtains subcontractor lists for projects

Open Records Requests are more timely than federal projects

# Other Agencies/Miscellaneous

- Law Enforcement for traffic control issues and overweight violations
- Referrals to private attorneys for:
  - Civil Actions
  - EEOC and ERD complaints
  - Assist with placing liens on properties where work was done and workers were not paid
- CBG Folders to Municipalities & Contractors
  - Every year CBG Investigators visit or send CBG information with updated law changes
- Provide information from CBG bidder database on contractors that have had issues on public projects
- CBG will not ask municipalities to find a contractor is a non-responsible bidder but CBG will provide publicly available information so they can make an informed decision.

**Brent Granger**  
**CBG Investigator**







**Highway  
21  
Bridge**





**Waupaca  
City  
Hall**





**Adams  
County  
CTH Z**



**Victor Centeno**  
**CBG Investigator**



## Case Study



**Dawn Jones**  
**CBG Investigator**





*Human  
Trafficking*



# What Is Human Trafficking?

Exploitation of persons for commercial sex or forced labor

Traffickers use *force, fraud, or coercion* to control their victims

Can be prosecuted on a variety of grounds

May involve smuggling or bringing people across borders

# 18 U.S.C. § 1589

## Forced Labor

- Whoever knowingly provides or obtains the labor or services of a person--
  - By **threats of serious harm** or physical restraint against a person
  - By means of any **scheme, plan, or pattern** intended to cause the **person to believe that, if the person did not perform such labor or services, that person or another person would suffer serious harm or physical restraint**
  - By means of **abuse or threatened abuse of law or the legal process**
  - Whoever **knowingly benefits, financially or by receiving anything of value** from **participation in a venture that engaged in the providing or obtaining of labor or services by any of the means described above**

• [OLRC Home \(house.gov\)](https://www.house.gov/olrc)

18 U.S.C. § 1590:  
Trafficking with  
respect to  
peonage, slavery,  
involuntary  
servitude, or  
forced labor

- Whoever knowingly recruits, harbors, transports, provides, or obtains by any means, any person for labor or services
- Whoever obstructs, attempts to obstruct, or in any way interferes with or prevents the enforcement of this section, shall be subject to the penalties under subsection (a)

18 USC 1592:  
Unlawful conduct  
with respect to  
documents in  
furtherance of  
trafficking, peonage,  
slavery, involuntary  
servitude, or forced  
labor

- (a) Whoever **knowingly destroys, conceals, removes, confiscates, or possesses any actual or purported passport or other immigration document**, or any other actual or purported government identification document, of another person-
- (3) to **prevent or restrict or to attempt to prevent or restrict**, without lawful authority, the **person's liberty to move or travel, in order to maintain the labor or services** of that person, **when the person is or has been a victim of a severe form of trafficking** in persons, as defined in section 103 of the Trafficking Victims Protection Act of 2000,
- (b) Subsection (a) does not apply to the conduct of a person who is or has been a victim of a severe form of trafficking in persons, as defined in section 103 of the Trafficking Victims Protection Act of 2000, if that conduct is caused by, or incident to, that trafficking.

# Wisconsin State Statute 940.302 Human Trafficking

- One of the following applies:
  - The **trafficking is for the purposes of labor or services** or for the purposes of a commercial sex act.
- The trafficking is done by **any** of the following:
  - **Causing or threatening** to cause **bodily harm, financial harm, restraining or threatening to restrain any individual, Violating or threatening to violate a law, extortion, fraud, deception, debt bondage**, controlling or threatening to control any individual's access to an addictive **controlled substance**, **using any scheme, pattern, or other means to directly or indirectly coerce, threaten, or intimidate any individual, using or threatening to use force or violence** on any individual, causing or threatening to cause any individual to do any act against the individual's will or without the individual's consent, or **destroying, concealing, removing, confiscating, or possessing, or threatening to destroy, conceal, remove, confiscate, or possess, any actual or purported passport or any other actual or purported official identification document of any individual.**
  - **Whoever benefits in any manner** if the person knows or reasonably should have known that the benefits come from or are derived from an act or scheme described above
  - **Whoever knowingly receives compensation from the earnings of debt bondage**, a prostitute, or a commercial sex act

## Other Codes and Statutes that may come into play:

- **18 U.S.C. § 1591, Sex Trafficking of Children OR by Force, Fraud or Coercion**
- **948.051 Trafficking of a child**
- **939.46 Coercion - Affirmative Defense**

[OLRC Home \(house.gov\)](https://legis.wisconsin.gov/house)

[Wisconsin Legislature: 948.051](https://legis.wisconsin.gov/house/bills/948/051)

# Smuggling Versus Human Trafficking

## ■ Smuggling

- An offense against the **borders**
- Requires illegal crossing of the border
- Smugglers typically make their money once the undocumented person has reached the border; their “business relationship” with the immigrant then terminates
- Can become trafficking once a person is forced to provide labor or services

## ■ Trafficking

- An offense against a **person**
- Does not require movement from one location to another
- Compelled labor or service
- Traffickers may use smuggling debt as a means to control victims
- Traffickers maintain ongoing control over victims, even after the border is crossed

# Human Trafficking is A Lucrative Business

Yields billions in profits each year

Drug trafficking, human trafficking and arms trafficking are the most lucrative businesses for organized crime

A preferred business for criminal syndicates around the world



# What People Are Trafficked For

- Agricultural work
- Landscape work
- Factory work
- Construction work
- Day labor
- Hotel housekeeping
- Restaurant work
- Sexual exploitation
- Prostitution
- Exotic dancing
- Begging/street peddling
- Carnival work
- Criminal activities
- Domestic work and child care (“domestic servitude”)

# Supply of Victims Is Seemingly Endless

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Victims are dispensable commodities and are often seen by traffickers as readily replaceable

They are typically recruited—not by force—but by the promise of a better life

Unlike drugs or guns, people can be sold over and over again

# Who Commonly Engages in Human Trafficking?

## Traffickers

- Are members of the victim's own ethnic or national community
- May use other victims to recruit
- Traffickers range from small time solo operators, to loose networks of criminals, up to highly sophisticated criminal networks

## Family operated businesses

- Often will involve an extended family
- Independently owned businesses
- Both traffickers and survivors can be “born into the life”

# How Are Victims Trafficked?

Traffickers meet the needs or pretend to meet the needs of Victims through, Force, Fraud or Coercion.

# Traffickers Use Multiple Means to Control Their Victims

- Threats of deportation
- Psychological abuses
- Debt bondage
- Document withholding
- Threats against victim's family/friends
- Beatings, burnings, rapes, and starvation
- Isolation
- Drug or alcohol dependency
- LOVE

# 3 Elements of Trafficking

## PROCESS/ACTION

**RECRUITING**  
or  
**HARBORING**  
or  
**MOVING**  
or  
**OBTAINING A PERSON**

- How did the person find out about the job?
- How did the person migrate?

## MEANS

**By**  
**FORCE**  
or  
**FRAUD**  
or  
**COERCION**

- What happened when they arrived in this country?
- What was it like when they started to work?

## PURPOSE

**For the purposes of**  
**INVOLUNTARY SERVITUDE**  
or  
**DEBT BONDAGE**  
or  
**SLAVERY**  
or  
**SEX TRADE**

- Was the person paid?
  - How much?
  - How often?
- Were there deductions?
- Did the person try to leave the job? What happened?
- Is the person afraid of the employer? Why?

# Common Barriers to Seeking Help

FEAR, FEAR, FEAR

Fear of Retaliation  
(Self and Family)

Fear of  
Incarceration /  
Deportation

Lack of Trust in  
the System

Lack of  
Knowledge About  
Available Services

Lack of Social  
Contact / Support

Language  
Differences

Feelings of Shame

Cultural /  
Religious Beliefs

Held in Captivity

Lack of  
Transportation

Not Able to Self  
Identify as a  
Victim

Fear of the  
Unknown

# What do we look for

**No Breaks**

**Restricted  
Movement**

**Fear of  
interaction  
with others**

**Improperly  
Dressed**

**No  
Documentation**

**Lack of  
skills**



# Immigration Remedies for Victims of Trafficking

Short term:

Continued Presence 1Yr

Long term:

T-Visa

Trafficking

U Visa

Violent Crimes

# Think of CBG as:

- ❖ Enforcing
- ❖ Educating
- ❖ Promoting



We are Building Wisconsin Together!

*Questions???*



# References

- <https://uscode.house.gov/view.xhtml?req=18+U.S.C.+%EF%BF%BD+1589&f=treesort&fq=true&num=28&hl=true&edition=prelim&granuleId=USC-prelim-title18-section158918> 18 USC 1589: Forced labor (house.gov)
- <https://uscode.house.gov/view.xhtml?req=1590&f=treesort&fq=true&num=38&hl=true&edition=prelim&granuleId=USC-prelim-title18-section1590>
- <https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title18-section1591&num=0&edition=prelim>
- [18 USC 1592: Unlawful conduct with respect to documents in furtherance of trafficking, peonage, slavery, involuntary servitude, or forced labor \(house.gov\)](#)
- <https://docs.legis.wisconsin.gov/statutes/statutes/939/III/46>
- <https://docs.legis.wisconsin.gov/statutes/statutes/940/II/302>
- <https://docs.legis.wisconsin.gov/statutes/statutes/948/051>