

Legislature failed to find a transportation funding solution—again.



Almost immediately after Gov. Scott Walker signed the 2017-2019 Biennial Budget, the issues of sustainable transportation funding and the poor condition of many of our state's roads fell off the radar screen of the media and lawmakers. Those of us who work in the industry know that is

a mistake. The most recent budget not only didn't solve the transportation crisis, it exacerbated the crisis.

An overwhelming majority of voters oppose borrowing and construction delays and believe that raising revenue is appropriate. Despite the public consensus, the 2017-2019 Biennial Budget contained \$252 million in borrowing and will cause multiple delays, including cancellation of the Interstate 94 East/West project, and it failed to raise revenue. (Despite how some people tried to spin it, the fee on hybrid and electric cars did not meaningfully raise revenue.) Furthermore, the overall transportation budget was \$245 million less than that in the previous biennium, meaning our \$1 billion transportation funding gap will continue to grow.

A modern, efficient transportation system is critical to economic growth. This is not a debarable item. It is a well-recognized fact. Companies looking to expand or relocate carefully investigate infrastructure as part of the decision-making process. What will their investigation reveal about Wisconsin?

Federal and local governments, professional associations, and special interest groups all agree that Wisconsin's transportation system is in critically poor condition. Most recently, US News & World Report issued a "Best States"

survey. In the transportation category, Wisconsin's road quality was ranked 49th. Because of other transportation factors such as commute time, Wisconsin's overall transportation ranking crawled up a couple of notches to 41st, which is still an embarrassment.

What will it take for our lawmakers to fix our failing transportation system? Do we have to experience a catastrophic accident like the Interstate 35 bridge collapse in Minnesota before they are motivated to act?

While lawmakers and the media appear happy to ignore the issue until the next budget bill, Construction Business Group is keeping a spotlight on the transportation crisis. During University of Wisconsin-Madison Badger football and basketball games, CBG is airing a radio ad that features our shockingly low road quality ranking by US News & World Report. At our upcoming Winter Conference on Feb. 22-23, Wisconsin's transportation funding needs will be a topic addressed by multiple presenters. We talk with any group that wants to be educated on the issue and work with any organization that shares our goal of finding a sustainable transportation funding solution.

A handwritten signature in black ink, appearing to read "Robb Kahl".

Robb Kahl,
CBG Executive Director



Training grant awarded to train future Operators



\$81,000 + TRAINING PARTNERS = 25 NEW APPRENTICES

Many of Construction Business Group's workforce initiatives are defined as pre-apprenticeship. Whether we are targeting youth through Destinations Career Academy, or adults through apprenticeship readiness, the goal is to prepare individuals to enter and succeed in registered apprenticeship.

Pre-apprenticeship is a hot topic because of the June presidential order expanding apprenticeships to:

- Prepare workers to fill existing and newly created jobs
- Ensure students are graduating with the skills necessary to secure jobs
- Provide paid, relevant workplace experience and opportunities to develop skills that employers value
- Provide an affordable path to good jobs and careers

After a lengthy application process, the Wisconsin Fast Forward grant to train 25 new and incumbent workers was fully funded. This \$81,000 award uses the Operating Engineers' online curriculum developed for high school students enrolled in Destinations Career Academy, to prepare 25 adults for apprenticeship.

Grant partners

- The Operating Engineers training center
- WRTP/Big Step – worker outreach
- Keystone Academy – online curriculum provider
- Workforce Development Board of South Central Wisconsin and Employ Milwaukee – employee support

Participating contractors:

- J.H. Findorff & Son Inc.
- Mathy Construction Co.
- Michels Corporation
- Payne & Dolan Inc.
- Rock Road Companies

During the next few months, WRTP/Big Step will assist contractors that are seeking new employees who are interested in beginning a career in construction, with an emphasis on underrepresented populations. New employees and incumbent workers will use the online Keystone Academy to complete a range of apprenticeship courses.

Courses:

- Basic Equipment
- Basic Grade
- Construction Math for the Trades
- Basic Maintenance

This is an important effort for our industry and it is our hope that this pilot of online curriculum is successful so it can become a new standard in preparing adults for success in apprenticeship.

Wisconsin Fast Forward Facts:

The state of Wisconsin invested \$30 million in the Fast Forward grant program that cultivates a strong environment for private-sector job creation by helping businesses train highly skilled workers to fill job openings and meet ongoing skill requirements. As a catalyst for talent development, the program encourages increased collaboration between Wisconsin's businesses and workforce training partners for the development and implementation of customized and sustainable short- and medium-term training programs that place workers in long-term positions with opportunities for professional growth and economic advancement. To learn more, visit wisconsinfastforward.com.





CBG investigation leads to criminal conviction, prison term

Cynthia L. Buchko, General Counsel
Construction Business Group

Bill Wilson, recently retired Construction Business Group wage-and-hour investigator, began an investigation involving Cedarburg Landscaping Co. and its owner, Scott Devereux, in March 2014. Based on a review of survey data submitted by Cedarburg Landscaping to the Wisconsin Department of Workforce Development, Wilson believed the company was underpaying employees on “white sheet” state Department of Transportation work. From 2014 to 2016, Wilson investigated several public projects and helped multiple employees file first-party complaints with the DWD or the DOT to recover wages they had been shorted.

Wilson’s investigations revealed:

- Cedarburg Landscaping was not paying employees the federal or state-required wage rate on white sheet work.
- The company was claiming fringe benefits that employees were not receiving and had no hope of ever receiving.
- Cedarburg Landscaping submitted falsified records to state and federal agencies.

The company was uncooperative with Wilson’s investigations. “I was told by employees that if they talked with me and provided me with any information to indicate they were not being paid correctly, they would be assigned to any unpleasant work that was available on private projects,” Wilson said.

Cedarburg Landscaping also was uncooperative with investigations conducted by the DWD, DOT and US

Department of Labor. Because many of the projects at issue involved federal dollars and the falsification of records, the matter was referred to the US Attorney’s Office for the Eastern District of Wisconsin. That office attempted to negotiate with Cedarburg Landscaping and Devereux to reach a resolution.

After negotiations failed, the US Attorney’s Office presented the matter to a grand jury and it returned an indictment Jan. 18, 2017 for six counts of mail fraud and 10 counts of using false documents with the government.

On Sept. 6, 2017, Devereux was sentenced to six months in prison by federal Judge Joseph Stadtmueller and began serving his sentence Nov. 1, 2017. Upon completing his prison term, he will have three years of supervised release with the first 180 days under home confinement.

Devereux also was ordered to pay \$242,394.58 in restitution to his employees and was debarred from state and federal construction projects.

“As I sat in court and listened to former Cedarburg employees testify that while working on publicly bid construction projects their wages were half of what they should have been, and at the same time Devereux was taking extravagant vacations, I could only assume that the wages that belonged to those employees were used to fund his vacations,” Wilson said. “I then wondered if it was worth it to him, considering he was now going to spend six months of his life incarcerated.”

Meet Edna Baldwin



Edna Baldwin has joined Construction Business Group as a wage-and-hour investigator. Baldwin will be working on a statewide basis with other CBG investigators on complex payroll

and benefits fraud investigations.

Prior to joining CBG, Baldwin worked in labor compliance for the state Department of Transportation. “Worker exploitation on construction projects that do not have DOT oversight is a serious problem in Wisconsin,” she said. “At CBG, we strive to make certain that all workers are paid properly and have access to safety nets, such as worker’s compensation, if injured on the job site.”

Baldwin has an accounting degree and is fluent in

Spanish. She has lived in the Waukesha area for nearly 10 years where she and her husband are raising their two children.

Edna Baldwin se ha unido a Construction Business Group como investigadora de salarios y horas. Baldwin estará trabajando a nivel estatal con otros investigadores de CBG en nominas complejas e investigaciones de fraude.

Antes de unirse a CBG, Baldwin trabajó en Cumplimiento Laboral para WisDOT. “Explotación de trabajadores in proyectos de construcción que no se tiene una supervisión de WisDOT es un problema grave en Wisconsin” dijo ella. “En CBG, nos esforzamos para asegurarnos que todos los trabajadores son pagados correctamente y que tienen acceso a redes seguras, como la compensación a los trabajadores, si se lesiona en el lugar de trabajo.”

Baldwin tiene una licenciatura en Contabilidad y es fluente en español. Baldwin ha vivido en el área de Waukesha durante casi diez años con su esposo y sus dos hijos.

Meet Jeff Hennen



Jeff Hennen, a recently retired 32-year member of the Waukesha Police Department, has joined Construction Business Group as a wage-and-hour investigator. Hennen replaces Bill Wilson, a CBG investigator who retired in October after 10 years in the position.

Based in Waukesha, Hennen investigates public and private construction projects in Ozaukee, Washington, Waukesha, Milwaukee, Racine, Sheboygan and Kenosha counties for compliance with federal and state labor, employment and other laws. “My job is to keep the playing field level,” Hennen said, “to make sure everyone is paying their employees what they should be and complying with the law.”

Hennen is a long-time resident of southeastern Wisconsin, where he currently resides with his wife and children. While employed with the Waukesha Police Department, Hennen was active with his local union. He also has a son who is an Operating Engineers apprentice.

