

# THE ACT REPORT

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The ACT Foundation is a division of The West Virginia State Building and Construction Trades Council, with offices in Charleston and Clarksburg. Steve Burton, President; Roy Smith, Secretary-Treasurer; Steve White, Director.

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## NEW HEADQUARTERS MORTGAGE PAID

# Gov. Wise Thanks Building Trades

**G**overnor Bob Wise kicked off the West Virginia State Building Trades Annual Convention by thanking members for all of their hard work helping the state and his administration on several different fronts.

The Governor opened his remarks by thanking ACT for keeping the Workers Compensation suits alive during the Underwood Administration.

"That suit was about fairness and ACT kept it alive so that we could get in there and collect the debts these coal operators should have paid in the first place," said Wise. "To date, the state has collected more than \$56 million which is helping the current workers



**Gov. Bob Wise addresses delegates to the West Virginia State Building Trades/ACT convention held on July 10 in Charleston.**

comp situation."

Next the governor thanked the state building trades for

helping to make the last legislative session "the most sweeping in West Virginia history as

far as economic development and job creation is concerned."

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# Criminal Allowed to Bid on State Project

**A**CT has discovered that a painting contractor convicted of cheating the state is being allowed to bid on a Department of Highways (DOH) project.

"It's an outrage that cheating companies are allowed to bid on state projects," said Dan Poling, Business Representative for Painters District Council 53. "It drives honest contractors from bidding on state work when they know they will be underbid by dishonest companies who cut corners."

This particular project is described as maintenance painting for various bridges.

Matthew "Joey" Taylor, the owner of one of the bidding

companies, IPI Inc. of Charleston, was convicted of breaking several federal environmental laws in 2001 and sentenced to 5 years probation, six months home confinement. In addition, his company was ordered to

Armstrong Creek Bridge in Fayette County.

Taylor was also convicted of illegally storing industrial paint thinner in his other company's warehouse. That company, North American

year.

IPI's problems don't stop there. The company also owes Unemployment Compensation \$32,492.48.

"Not only does this company and its owner have a record, but state law says any company owing more than \$5,000 can not be awarded a state contract," said Poling.

ACT also learned that two other companies that bid may each owe the state more than \$5,000, making them ineligible for an award.

Clearfork Coatings Inc. of Wyoming County, owes Workers Compensation and Unemployment Compensation a combined total of \$14,809.42 according to records received

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pay the DOH \$300,000 in restitution fee.

IPI violated the Clean Water Act when they failed to set up tarps to catch blasting sand and paint while painting

Inc., was ordered to pay an additional \$140,000 fine.

As a result of these convictions, IPI and North American were suspended from bidding on any state projects for one

# Union Trades Federal Credit Union to Serve State Building Trades Members

**E**arlier this month, the Executive Board of the West Virginia State Building Trades decided to move forward with its plan to provide members with a credit union.

The plan is to partner with Union Trades Federal Credit Union, originally a Parkersburg Pipefitters credit union, which has already expanded to serve the Parkersburg Building and Construction Trades members.

"We feel this is the best way to get this done," said ACT representative Raymond "BB" Smith.

Smith has been active in the effort to start a credit union

and praised the Union Trades for the many services it currently offers. "It's a well run organization."

Joyce Fox, Treasurer to the Board of Directors and manager of the credit union said "Union Trades Federal Credit Union is already established offering

checking and savings accounts as well as credit cards, check cards and many types of loans."

Union Trades FCU currently has 980 members in the Parkersburg area.

A key to the expansion plan is opening a new branch wher-

ever the need arises.

There are several advantages to belonging to a credit union as opposed to doing business with a bank:

- A board elected by the mem-



bership runs the credit union,

- Loan and credit card rates are generally lower than bank rates,

- Interest earned on savings accounts is usually higher than that of a bank.

- "The credit union has been a

great asset to our union," said John "Moose" Miller, Business Manager for Plumbers and Pipefitters Local 565, Parkersburg. "It allows us to

obtain the financial services we need, no more no less.

According to Fox, the National Credit Union Association requires West

Virginia State Building Trades locals to pass resolutions to join the newly expanded credit union before submitting a letter of interest and a copy of the local's bylaws.

The National Credit Union Association requires the by-

laws to prove the local is a legitimate organization in order to approve the expansion.

"After that step is completed we will evaluate the demographics of the potential new members and decide where a new branch should be located," said Fox.

According to Smith, participating locals will also be asked to establish credit union committees aimed at educating co-workers on credit union membership and services.

"A credit union is not a for-profit bank," said Smith.

"It is a non-profit organization of people with similar interests pooling their resources to help themselves and each other."

## Convention

*CONTINUED FROM P. 1*

Wise mentioned the passage of House Bill 4005, which rewrote much of the economic development incentive laws.

"Of course the bill includes important points to union construction workers such as prevailing wage and competitive bid," said Wise. "But the bill also allows businesses that will create just 20 jobs to receive incentives to locate in West Virginia."

Previously, credits were offered only to companies that created a minimum of 50 jobs.

"It also allows companies that want to expand their business to take advantage of the incentives," said Wise.

"We not only want companies to manufacture their products here we also want them to develop them here, which creates even more jobs.

"That's why we included one of the most sweeping research and development incentives in the nation."

Another highlight of Wise's speech was his appointment of Dave Mullins, training coordinator for Operating Engineers Local 132, to the West Virginia Economic Development Authority (WVEDA) (see related story p. 4).

"Labor needs a voice in the WVEDA and that voice will be Dave Mullins," said Wise.

Wise praised labor and busi-

ness for their ability to work together to agree on Amendment One, a new economic development tool that will go for voter approval in November. He also recognized ACT Director Steve White's work as Co-Chair of the All for One Committee, which was formed to promote passage of the amendment.

Wise stressed the importance of getting the word out about the positive attributes of Amendment One.

"Spread the word about Amendment One," the governor said. "If it isn't explained to the voters, we may lose it."

Amendment One allows counties and some cities to re-

direct property tax revenue from new projects to help finance the projects.

"The important thing to remember is that Amendment One doesn't raise taxes. It creates jobs," said Wise.

"Building West Virginia is what it is all about and you folks are the ones doing it," Wise said in closing.

Another highlight of the convention was the shredding of the mortgage documents for the State Building Trades new home purchased one year ago.

According to Steve Burton, President of the State Building Trades, the \$550,000 building was paid off so quickly because of recent settlements of

the Workers Compensation and other suits and the sale of the old State Building Trades Building.

"The settlements helped us accomplish our goal. We got \$250,000 from the state for fees and expenses accrued during the workers compensation case," said Burton.

"I would like to thank all of the members who believed in us and paid their quarters, while others fell by the wayside," added Burton. "There are some locals that wanted to see us fail and default on this mortgage, but I think the delegates in this room right now prove that ACT isn't broke and is still going strong."

**Don't forget to check out ACT and the State Building Trades on the Internet at [www.actwv.org](http://www.actwv.org)**

## June Special Session Good for Local Workers

**The July Special Legislative Session is heating up over the issue of overweight coal trucks.**

As the ACT report goes to press there is no resolution in sight.

But special sessions sometimes have a positive effect. In the June session a small but significant tax incentive was passed that is important to construction workers.

passed.

The Super Tax Credit allows companies that create 20 new full time permanent jobs to take a tax credit equal to 20 percent of their investment.

With the added construction provision, a company that qualifies for the Super Tax Credit is eligible for an additional five percent credit if they invest more than \$20 million and create 75 construction jobs for a year, or the man-hour

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**‘THIS LAW REWARDS COMPANIES WHO CREATE GOOD PAYING CONSTRUCTION JOBS, BUT ONLY IF THEY PAY PREVAILING WAGES AND BENEFITS.’**

**STEVE WHITE, ACT DIRECTOR**

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The incentive is aimed at companies that invest in projects which hire large numbers of construction workers at prevailing wage rates and benefits.

“Up to now our state only offered incentives for permanent jobs, not construction jobs,” said Steve White, ACT director. “This law rewards companies that create good paying construction jobs, but only if they pay prevailing wages and benefits.”

The new incentive is part of the Super Tax Credit law which was rewritten in the 2002 regular legislative session. In fact the construction credit was part of the rewrite but somehow dropped in the last few hours of the session when the bill

equivalent.

For example, if a company builds a \$20 million plant and hires 20 permanent workers, they are entitled to a \$4 million Super Tax Credit. If they create jobs for 75 construction workers for a year (or 150 for six months) they are entitled to an additional \$1 million credit. But only if the workers are paid at the prevailing wage rate.

“Until now there were no incentives for hiring construction workers,” said White. “But good paying construction jobs are just as important as any other job.”

“If you look at the economic impact when local union workers are used it is clear this incentive will pay off big for our communities.”

## High Court Decision Makes Power Companies Accountable

**F**allout from the fight over Constellation Power’s Big Sandy power plant continues to bring challenges and opportunities to the trades.

ACT brought two cases to the West Virginia Supreme Court concerning the project. Now, after winning one of the cases, industry officials are seeking to negotiate over future regulatory oversight of the power industry.

ACT’s victory insured the

right of union construction workers, or any person, to ask the state Public Service Commission to hold power plant developers accountable for their claims made in permit applications.

Constellation argued they were not a regulated utility and should not even be required to ask permission from the PSC to build a new plant.

But the State Supreme Court agreed with ACT. Current law requires the PSC to review all power plants and most importantly, the review should look at the economic benefits a plant may bring to West Virginians such as local jobs.

The Court also said it is the PSC’s responsibility to make sure that a utility acts in the public’s best interest.

ACT’s win has caused quite a stir.

Some in the business community are upset that ACT has any right to intervene in the permit process and to hold developers to promises of jobs.

There have been attempts to

the Tri-State Building Trades. “While the ruling concerned them, I don’t believe it was the reason for the delay of construction.”

“The Enron collapse and the slow economy are the real culprits.”

Burton also points out that Panda reaffirmed their commitment to the trades.

Labor leaders are meeting

with interested industry and regulatory representatives to explore how to work together within the guidelines set forth by the Supreme Court.

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**‘THROUGH OUR ACTIONS WE HAVE ACCOMPLISHED THE GOAL OF BEING A PLAYER IN THE DECISIONS EFFECTING THIS INDUSTRY AND OUR MEMBERS’**

**STEVE BURTON, BUS. MGR., TRI-STATE BUILDING TRADES**

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get the Supreme Court to undo their decision, but the Court refused.

Attempts to undo the Court’s ruling through legislation at a Special Session of the Legislature have so far not succeeded.

Perhaps to get more leverage to reverse ACT’s victory, stories have begun to surface claiming the case might hurt future power plant projects.

The Huntington Herald Dispatch quoted Panda Energy officials as blaming the decision for the delay in construction of Panda’s Cabell county gas-fired power plant.

“I’ve talked with Panda officials,” said Steve Burton, of

While a fight appears to be brewing, it may be avoided.

“The good news is we all want to see more power plants built in West Virginia,” said Burton. “I think this common interest will help us find ways to work together.”

Legislation is being reviewed that may allow less regulation and encourage new development but enhance the requirements for positive job growth.

“Through our actions we have accomplished the goal of being a player in the decisions affecting this industry and our members,” said Burton. “We don’t plan to give up that right.”

### **Correction**

Two corrections should be noted regarding the 10th Anniversary ACT Report listing of locals that pay and those that don’t.

Carpenters Local 1159, Point Pleasant should have been on the list of locals who pay.

Plumbers and Steamfitters Local 491, Roanoke should not have been on the list as they no longer have jurisdiction in West Virginia. We apologize for the mistakes.

# Labor gets Appointment to Economic Development Board

## Labor now has a voice on the West Virginia Economic Development Authority (WVEDA) Board.

Gov. Bob Wise announced his appointment of David Mullins of Operating Engineers

West Virginia State Building Trades Convention earlier this month.

"David Mullins will be an asset to the board because he knows the construction process and he knows how to get things started," said Wise.

money for economic development.

Having a voice on this board will help organized labor ensure that the money spent will benefit all West Virginians.

Mullins has been a member of the Operating Engineers since 1973 where he worked his way from equipment operator to trainer and for the last 10 years he has been Administrative Manager of the Skills Improvement Program.

"I appreciate the opportunity to volunteer my time being the voice of working families on the WVEDA Board," said Mullins.

"I also intend to see that project funding serves the best interest of West Virginia taxpayers."

Mullins is no stranger to serving in a political capacity. He currently sits on the Region IV

Workforce Investment Board. He has also been an officeholder in his local for the past 15 years, including serving as President for the past year.

"It is very important that union members get involved any way they can — from attending public hearings and county commission meetings to volunteering on state boards," said Mullins.

"Critical information can be obtained and our voices heard if the members are willing to participate."

"Labor feels it is extremely important to have someone like Dave who is knowledgeable about construction in on the ground floor of these projects," said Ronnie Burdette, Business Manager, Operating Engineers Local 132.

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## David Mullins of IUOE 132 is congratulated by Gov. Wise on his appointment to the WVEDA Board.

Local 132 to the WVEDA Board during his visit to the

The WVEDA is the state's primary means of loaning

## Cheaters

### CONTINUED FROM P. 1

from an ACT FOIA request in late May.

A third bidder, S&R, Inc. of Kanawha County, also requires closer inspection.

According to ACT research, S&R may be linked to Sheets Brothers Inc. and/or Sheets Masonry Inc., both of which are on the Workers Compensation default list.

Richard Atlee Sheets is listed as the Incorporator of S&R Inc., while Richard A. Sheets is listed as the Incorporator of Sheets Brothers Inc.

In addition, Randall Sheets is listed as the Vice-President of Sheets Brothers and the incorporator of Sheets Masonry

"Obviously these companies are connected in some way and I think they may be using the

new company to get out of paying their old Workers Compensation debt," said Poling.

The details of each companies was brought to the attention of the DOH but instead of stopping the bidding the DOH advocated for each company.

According to a June 26 memo sent by Carl O. Thompson Deputy State Highway Engineer for the DOH to David Tinchler, Director of Purchasing Division, the DOH has no intention of stopping these defaulted, criminal companies from bidding on this project.

According to the memo, "Currently all three contractors are pre-qualified to perform work for the Division of Highways. With respect to IPI, Inc.... To our knowledge, the period of suspension has been completed

and the company my resume work.

"With respect to the \$300,000 restitution due the DOH, our Legal Division and Finance Division concur there is no justification to ban IPI, Inc."

In reference to the defaults on Workers and Unemployment Compensation, the memo states, "We understand it is the practice of the purchasing Division to check the standing of companies prior to award of Purchase Order Contracts."

In fact each company was allowed to bid on June 28 and IPI had the lowest bid. But they have yet to get the award from the Department of Administration, the agency overseeing contract awards.

"This should be a cut and dry

case," said Poling. "At the mandatory pre-bid meeting, officials specifically said if you owe more than \$5,000 to the state you can not bid on this or any state project."

All of the contractors in ques-

tion owe West Virginia more than \$5,000, not to mention IPI's \$300,000 debt to the DOH.

"We want to know why Highways is advocating breaking the law?"

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Steubenville, Follansbee &  
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CABLE CHANNEL 10  
Wheeling, St. Clairsville &  
Moundsville  
daily @ noon

## WEST VIRGINIA WORKS SHOWTIMES

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Beckley, Bluefield  
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WDTV 5  
Clarksburg &  
Morgantown  
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