



October 2014



Police blotter: L&I's latest contractor-related charges

Prosecuting crooked contractors is one of L&I's most serious weapons to fight the underground economy in construction. Here are summaries of recent contractor-related prosecutions based on charging documents and L&I inspector reports:

Anthony Michael Zambetti, 41, of Richland, doing business as Evolution Construction Inc. In May 2014, L&I cited Zambetti with unregistered contracting for the sixth time since 2005. He never responded to the 2014 citation, prompting the Franklin County Prosecutor to charge him with misdemeanor failure to respond or pay penalties.

In the incident that generated the 2014 citation, a property owner paid Zambetti \$41,000 to remodel his gas station in Connell. Zambetti's crew started the job, and then stopped, leaving the building gutted and unusable.

Raymond Ersie Jensen, 37, of Quincy. He's accused of contracting to replace a roof for \$2,700 in Kent this past spring and cashing an \$850 check to buy materials – then never buying the materials or showing up for work. L&I earlier cited Jensen twice in 2008 and twice in 2013 for unregistered-contractor violations.

Stephen Paul Ranson, 49, of Mead in Spokane County. Three homeowners paid a \$12,015 deposit to Ranson and Echo Falls Construction to raise and extend their shared retaining wall in the summer of 2013. Several months later, he still hadn't started the job, but asked the owners to pay him an additional \$3,069 under a different business name, SR Construction. The owners refused.

It turned out that Ranson wasn't registered as a contractor when he accepted the deposit. In addition, L&I had suspended the registration of Echo Falls Construction, which belonged to one of his relatives. In September 2013, he was registered under SR Construction, but L&I has since revoked that license.

The King County Prosecutor charged Jensen and Ranson with unregistered contracting, a gross misdemeanor. Cases against them and Zambetti are pending.

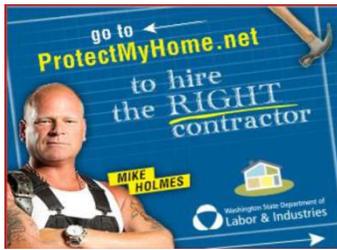


Whatcom County Jail contractor pays back wages

A contractor renovating the Whatcom County Jail has paid nearly \$200,000 in back wages owed to 13 workers on the project.

Sierra Detention Systems, of Brighton, Colo., paid the money following an L&I investigation, which was spurred by a worker complaint in January. The company paid lower apprenticeship wages to electricians.

"We want to make sure employers avoid this sort of misclassification," said Jim Christensen, Prevailing Wage Program manager for the agency. L&I investigations in prevailing wage cases combat the underground economy, ensuring contractors' bids incorporate appropriate wages for workers on publicly funded projects.



Protect My Home campaign moves to YouTube and Hulu

L&I's message to hire registered contractors is appearing before tens of thousands of viewers on YouTube and the Hulu video service.

L&I launched a five-week campaign Oct. 1 featuring our 30-second commercial with contractor and TV personality Mike Holmes. In it, Holmes recommends homeowners hire contractors registered with the state to get projects "done right the first time."

The video, along with similar radio and Web ads, has been the centerpiece of L&I campaigns to fight the underground economy since 2013. In the new ad format, viewers see the Holmes' spot first when they go online to watch TV shows, movies or clips on YouTube or Hulu. The ad links to L&I's ProtectMyHome.net for more tips.

Three weeks into the campaign, YouTube had already recorded 60,000 views of the ad. That's a lot of eyeballs.



Paper credits L&I for chasing contractors who cheat workers

The Olympian newspaper recently praised L&I efforts to catch contractors and other employers who cheat workers out of wages. The paper's Sept. 24 editorial said, "Fortunately, Washington is one of the states aggressively chasing the cheaters." [Read the editorial.](#)

The editorial was following up on a McClatchy Newspapers investigative series that uncovered massive fraud in the construction industry in 28 states (but not Washington state). The investigation found that dishonest employers listed their workers as independent contractors, instead of employees, to avoid paying minimum wage, overtime and state, federal and payroll taxes. [Read the series.](#)

Elizabeth Smith, assistant director of Fraud Prevention & Labor Industries, was quoted extensively in a story explaining L&I efforts to find, audit and prosecute employers who misclassify workers. Though the editorial argued L&I should refer more cases for criminal prosecution, it credited the department for cross-checking L&I databases with those of other agencies to snare more violators.

"The federal government and other states could take a lesson from Washington state," the editorial said.



Get educated: Free L&I workshops for contractors

Some contractors intentionally ignore the rules, whether skipping out on workers' compensation premiums or failing to register as a contractor. But some contractors don't even know the rules.

L&I offers workshops around the state to help construction contractors and other business owners learn requirements. The next Contractor Training Day is Dec. 5 at Renton Technical College. New and experienced contractors alike will find helpful sessions, including: Hiring independent contractors; Get a refund on workers' comp premiums; Prevailing wage; Insurance coverage and bonds – what you should know.

More info: www.Lni.wa.gov/training; LniTraining@Lni.wa.gov or call 360-902-6366.