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**MADIGAN REACHES AGREEMENT TO ENSURE WORKERS RECEIVE
EMPLOYMENT BENEFITS THEY DESERVE**

Settlement with Five Construction Firms Will End Practice of Fraudulently Classifying Employees as Independent Contractors

Chicago — Attorney General Lisa Madigan has reached an agreement to settle her claims against five Chicago-area construction firms that were falsely classifying their employees as independent contractors, rather than fully employed laborers. The settlement agreement, filed in court today, requires the businesses to end the practice, which traditionally has been a way for companies to skirt Illinois labor laws. The practice greatly harms the misclassified workers by limiting their legal protections, including access to workers' compensation, unemployment assistance, and fair wages. In addition, the practice denies needed revenue for the State of Illinois by reducing unemployment insurance and workers' compensation contributions paid by employers based on their number of "fully employed" workers.

"This agreement requires these five companies to legally recognize the hard-working men and women they employ by no longer denying them the benefits to which they are entitled," Madigan said. "Illinois businesses, especially those involved in the construction trades, should be aware that this practice - which harms workers and puts honest employers at a competitive disadvantage - will not be tolerated."

The settlement follows claims investigated by Attorney General Madigan and the resulting lawsuit alleging the five small construction companies were in the practice of misclassifying dozens of their workers as independent contractors when they were actually employees of the companies. Under Illinois law, workers must be treated as employees unless they meet specific criteria permitting them to be classified as independent contractors. The practice of worker misclassification violates the Employee Classification Act, the Illinois Whistleblower Reward and Protection Act, and the Illinois Consumer Fraud and Deceptive Business Practices Act.

The defendants are:

- Jerry Ryce Builders, Inc. and Jerry Ryce Masonry, Inc., owned by Boguslaw Omielan and operating out of 3801 South Archer Chicago, Ill.; and
- J S Masonry, Inc., JS Masonry & Tuckpointing, Inc., and JS Masonry & Stone, Inc., owned by Jan Staszal and operating out of 9001 W. Deerwood, Palos Hills, Ill.

All five companies have agreed to pay more than \$79,000. The agreement also forbids the companies from participating in construction projects with public bodies for the next four years. Additionally, pursuant to the agreement, the Attorney General can inspect the businesses for compliance with Illinois labor laws at any time during the next five years. Finally, the agreement requires the defendants to properly classify their workers as employees and pay all required contributions to the State of Illinois.

Public Interest Division Chief Paul J. Gaynor, Labor Counsel Jon Rosenblatt and Special Litigation Assistant Attorney General Jay Monteverde handled the case for Madigan's Public Interest Division, which worked in concert with the Illinois Department of Labor throughout the investigation of these practices.

