

Democracy and Power Fund grantee [Jobs with Justice](#) and OSI-Baltimore grantee [Casa de Maryland](#) are featured in this article. \*

# The Washington Post

Wednesday, March 17, 2010

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## Immigrants vulnerable as recession spurs more bosses to shortchange workers

<http://www.washingtonpost.com/wp-dyn/content/article/2010/03/16/AR2010031604369.html>

By N.C. Aizenman

Washington Post Staff Writer



On a recent Saturday morning, a group of Latino men wearing paint-spattered jeans and grim expressions strode through Adams Morgan in search of the contractor who had cheated them. He'd hired them to remodel a wine shop in the Northwest neighborhood in November and December but paid a fraction of what he had promised before disappearing. Now they were hoping the owner of the shop could offer clues as to the contractor's whereabouts.

Luis Colli, 33, a day laborer from Mexico, said he was owed more than \$2,000 after more than a month's work. He was forced to give up his apartment in Langley Park because he couldn't make the rent, then take out a loan to cover an operation that his diabetic mother-in-law needed in Mexico.

His wife back in Mexico urged him to "let this go," Colli said in Spanish, sighing wearily as the group reached the wine shop. "But I told her: 'If I let it go, then it means I've been intimidated. If I let it go, it means there's no justice.' "

Mackenzie Baris, lead organizer with [D.C. Jobs With Justice](#), nodded encouragingly. The morning's mission was among the first steps in a new effort the nonprofit group has launched to fight what appears to be a growing trend of employers skipping out on wages.

Although data on the prevalence of wage theft in the Washington area are not available, there are signs that the recession has prompted more employers to shortchange their workers, either by failing to pay the promised amount or by offering less than minimum wage in the first place.

Construction, restaurant and janitorial workers appear particularly vulnerable, especially if they are immigrants who don't speak English or lack legal status.

Sebastian Amar, the staff attorney who handles employment cases for the immigrant advocacy group [Casa of Maryland](#), said even well-intentioned employers are engaging in the practice, particularly when they run out of money in the middle of construction projects.

The Northern Virginia office of the nonprofit [Legal Aid Justice Center](#) just added a third lawyer to help handle its 300 annual wage-theft cases, said staff attorney Claudia Henriquez.

At the District's [Office of Wage-Hour](#), the number of workers seeking help to recover stolen wages rose to 523 last year, an increase of more than 20 percent from 2008. And at the [D.C. Employment Justice Center](#), a nonprofit legal clinic, the spike was almost as great, reaching 317 in that time, said Lisa Guerra, the lawyer who handles such cases.

Jobs With Justice and allied groups have responded by training low-skilled workers to help one another gather information needed to mount legal cases. Failing that, they plan to try more creative tactics: picketing recalcitrant contractors in hopes of shaming them or asking larger companies or government entities that employ bad bosses to pressure them to pay up.

"The capacity of volunteers and nonprofit staff to be able to follow through on these cases is going to be limited given how big the problem is," Baris said. "Having workers themselves be at the front line is the best way to be effective."

The magnitude of the challenge was evident as soon as she and the workers entered the wine shop. Colli, who in Mexico was able to study only through elementary school, began a hesitant explanation of the purpose of their visit, which another organizer translated into English. To Colli's relief, the owner of the wine shop responded with a sympathetic smile. The contractor had cheated him as well, he said, charging \$35,000 above the initial bid before leaving the job unfinished.

"I'm trying to find him, too," he said. But he had little additional information to offer: a bank account number and the name and phone number of the contractor's accountant.

"Okay. It's something," Baris said. "Possibly the police can use this information to find him."

### **Pursuing employers**

If they can locate the contractor, the workers can sue in small claims court or D.C. Superior Court. Employers who are unable to provide records proving payment can be held liable not merely for the original amount but for penalties and damages above it.

Workers who lack the resources or know-how to pursue a legal case also can go to the District's Office of Wage-Hour, part of the city's Department of Employment Services. Staff members there first try to get employers to pay voluntarily. Failing that, they can refer cases to the city's attorney general for prosecution.

The city's court system is considered so favorable to workers that the employer in all five cases Guerra has brought to trial since she started at the D.C. Employment Justice Center in May has

chosen to settle at the last minute. She has 17 more cases, covering about 30 workers, pending.

However, the Employment Justice Center is one of the few nonprofit groups that will take on such cases for a minimal fee. And as the only lawyer on hand to litigate them, Guerra must turn away far more workers than she can help. As for the city's Wage-Hour Office, worker advocates complain that it moves so slowly it's ineffectual.

John Tremblay, a paralegal with the [Washington Lawyers' Committee for Civil Rights and Urban Affairs](#) who has helped 26 day laborers file claims since August 2008, said staff members have been able to persuade employers to pay in five of the cases. In the remaining 19 cases, the employer refused to pay or even to show up, yet Wage-Hour staff members appear to have referred only one case to the attorney general for prosecution.

"From what I've seen, if an employer wants to ignore the summons from Wage and Hour, there just aren't going to be any consequences," Tremblay said. "[The staff] is fine with just letting the cases sit there in limbo."

Joseph P. Walsh Jr., director of the D.C. Employment Services Department, said that more than 85 percent of the time, Wage-Hour staff members are able to persuade employers to pay by negotiating with them. But Walsh said he was troubled by reports that the staff had been slow to refer noncompliant employers for prosecution. Since he first heard the complaint at a meeting with worker advocates in May, Walsh said: "I've directed our office to be more aggressive on those cases. . . . We're moving those cases much faster than before."

### **Training employees**

Organizers at Jobs With Justice are unconvinced and have decided to pursue alternative options when possible, inspired by similar efforts by groups in San Francisco and Austin. Since late fall, they have trained 11 workers from an independent association of day laborers called the Union de Trabajadores to act as the intake staff of a walk-in wage-theft workshop. Sessions are held every other Thursday night at Foundry United Methodist Church in Dupont Circle. More than 19 workers have sought help.

At a recent session, the cases included that of Oscar Martinez, 54, of Guatemala. He had been working for a small refuse pickup company for three years when the owner announced that, because of a slowdown in business, he would have to cut Martinez's pay slightly. Martinez accepted, but shortly afterward, the boss disappeared without paying him for the last two weeks.

"He used to pick me up at this McDonald's. But he just stopped showing up," Martinez said in Spanish. "I've been calling him and calling him, but he never answers."

Socorro Garcia, one of the workers trained to do intake, clucked his tongue as he wrote the details of Martinez's case on a form. "I felt so sad, because I have experienced the same thing," Garcia said afterward. "I know what it feels like. That's why I'm trying to help."

## Online Picture Gallery:

<http://www.washingtonpost.com/wp-dyn/content/gallery/2010/03/16/GA2010031603618.html?sid=ST2010031604466>



### [Nonprofit fighting to get employers to pay up](#)

The nonprofit community group D.C. Jobs With Justice has launched a new effort to empower the District's low-skilled workers to fight, what appears to be a growing trend of employers skimping on wages.

- OSI and FPOS do not disburse or earmark any grant funds to support lobbying on legislation.

Democracy and Power Fund and Strategic Opportunity Fund grantee [Voto Latino](#) is featured in this article. \*

# Charities Spend Millions On Census Outreach

by [Pam Fessler](#), National Public Radio

March 9, 2010

*Rosario Dawson is one of many celebrities in a public service announcement produced by Voto Latino to encourage Latinos to take part in the 2010 census.*

March 9, 2010

Charitable foundations and nonprofits are taking an unusually active role this year in trying to get an accurate census count. They say the people they serve have the most to benefit but are also among the least likely to participate.

Most Americans will get their 2010 census questionnaire sometime around March 15. Every 10 years, it's a challenge getting everyone to fill out their census forms and send them back to the government.

One of the most active nonprofits is [Voto Latino](#), which tries to encourage civic engagement by Latinos. The group has come up with some pretty cool ways to encourage Latinos to fill out their census forms.

## Mobile Marketing To Young Latinos

One of Voto Latino's strategies was to develop a new mobile phone application to be used in Los Angeles County. Users download it, learn about the census and then take a quiz on what they've learned. Then they get to download five free songs by top recording artists, such as Pitbull and Morrissey. And the more they forward the link to friends, the more likely they'll be among a thousand people invited to a free "secret" concert somewhere in the L.A. area.

"The reason we're starting to use this mobile online piece of it is that we found that 25 percent of iPhone users are of Latino decent," says Maria Teresa Kumar, Voto Latino's executive director. She adds that most of them are young.

Kumar says young Latinos hold a lot of sway over their elders and she hopes they'll be able to convince them it's OK to fill out the census form — that there are no questions about worrisome issues such as immigration status.

"And so we're using this opportunity to again say the message is that the census is safe, it's something that you should be doing for your political representation," Kumar says. She adds that they're also trying to let Latinos know that the census helps determine which communities get hundreds of billions of dollars in federal aid, for things like education, highways and mass transit. Voto Latino is also working with DJs and bloggers around the country and will be text messaging thousands of Latinos to get out the word.

## Foundations Kicking In Money

But who's paying for all this? Open Society Institute, the Ford Foundation, the California Community Foundation, the Knight Foundation, the California Endowment and the Silicon Valley Foundation, says Kumar.

In addition, the Hagedorn Foundation in New York is giving Voto Latino and other nonprofits money for census outreach on Long Island. Voto Latino is also one of two dozen groups splitting more than \$1 million as part of the [Illinois "Count Me In"](#) campaign. It's funded by 10 foundations, including the Joyce Foundation.

"The Joyce Foundation knew the upcoming census was going to have a huge impact on the populations of folks that we work with and that many of our colleagues in philanthropy work with and care a lot about," says foundation president Ellen Alberding.

These include low-income and minority communities, which are among the most difficult to count either because people are suspicious of the government or because they move around a lot.

The Illinois "Count Me In" campaign is funding groups — such as one that gives free tax help to the poor — that it hopes will reach more people than the government can.

"Let's just take one hard-to-count population, the homeless," says Kyle Caldwell, president and CEO of the Michigan Nonprofit Association, which is part of [another census campaign](#). "You can't just hire a census worker three months before the census begins and cast them out into the streets and find homeless people. You have to go to people and organizations that have constant interaction with the homeless — and that is charities and nonprofits."

So his group has given \$200,000 in grants to local charities to help with the count.

### **Accurate Census Can Help The Hard-Hit States**

Caldwell says an accurate census is especially important in Michigan, which has been hit hard by the bad economy and needs all the federal aid it can get. He says the state's high foreclosure rate has also made it more challenging because many families no longer live at the addresses where their census forms will be mailed.

"And so we have to find those folks who are in some cases living with other family members or living in a temporary housing condition," Caldwell says.

He adds that foundations and nonprofits are doing more to promote the census this year, in part, because state and local governments have less money to do it themselves. California, for example, spent \$25 million on the 2000 census. This year it's spending \$2 million.

Charities also say an accurate census helps them with their own work, by giving them a better idea where the greatest needs are and how they might spend their charitable dollars in the years ahead.

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Democracy and Power Fund and Neighborhood Stabilization Initiative grantee [United For A Fair Economy](#) is featured in this article. \*

## For the wealthy, less in taxes is not always more

By [Dana Milbank](#)

Wednesday, April 7, 2010

You thought only conservatives got mad about taxes?

Tea partiers, eat your hearts out: A group of liberals got together Tuesday and proved that they, too, can have a tax rebellion. But theirs is a little bit different: They want to pay *more* taxes.

"I'm in favor of higher taxes on people like me," declared Eric Schoenberg, who is sitting on an investment banking fortune. He complained about "my absurdly low tax rates."

"We're calling on other wealthy taxpayers to join us," said paper-mill heir Mike Lapham, "to send the message to Congress and President Obama that it's time to roll back the tax cuts on upper-income taxpayers."

"I would with pleasure sacrifice the income," agreed millionaire entrepreneur Jeffrey Hollender.

The rich *are* different.

In another era, the millionaires on Tuesday's conference call might have been called "limousine liberals." But that label no longer applies. Now any wealthy liberal worth his certified-organic sea salt is driving a Prius.

For them, [Obama's plan to "spread the wealth"](#) (by raising taxes on families earning more than \$250,000) is too conservative. "The Obama plan we don't think goes far enough," Lapham protested. "We think probably more like the top 5 percent should have their taxes raised." That would be those above \$200,000. "Or go beyond that," he suggested.

With April 15 a week away, many Americans are feeling right about now that they are paying entirely too much. But the millionaires say they see the beginning of a grass-roots movement of the angry under-taxed wealthy.

"The bottom line is the public is on our side," said Brian Miller, executive director of **United for a Fair Economy**, which is organizing the anti-anti-tax rebellion. As evidence, he pointed to a [Quinnipiac University poll](#) from March that found 60 percent of Americans favored raising taxes on those earning more than \$250,000. This is not surprising: Americans generally favor raising taxes on the rich, as long as they are not defined as rich themselves.

But Miller also pointed to a surprising finding in the poll: Among families earning more than \$250,000, fully 64 percent favor raising taxes on themselves. This part was surprising -- but possibly suspect. Only 65 of the 1,907 people polled were in that income group, too small a sample for solid conclusions.

Still, the millionaires on the call get credit for putting (some of) their money where their mouths are. They are among 50 families with net assets of more than \$1 million to take a "tax fairness" pledge -- donating the amount they saved from Bush tax cuts to organizations fighting for the repeal of the Bush tax cuts. According to a study by Spectrem Group, 7.8 million households in the United States have assets of more than \$1 million -- so that leaves 7,799,950 millionaire households yet to take the pledge.

Even so, the pro-tax protesters will probably get their wish. The Bush tax cuts are set to expire at the end of the year, and the odds are high that Congress will not renew them for those earning more than \$250,000. That means the tax fairness pledge is probably unnecessary -- although it's a handy fundraising tool for advocacy groups. "We need many more folks, especially rich folks like us . . . to join the cause," urged Marnie Thompson, a relative pauper in the group because her family income is \$160,000 to \$240,000 a year.

Of course, if millionaires really want to pay higher taxes, there's nothing stopping them. The Treasury Department Web site even accepts contributions by credit card to pay the public debt.

There's also nothing to stop the millionaires from paying the tax obligations of, say, Washington Post columnists.

But then they wouldn't have the satisfaction of giving their tax-cut proceeds to the pro-tax movement.

"Over the past four years," Schoenberg said, "I donated over \$200,000 that I had received in tax cuts." And he thinks it's time for "my fellow wealthy Americans to join me." His \$200,000, after all, won't do much to ease a federal debt of \$12,000,000,000,000.

His donation will, however, ease the sense of guilt that comes with great wealth, described poignantly by the millionaires:

"In 1865, my great-great-grandfather Samuel Pruyn founded a paper mill on the banks of the Hudson River in Glens Falls, New York," Lapham explained.

Judy Pigott, an industrial heiress on the call, added her wish that her income, "mostly unearned income, be taxed at a rate that returns to the common good that I have received by a privilege."

Confessed Hollender, who now runs the Seventh Generation natural products company: "I grew up in Manhattan on Park Avenue in a 10-room apartment."

As tea parties go, this one was decidedly high tea.

\* OSI and FPOS do not disburse or earmark any grant funds to support lobbying on legislation.



Democracy and Power Fund and Neighborhood Stabilization Initiative grantee [National People's Action](#) and Transparency and Integrity Fund grantee [Citizens for Responsibility and Ethics in Washington](#) are featured in this article. \*

## A Consumer Bill Gives Exemption on Payday Loans

By [SEWELL CHAN](#)

Published: March 9, 2010

WASHINGTON — Senator Bob Corker, the Tennessee Republican who is playing a crucial role in bipartisan negotiations over [financial regulation](#), pressed to remove a provision from draft legislation that would have empowered federal authorities to crack down on payday lenders, people involved in the talks said. The industry is politically influential in his home state and a significant contributor to his campaigns, records show.

The Senate Banking Committee's chairman, [Christopher J. Dodd](#), Democrat of Connecticut, proposed legislation in November that would give a new consumer protection agency the power to write and enforce rules governing payday lenders, debt collectors and other financial companies that are not part of banks.

Late last month, Mr. Corker pressed Mr. Dodd to scale back substantially the power that the consumer protection agency would have over such companies, according to three people involved in the talks.

Mr. Dodd went along, these people said, in an effort to reach a bipartisan deal with Mr. Corker after talks had broken down between Democrats and the committee's top Republican, Senator [Richard C. Shelby](#) of Alabama. The individuals, both Democrats and Republicans, spoke on condition of anonymity because they were not authorized to discuss the negotiations.

Under the proposal agreed to by Mr. Dodd and Mr. Corker, the new consumer agency could write rules for nonbank financial companies like payday lenders. It could enforce such rules against nonbank mortgage companies, mainly loan originators or servicers, but it would have to petition a body of regulators for authority over payday lenders and other nonbank financial companies.

Consumer advocates said that writing rules without the inherent power to enforce them would leave the agency toothless.

Mr. Corker said in an interview that he had played a role in shaping that section of the legislation, but said people should withhold judgment about the treatment of payday lenders and other companies until the bill was made public.

Asked whether the industry's campaign contributions to him had shaped his thinking about the issue, he replied, "Categorically, absolutely not."

After banks, payday lenders have been perhaps the most vocal sector of the financial services industry in fighting off efforts at federal regulation. The industry's trade group estimated that payday loan companies contributed \$10 billion to the economy in 2007, and directly employed 77,000 people.

W. Allan Jones, who started Check Into Cash, in Cleveland, Tenn., in 1993, has been a longtime friend and supporter of Mr. Corker's. The company says it is now the country's third-largest payday-lending chain, with 1,100 stores in 30 states. Payday loans are short-term, high-interest loans — typically 400 percent on an annualized basis — to help borrowers cover expenses until their next paycheck. Many take out more loans, digging themselves deeper into debt.

Mr. Jones, his relatives and his employees have given money to Mr. Dodd, Mr. Shelby and other members of the Banking Committee, but have been particularly active donors to Mr. Corker, records show. They have contributed at least \$31,000 to his campaigns since 2001, when he was running for mayor of Chattanooga.

In 1999, Mr. Jones and other payday lenders started the Community Financial Services Association to lobby against regulation. The group's political action committee gave \$1,000 to Mr. Corker last year.

State lawmakers and regulators in recent years have moved to rein in the practices of payday lenders, which watchdog groups say often charge exorbitant fees for low-income consumers with little financial sophistication.

Last year, the White House proposed the creation of a consumer protection agency to guard against lending excesses. The proposal included the first comprehensive federal plan to regulate the industry.

In December, the House passed a regulatory overhaul that provided for a new consumer agency with power to write and enforce rules for banks and other financial institutions, like payday lenders.

In 2006, Congress adopted a bill championed by Senator [Richard J. Durbin](#), Democrat of Illinois, to cap at 36 percent the annual percentage rate on loans to active-duty members of the military and their families, a step that primarily affected payday lenders. In 2008 and 2009, Mr. Durbin proposed extending that cap to loans to all borrowers.

The industry says a cap would be devastating to its profitability.

On Monday, the nation's largest payday lender, Advance America of Spartanburg, S.C., said in a filing to the [Securities and Exchange Commission](#) that "any federal law that would impose a national 36 percent A.P.R. limit on our services, if enacted, would likely eliminate our ability to continue our current operations."

According to the filing, the industry began to expand significantly in the late 1990s because of the low cost of entry and fairly loose state regulations. "However, due to market saturation and to federal and state legislative and regulatory challenges, we believe the cash advance services industry has largely stopped growing in number of centers in the United States," Advance America said.

Mr. Corker's campaign received \$6,500 in the last two years from Advance America's founder, George D. Johnson Jr., its chief executive, William M. Webster IV, and its political action committee.

A report last year by **Citizens for Responsibility and Ethics in Washington**, a nonpartisan watchdog group, found that the payday industry increased spending on lobbying to \$2.1 million in 2008, from \$730,000 in 2005.

Steven Schlein, a spokesman for the Community Financial Services Association, said the industry should not be dragged into the regulatory reform.

"The banks caused the financial meltdown, and they're spending millions and millions to spare themselves from tighter regulation while throwing the consumer lending industry under the bus," he said. "They're trying to divert attention to us."

Mr. Corker also issued this statement: "Our goal in this legislation should be to level the playing field so that the same rules apply to all involved in lending."

Consumer groups, however, say that enforcement is crucial to curbing abusive, deceptive or unfair practices.

On Tuesday, while Mr. Dodd and Mr. Corker continued negotiating other provisions of the regulatory overhaul — notably, the extent to which state attorneys general would be able to enforce consumer protection rules against banks — the [Federal Reserve's](#) chairman, [Ben S. Bernanke](#), met with **National People's Action**, an activist group that wants the Fed to restrict the banks it oversees from financing payday lenders.

Mr. Bernanke, who had met with the group twice before, is trying to fend off proposals in the Senate to strip the Fed of much of its power to supervise banks. A recommitment to protect consumers is part of that strategy.

*Kitty Bennett contributed research.*

\* OSI and FPOS do not disburse or earmark any grant funds to support lobbying on legislation.

Democracy and Power Fund grantee [Center on Budget and Policy Priorities](#) is featured in this blog post. \*

# The New York Times

Tuesday, April 6, 2010

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March 14, 2010

## ***Saving Ryan's Privatization***

So, for a few weeks Rep. Paul Ryan was the toast of the punditocracy; his [Roadmap](#) was hailed as the serious Republican response to America's fiscal problems. But it turns out, predictably, to have been a [Potemkin plan](#): it wouldn't balance the budget, even after two generations. What it would do is massively redistribute income upward, raising taxes and slashing benefits for most Americans, while providing huge tax breaks for the top 0.1 percent of the population.

Naturally, Ryan's response to these revelations has been a [hissy fit](#). **The Center on Budget and Policy Priorities** — which has always, in my experience, been impeccably honest and careful in its work — does the [point by point rebuttal](#).

But I'd like to follow up on small but revealing point: Ryan's claim that diverting a substantial share of payroll taxes receipts into individual accounts does not constitute partial privatization of Social Security. You see, there's a history here.

Back when the Cato Institute first began pushing for individual Social Security accounts, it called its push, well, [The Project on Social Security Privatization](#). As the Bush administration got ready to make its privatization push, however, it became clear that "privatization" polled badly. So the project was renamed [The Project on Social Security Choice](#). And Republicans began bristling at any suggestions that they were proposing privatization, calling that a slander. Really.

Wait, it gets better. Cato engaged in Orwellian tactics — deleting the term "privatization" from older web posts and even from records of old conferences. But they were sloppy; there were traces of the true history throughout. I don't know if they're still continuing the practice.

In any case, Ryan's attempt to deny that what his own movement used to call privatization is, in fact, privatization should settle the question of his sincerity.

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