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The think tank run by former White House Chief of Staff John Podesta - now the co-chairman of President-elect Barack Obama's transition team - will call for a major overhaul of the U.S. Labor Department and an executive-branch crackdown on worker misclassification at a meeting set for Monday in Washington, D.C.

The Center for American Progress Action Fund is scheduled to release two major reports covering misclassification of employees as independent contractors, the Labor Department's handling of worker safety, abuses in the federal contracting system and the mistreatment of immigrant workers. The group is calling the meeting "Putting Workers First," said Karla Walter, a policy analyst for the center's American Worker Project.

The center sent out notices to an array of organizations this week advertising the meeting as "a proposed agenda for the Obama administration."

Podesta, who's taken a leave of absence as executive director of the organization's parent group, the Center for American Progress (CAP) to help run the Obama transition, served as former President Bill Clinton's last chief of staff and is rumored to be Obama's pick for U.S. Energy Secretary.

Walter said the reports will lay out a series of specific steps the administration could take coming out of the gate and some long-term solutions that will require action from Congress.

CAP will release the reports during Monday's meeting, which is scheduled to begin at 9 a.m. (EST) at the CAP Action Fund headquarters at 1333 H St., N.W., in Washington.

In an interview with WorkCompCentral, Walter outlined a set of recommendations that would recast the regulatory approach taken by the Occupational Safety and Health and Administration (OSHA), the U.S. Wage and Hour Division and the Mine Health Safety Administration under the Labor Department. The proposals would beef up the way the federal government oversees safety and wage payments for the contracts it issues.

Principal in the push would be a crackdown on misclassifying workers or paying them in cash – "off the books" – in practices that violate existing federal law, she said.

"We think misclassification is an item the Obama Administration can work on immediately. Some of it is covered under the Fair Labor Standards Act," Walter said. "We are definitely looking at innovations. And we think that the focus on worker protection and regulation can be accomplished with executive powers that can be used without the immediate need for legislation."

Walter said CAP also will call for boosting fines for employers that violate federal safety and wage laws.

"We feel that the penalties for violations of worker-protection laws are inappropriately low and that the penalties often are poorly used," she said.

Besides an executive-branch crackdown on misclassification, Podesta's group is expected to recommend:

- The establishment of cooperative investigations among OSHA, the Wage and Hour Division and the Labor Department's Office of Solicitor to establish "cross-cutting" to crackdown on employers that may be underpaying workers while subjecting them to unsafe conditions.

- The creation of a shared database between the agencies within the U.S. Department of Labor to track employers who may be violating safety, wage and misclassification laws.
- Incentives to increase long-term staffing among community groups, labor unions and industry for the monitoring of safety conditions.
- Beefed-up protection for immigrant workers to ensure they are paid and protected regardless of their residency status in the country.

Walter said CAP found that state and federal laws and court rulings have upheld the right of immigrants to safety protection and benefits regardless of whether they are in the country illegally.

"Too often inter-agency investigations are poorly implemented and are occurring too infrequently," Walter said. "Record-keeping has really been inadequate. We want a shared database of records on each employer so that the public can figure out if an employer has committed wage-and-hour and safety violations at the same time."

Workers' compensation stakeholders had predicted an early push by the new Obama Administration to crack down on misclassification. Obama became an outspoken critic earlier this year of practices by Blackwater and other defense contractors of classifying workers in Iraq as independent contractors.

He was one of four prime sponsors of The Employee Misclassification Act of 2008, which would have required employers to keep records on non-employees who work as independent contractors and established penalties for misclassification.

The bill, which never reached the floor of the U.S. Senate, would have made misclassification a violation of the Fair Labor Standards Act and included fines of up to $10,000 for each violation. It also would have allowed the Internal Revenue Service (IRS) and the Labor Department to refer cases of suspected misclassification to each other.

In November 2007, Obama wrote the mayors of Long Beach, Los Angeles and Oakland, Calif., in support of the Clean Truck Program, which put responsibility for investment in cleaner trucks on companies rather than on the individual truck drivers.

Monday's meeting will also feature keynote speaker New Jersey Gov. Jon Corzine, one of the nation's leaders in state efforts to crack down on the misclassification of workers as independent contractors.

By executive order in New Jersey last January, Corzine created the Governor's Advisory Commission on Construction Industry Independent Contractor Reform and named eight public members, including three members of the building trades, one delegate of the New Jersey AFL-CIO, one residential developer, and one commercial developer, Labor and Workforce Development Commissioner David Socolow and Attorney General Anne Milgram.

He also authorized the New Jersey Labor Department to begin sharing employer data with the IRS in a move to crack down on misclassification, following reports from Socolow's agency that 25,000 workers were misclassified in 2006, resulting in $565 million in underreported wages.

A spokesman for Corzine's office said Tuesday he did not know the subjects Corzine planned to address on Monday.
Information on the meeting is at http://www.americanprogress.org/events/2008/12/worker.html.

The meeting also includes panel presentations from the Maryland Department of Labor's Licensing and Regulation Secretary Thomas E. Perez, who helped push through misclassification reforms during the 2008 state legislative session.

Senior policy advisers to U.S. House committees looking at federal legislation covering misclassification and

workers' compensation issues in the defense industry will speak, as well.

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