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Contact: Dawn Page at 480-619-9263 dpage@liuna.org or Jacob Hay, 202-445-4788, jhay@liuna.org

BMHC Workers – Building for Pulte Homes, Other Homebuilding Corporations – Win \$241K in Wage Fraud Suit

Los Angeles, CA (October 8, 2009) – Residential construction workers in California, Nevada and Arizona will receive \$241,301 in unpaid wages after settling a lawsuit against SelectBuild, a subsidiary of BMHC Corp., once the nation's largest residential construction contractor which supplied labor corporate homebuilding giants such as Pulte Homes.

The lawsuit alleged SelectBuild systematically failed to pay workers for hours they worked, did not pay overtime rates and kept workers off-the-clock while traveling between jobsites and waiting for materials to arrive. Today workers joined LIUNA in a press conference at the U.S. District Court in Los Angeles to announce the settlement.

“I hope this victory shows my co-workers and all workers that when we join together and fight for better jobs, we can win,” said Filemón Galván, a construction worker in Santa Ana who will receive \$5,750 in unpaid wages from SelectBuild.

Last year, LIUNA released a report, *The Newest Victims of the Housing Market Crisis: The Men and Women Who Build America's Homes*, showing that wage and hour fraud is frequent and pervasive in the corporate homebuilding industry. According to the report, homebuilders – led by Pulte Homes, the nation's largest corporate builder – caused a “Wal-Martization” of the industry by pressuring contractors to reduce costs to the point where cutting wages was the only way for contractors to compete. The report estimated that construction workers could have been cheated out of \$750 million in wages during the housing boom if as many as 1 million employees lost one hour overtime of per week at a \$10 per hour. The problem is ongoing; just this past month Pulte released seven workers in Arizona after they asked to be paid for all the hours they worked.

“Pulte Homes made record profits during the housing boom, but in doing so they put buyers at risk of foreclosure by pushing risky mortgages. Pulte, together with other large companies in its industry, collapsed the housing market by overbuilding, wrongfully withheld millions from workers' paychecks and left the construction industry with depression-level unemployment,” said LIUNA President Terry O'Sullivan. “This settlement is a victory but only the first step for an unsustainable industry in serious need of reform – reform that Pulte can either lead or continue to attempt to block.”

Of the 85 workers involved in the suit, 35 were from California, 24 were from Nevada and 26 were from Arizona. BMHC and all of its subsidiaries, including SelectBuild, filed for Chapter 11 bankruptcy on June 16. The suit was filed by Rothner, Segall, Greenstone & Leheny and Altshuler, Berzon LLP.

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The half-million members of LIUNA – the Laborers' International Union of North America – are on the forefront of the construction industry, a powerhouse of workers who are proud to build America.