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Chelsea Council Becomes First City Council in MA to Take Action on Private Sector Wage Theft

Chelsea, MA – The Chelsea City Council passed a wage theft ordinance that would punish city-licensed businesses for stealing or withholding wages unlawfully from their workers. If any licensed business in the city has been adjudicated to be in violation of the Fair Labor Standards Act, or other state and federal wage laws, the Council's new ordinance would allow the City's Licensing Board to suspend, revoke, or not renew that company's business license.

Companies seeking to do business with the City must certify that they have complied with wage laws for the past three years or post wage bonds to ensure proper payment of wages.

"Companies that withhold or fail to pay wages in the City of Chelsea harm the well-being of employees, their families, and their communities," said Roy Avellaneda, Chelsea City Councilor-At-Large who sponsored the ordinance. "We hear the stories every day from our constituents about local businesses that hold wages for months or do not pay at all. We are taking a stand against these practices in our city and hope other cities and towns in Massachusetts do the same. People deserve to get paid for the work they do. Period."

While Boston and Cambridge passed similar ordinances, they were done by executive order versus action by their respective City Councils. The Chelsea City Council, which in the last election became a majority minority composition, would be the first in the state to pass this ordinance on its own.

The ordinance will go into effect immediately and will be incorporated into the city's standard vendor contracts. It will require all businesses obtaining and renewing their licenses, or doing business with the city, to provide assurances to

the city's Purchasing Agent in writing that it complies with all wage and salary laws and that it has not been adjudicated in any federal or state criminal or civil judgment, administrative citation, final administrative determination, order or debarment resulting from a violation of the Fair Labor Standards Act or any other state or federal laws regulating the payment of wages within three years.

"We applaud Councilor Avellaneda and the members of the Chelsea City Council for addressing the scourge of 'Wage Theft'," said Rich Rogers, Executive Secretary-Treasurer of the Greater Boston Labor Council. "We are thrilled that Chelsea is stepping up to assure that Chelsea residents are protected against unscrupulous employers that routinely violate overtime laws and cheat workers out of wages to which they are entitled."

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