

**Unapproved Minutes of the  
Worker Classification Coordinated Enforcement Council  
Labor Commission, 160 East 300 South, Salt Lake City  
May 22, 2014 – 9:00 a.m.**

**Council Members Present:** Jaceson Maughan, Chair Deputy Commissioner, Labor Commission  
 Bill Starks UI Director, Department of Workforce Services  
 Thomas Brady Deputy Director, Utah Department of Commerce  
 Phil Lott Assistant Attorney General, Utah Attorney General’s Office, nonvoting member

**Excused:** Dolores Furniss Disclosure Officer & Manager of the Suspicious Filer Group, Utah Tax Commission

**Staff:** Mary Gehman-Smith Supervisor, Support Staff, Department of Workforce Services

**Visitors:** A list of visitors is provided at the end of the Minutes.

Topic	Discussion	Action
Welcome and Approval of Minutes	Chair Maughan called the meeting to order at 9:03 a.m. He stated today’s agenda has been published on the Public Notice Meeting website as required by the Utah Public Meetings Act, and the local media has been notified in accordance with Utah law. All members are present with the exception of Ms. Furniss.	
Public Comment	Chair Maughan called for approval of the March 20, 2014 Minutes. Mr. Starks motioned to approve, Mr. Brady seconded the motion and the Minutes were approved unanimously.  Chair Maughan noted, although there are members of the public present, they do not wish to address the Council at this time.	
<b>Business</b>		
Updates on Agency Action Regarding Misclassification Complaints and Discussion of New Classification	Chair Maughan provided updates on agency actions discussed in the past and a few new ones: <ul style="list-style-type: none"> <li>• Four Seasons Transportation – An order issued for \$21,557.66. Company is now compliant. Doing Business As: T.A.D.D. &amp; Park City Taxi Cabs;</li> <li>• Five 3 LLC dba Protrans – Order issued in the amount of \$13,171.50;</li> <li>• Five3 LLC dba Protrans – Order issued in the amount of \$32,207.80</li> <li>• Park City Direct Shuttle – Under investigation;</li> </ul>	

## Complaints

- Ruby Red Promotions – Order issued with penalty in the amount of \$1,076.01;
- True Touch – Intent to penalize \$40,651.79;
- True Touch – Intent to penalize \$3,242.88
- Retreat Full Service Salon – Intent to penalize \$39,231.89
- Modification Review Board/Preferred Legal – Intent to penalize pending;
- Nan Marketing (referral from the DOL) – Intent to penalize pending;
- Southern Winds Logistics – Intent to penalize pending;
- Elite Security Services – Intent to penalize pending;
- Insulation Professionals – Intent to penalize pending;
- Tooele Pediatrics (through Wage Claims)
- Media One
- Simply Right

Chair Maughan asked if it would be helpful to this group if he shared a list of all employers who have been imposed a penalty for lack of Workers' Compensation. Both Mr. Starks and Mr. Brady believe it would be advantageous to have this list, especially if broken down by misclassification. Chair Maughan will send this out on a monthly basis.

Mr. Starks distributed a summary of the DWS 1099 audit results. DWS uses this file to target employers for misclassification. 105 audits picked up 200+ misclassified workers and over \$13,000M in total under reported wages. DWS has doubled these audit hours in the last two years. When we started this with the IRS, DWS' focused their efforts on the big fish, now we focus on smaller violators.

Mr. Starks distributed a second spreadsheet which breaks down results of the audits, on an individual basis. This information is for the Council only and could be used if they are interested in looking into any of these employers. Mr. Starks reminded the group they shouldn't begin any investigations until the Appeal indicator has been removed.

Mr. Brady reported he only has one update, Universal Contracting. Although their license had expired, an appeal to the District Court put a stay in place. They are holding back until the 75 days are up.

Chair Maughan stated the statute only requires this Council meet quarterly. Mr. Brady motioned to hold the meetings quarterly. All were in favor. He will send out regular updates on new complaints between meetings.

Mr. Maughan reminded the group the Annual Report is due in November. All should come prepared to

<p>Future Meeting Schedule/Adjourn</p>	<p>the next meeting prepared to discuss the report. During this meeting, Mr. Lott will provide training on Open Meetings.</p> <p>The next meeting is scheduled for September 18, 2014 at 9:00 a.m.</p> <p>Mr. Brady motioned to adjourn the meeting at 9:23 a.m. and all were in favor.</p>	
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**Visitors:**

Michelle Beebe, Assistant Director, Unemployment Insurance, Department of Workforce Services  
 Eileen Rivera, Field Audit Manager, Department of Workforce Services  
 Mike Miller, Chief of Contributions, Unemployment Insurance, Department of Workforce Services  
 Dennis Lloyd, Attorney, Workers' Compensation Fund  
 Ryan Andrus, Attorney, Workers' Compensation Fund  
 Brad Morse, Program Coordinator, LL/IAD  
 Veronica Gomez Quinero, Compliance Officer, Labor Commission, IAD  
 Brandt Goble, Business Representative, Painters Local 77  
 Michael Hargreaves, FLSA Liaison, Primary Residential Mortgage, Inc.