



For Immediate Release

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CONTACT: Charlie Burr, BOLI, (971) 673-0788

BOLI finds evidence of unlawful retaliation in Cornerstone Janitorial whistleblower investigation
Agency previously directed nearly \$200,000 in unpaid wages to workers of the company

PORTLAND, OR—Cornerstone Janitorial unlawfully retaliated against a worker who filed a worker’s compensation claim and cooperated with a prevailing wage investigation, a Bureau of Labor and Industries (BOLI) investigation has found.

The civil rights case will now move toward conciliation to see if the parties can reach a settlement. If a settlement cannot be reached, the agency may bring formal charges based on the civil rights investigation’s findings.

The agency’s Wage and Hour Division previously directed nearly \$200,000 to 46 Cornerstone employees working on five taxpayer-funded projects in Portland, Eugene, Stayton, Junction City and Salem. The complainant in the civil rights case was part of the group of workers claiming to be underpaid for work performed.

In August 2014, a long-term employee of Cornerstone Janitorial, Jose Tandy Vargas, sustained an on-the-job injury while working on a project at Portland Community College. Shortly after, Vargas filed a worker’s compensation claim, including completing a form that included information on his hourly wages.

Around the time of the injury, the prime contractor, Hoffman Construction, discovered that Cornerstone might not be paying employees – including Vargas – the contractually obligated prevailing wage rate. Hoffman then initiated an internal investigation and filed a formal prevailing wage rate complaint with BOLI.

In late October, Cornerstone terminated Vargas, despite his reputation as “an exemplary employee.”

Under Oregon law, whistleblowing is a protected activity.

Employees with prevailing wage issues may contact the Prevailing Wage Rate Unit by calling (971) 673-0839 or emailing pwremail@boli.state.or.us. Workers facing retaliation can contact the agency’s Civil Rights Division at (971) 673-0764 or crdemail@boli.state.or.us.

Copies of the original complaint are available upon request.

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