



Commissioner Brad Avakian
Bureau of Labor and Industries

Press Release

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Employer-Supported Wage Security Fund Protects Displaced Oregon Workers

When Portland-based Vidoop, LLC closed and could not pay its workers' final paychecks, the employer-supported state Wage Security Fund stepped in

Portland, OR- After months of working to stay afloat in a rough economy, Portland-based internet security company Vidoop, LLC was forced to lay off a majority of its employees in May without the ability to pay their final salaries. Fortunately for Vidoop employees, Oregon's Wage Security Fund (WSF) is able to ensure the company's employees' final wages are paid. To date, 12 former Vidoop employees have submitted wage claims and have been paid more than \$23,000 to help them afford their rent, keep food on the table, and support their families.

Unique to Oregon, the WSF protects workers in these unfortunate situations and guarantees payment of final wages when a company closes and does not have sufficient funds to fully and promptly pay its employees. Maintained by the Oregon Bureau of Labor and Industries (BOLI), the Fund exists through a small diversion of the employment tax paid by employers. Essentially, the WSF is funded by employers to help employees who have lost their jobs in these circumstances.

"I'm glad that Oregon employers like us have paid to maintain the Wage Security Fund during these tough times," said Joel Norvell, former Vidoop CEO. "While we explore options and try to turn things around, it's reassuring to know that the WSF will protect our workers. BOLI has been extremely helpful and kind as we try to do right by our employees and work to eventually repay the WSF."

The WSF is a vital tool in keeping Oregon running through difficult economic times and periods of high unemployment. Since its inception in July 1986, the WSF has paid over \$14 million in benefits to more than 14,000 Oregon workers whose companies closed without the ability to pay their final wages.

"It's unfortunate when the rough economy forces honest companies to close their doors without the ability to pay their workers' final salaries," noted State Labor Commissioner Brad Avakian. "But over the years, employers have supported the Wage Security Fund so that these employees can make ends meet and Oregon's economy can survive difficult times."

Displaced workers can qualify for WSF payments of the amount they earned during the 60 days preceding their employer's closure or the amount of unpaid wages earned within 60 days of the last day of employment, up to a maximum of \$4,000. The Fund pays amounts equal to unpaid wages only and does not cover vacation, sick leave or other accrued compensatory time or benefits. BOLI receives all WSF claims and processes the payments.

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The mission of the Bureau of Labor and Industries is to protect employment rights, advance employment opportunities, and protect access to housing and public accommodations free from discrimination.

“I’m really thankful for the employers who have paid into the Wage Security Fund,” said Michael Richardson, a former Vidoop employee who has filed a WSF claim with BOLI. “The WSF is an amazing program, and it has been a great help to me in a difficult time.”

With every WSF claim filed and with every payment made, BOLI is authorized to pursue reimbursement from the employer. In many cases, BOLI succeeds in recovering tens of thousands of dollars for the WSF and future eligible workers. This prevents the Fund from being tapped unnecessarily and ensures repayments are made by employers whenever possible.

For more information about the Wage Security Fund and filing a claim, please visit:
<http://www.oregon.gov/BOLI/WHD/docs/wsf120506.pdf>

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