

Rich Newill - my ATSI F

Amish Impact on Michigan Wood Products Businesses in the Lower Peninsula

My information will be limited to what I know from discussions with business owners and what I am able to learn in my travels. It can be assumed that I only touch the tip of this monumental iceberg in this space. I am attempting to unearth the underground economy of this secretive clan so those in a position to take action to curtail the damage being done can grasp the magnitude of the problem. It is important to say that not only are the businesses I interviewed and others like them affected, but so are the State's coffers, which are being deprived of immense tax revenue as a result of intentional deceptions. This is not the accidental oversight of a few small family farm operators, but rather a carefully and well directed plan to bypass the very system that allows the Amish community to exist and exercise their rights to religious freedom in our great country. Religion is the guise under which they justify and conceal this scheme, and has no bearing whatsoever on the operation of Amish business within our economic system. We point to only larger Amish business entities in our complaints, not the classic family operations for which they are better known.

The 46 businesses whose names and addresses were provided over 2 years ago to the directors of Unemployment, Worker's Compensation, and MIOSHA were all of the size and type that must be considered qualified for enforcement. I am including photographs taken in the McBain and Ewart areas. Today, the primary areas of Amish infiltration are in sawmilling, resawing, and pallet manufacturing. This is a Statewide problem, still expanding rapidly. Other industries Amish have overwhelmed include furniture and cabinet manufacturing, log home manufacturing, milling of flooring and trim, and construction.

Many Amish are illegally deemed independent contractors, as they often do not meet the tests for such designation. For a worker's compensation provider like MATSIF, "shoot-through" claims are growing likelihood.

Amish numbers have gone from a few hundred families to tens, maybe even hundreds of thousands of families within our State, precipitated by the realization that Michigan does not enforce its' rules. Amish businesses easily hide

off the beaten trail on a rural dirt road out of public view (See photos). Notice how these large operations are all located where Farm land is dominant.

I do not believe Amish vote, but they do seem to have real political clout. Amish have been formally excluded from the Social Security system since 1941 in the U.S. They currently do not pay unemployment or worker's compensation in Michigan. A large portion of business with Amish is done via cash under the table as part of their underground economy. The amount an Amish mill can pay for the same load of logs a legal mill is competing for is much higher since the Amish business has enjoyed the cost savings of no SS, WC, or UE. Tally those saving up: 15% for SS, 10% for WC, 9% for UE conservatively. This comes to a 34% cost advantage for the Amish mill, and that is not taking into account the income tax savings, the lower cost of wages paid, and cash sales under the table.

Joel Woodruff, owner of Billsby Lumber Co Inc in Harrison, operates 2 sawmills at his site sawing pallet and blocking material for a specific market. Joel competes for sawlogs every day, and finds the Amish consistently pay from \$15 to \$25 per thousand board feet more than he can. Sounds like a small number, but multiply that by 50,000 per day and it is immense. After Joel buys his logs, he again competes with the Amish on the marketing end.

Amish *do* like to brag about their manipulation of the markets due to the fact they do not need to comply with our "foolish" laws. This is not happening by accident or dumb luck. Amish mills pay producers 20% to 40% more than others can for the same logs.

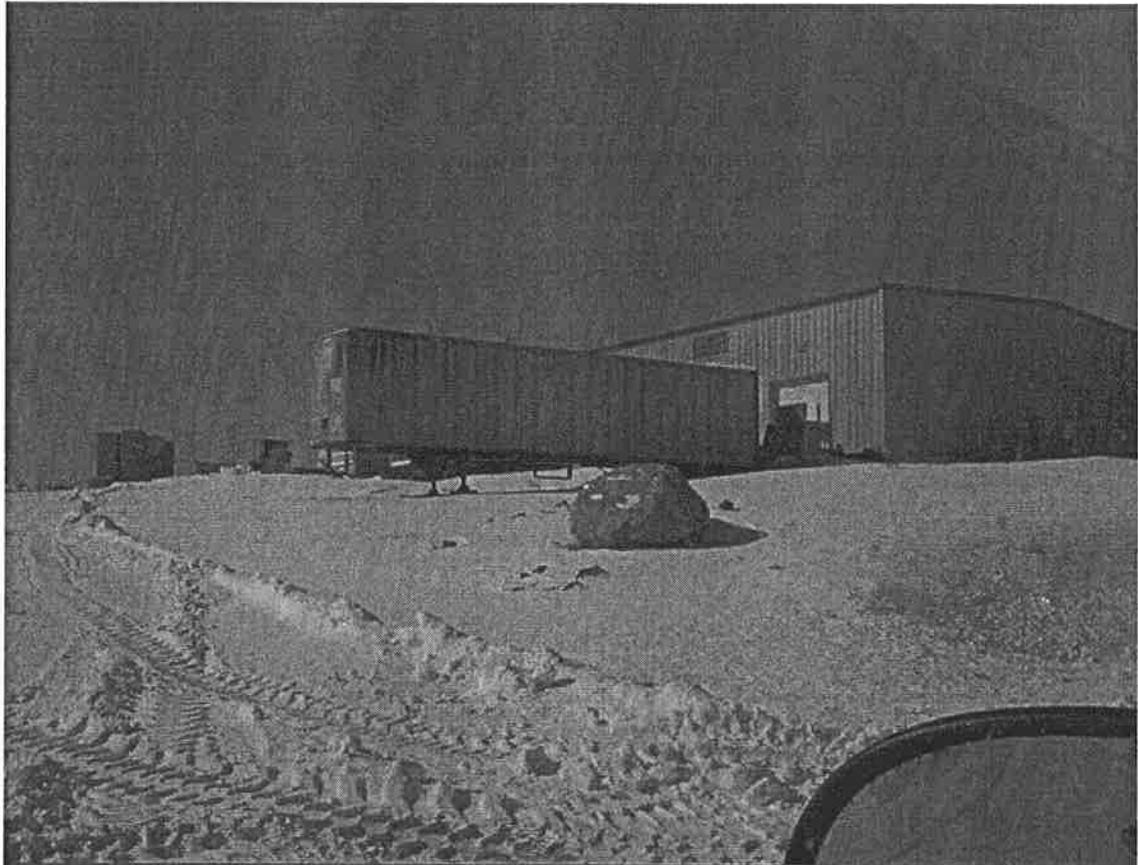
John Fowler, owner of D.T. Fowler in Lapeer, has lost crucial accounts to Amish competitors in recent years. Pallet manufacturer Pallox Inc of Clinton MI was forced to go out of business over Amish competition. Cost advantage enabled Amish to push Pallox from the legitimate market, idling 25+ employees and eliminating that tax base from the State's coffers. Amish will fill the void left by that closing and pay little if any tax to the State.

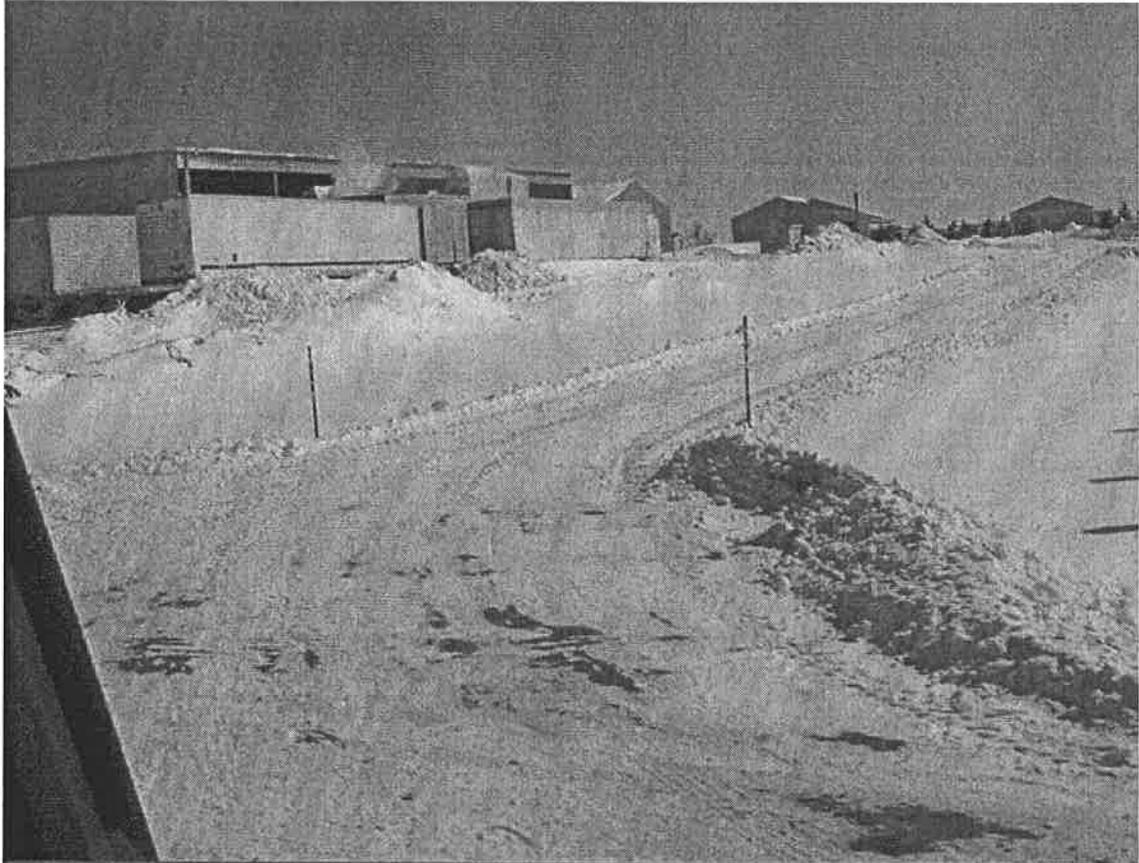
The problem of Amish has grown to a size that cannot be ignored any longer. These are simply business issues, not religious issues. It is imperative and appropriate to act on known violations of law. Thank you.

Rich Newill

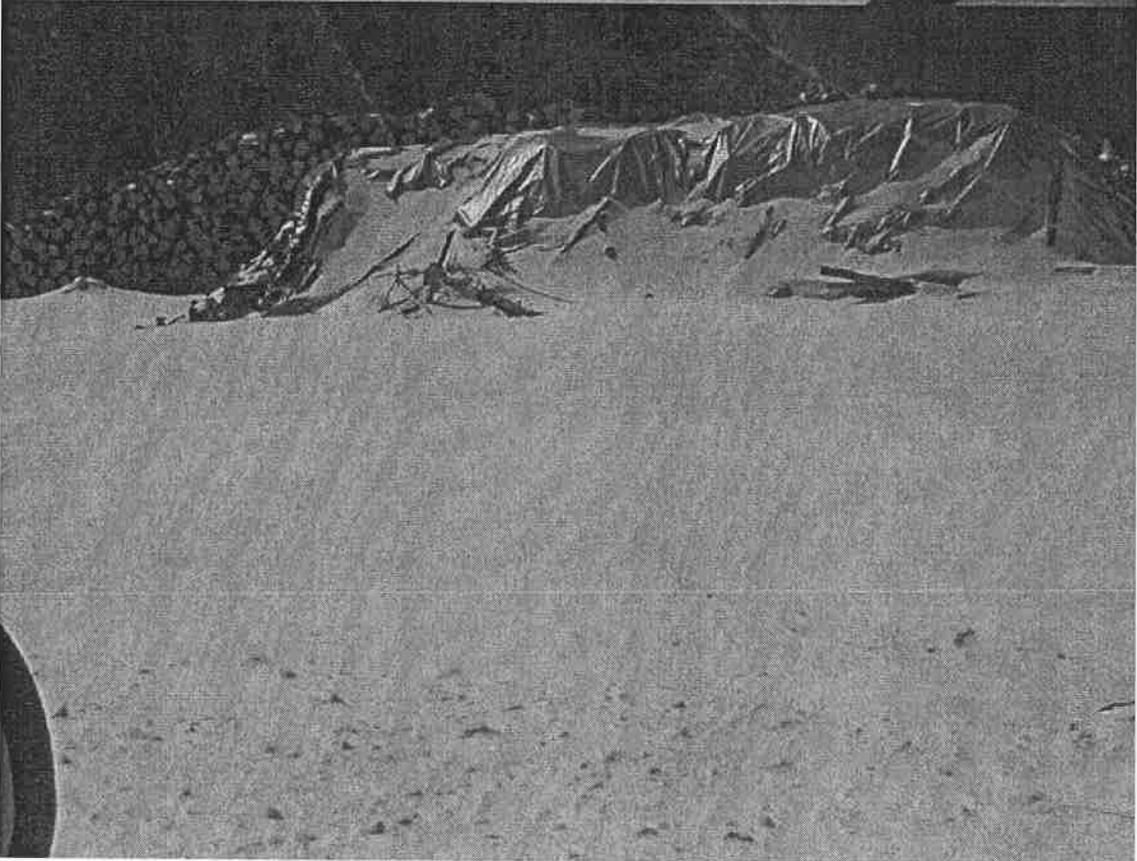
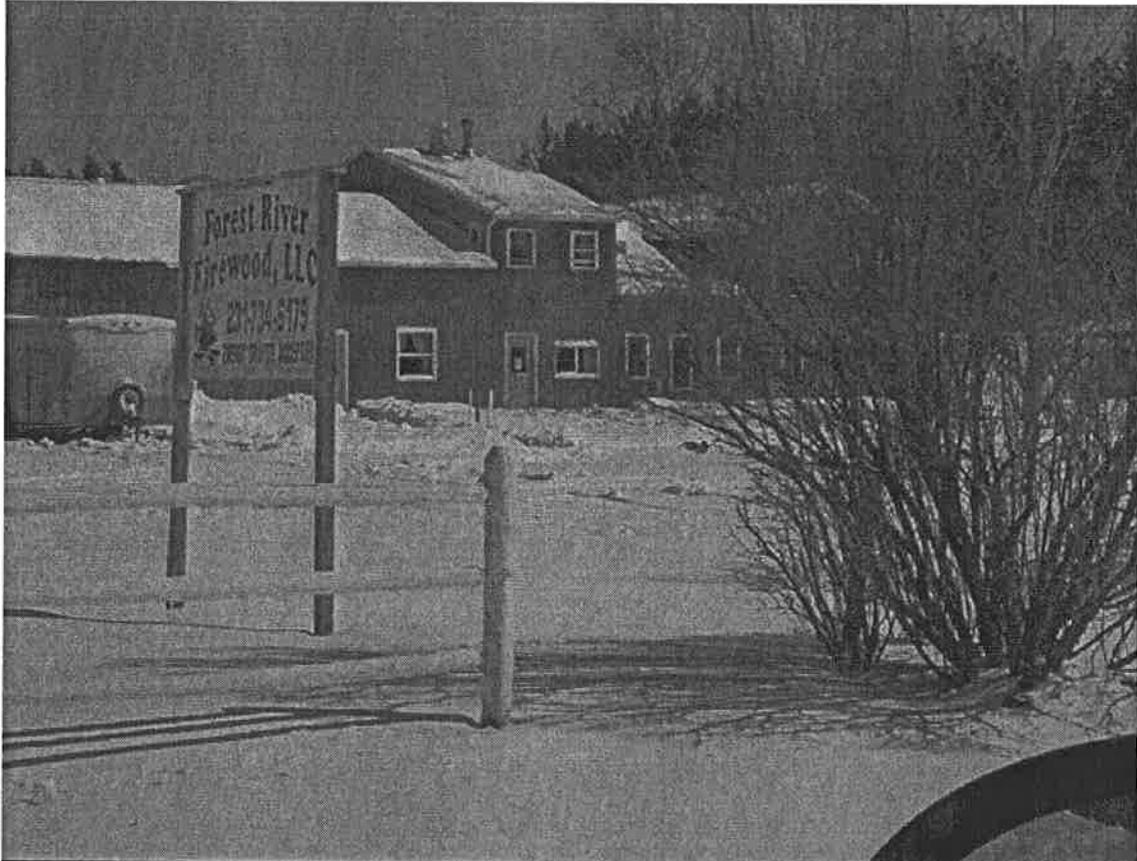






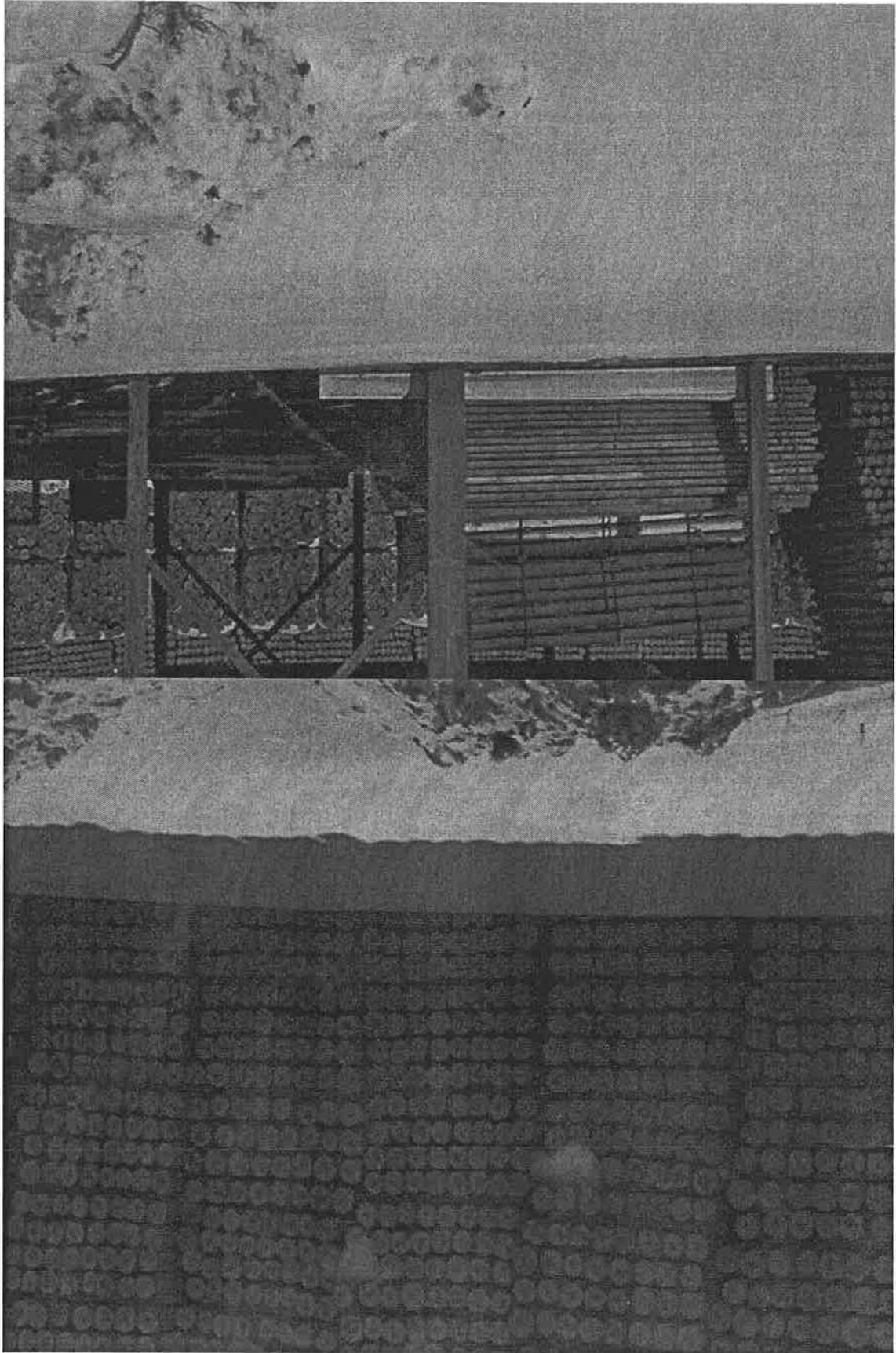


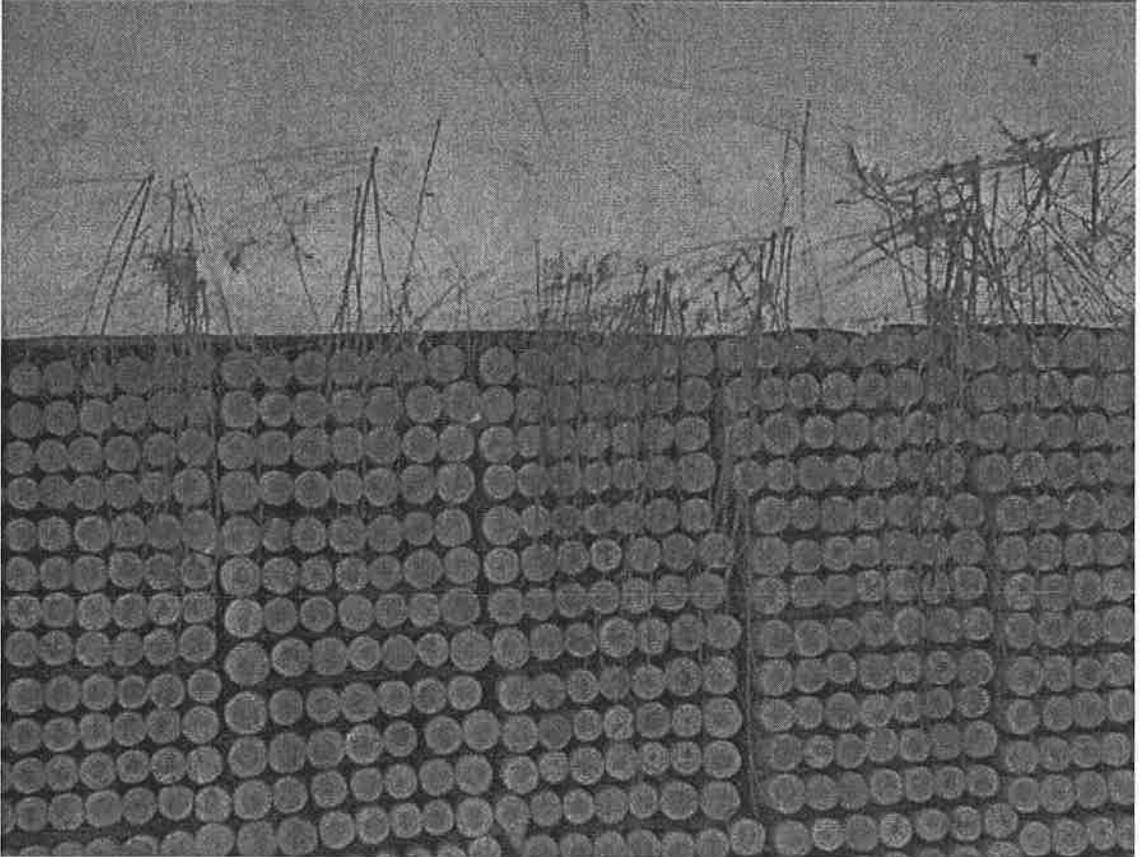
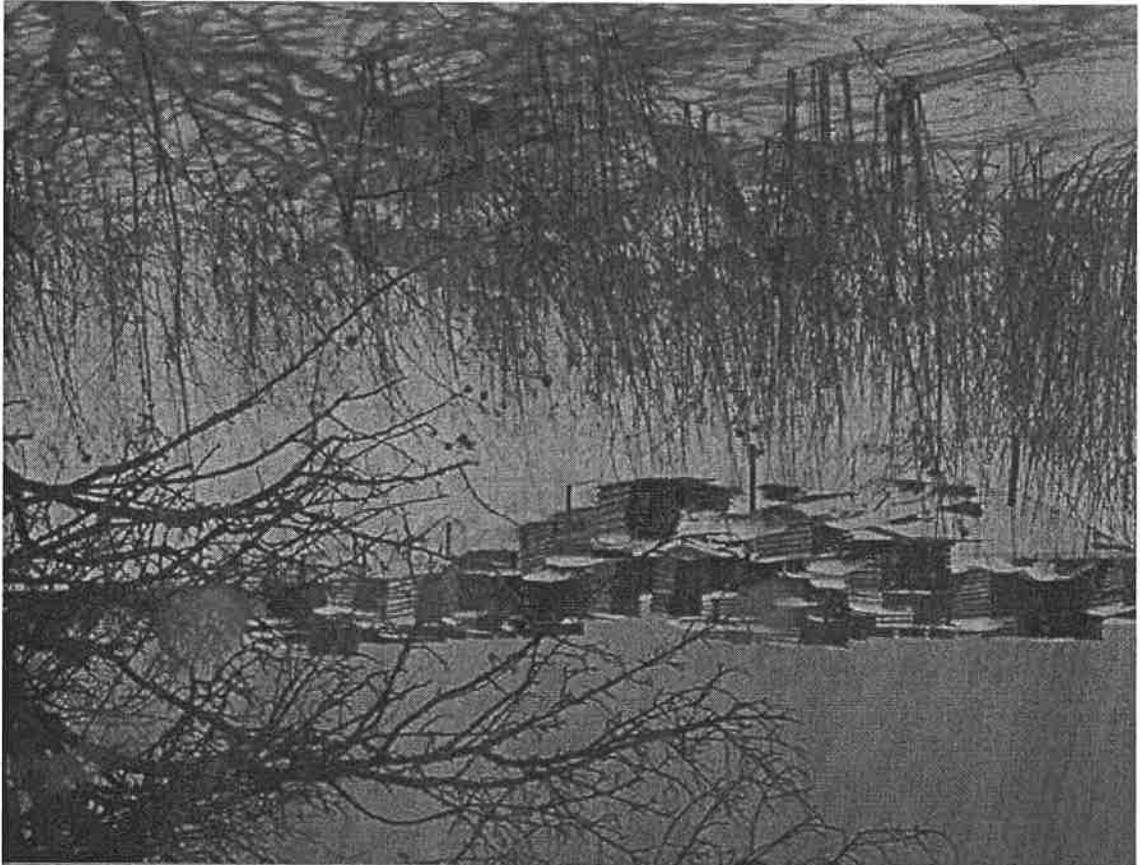






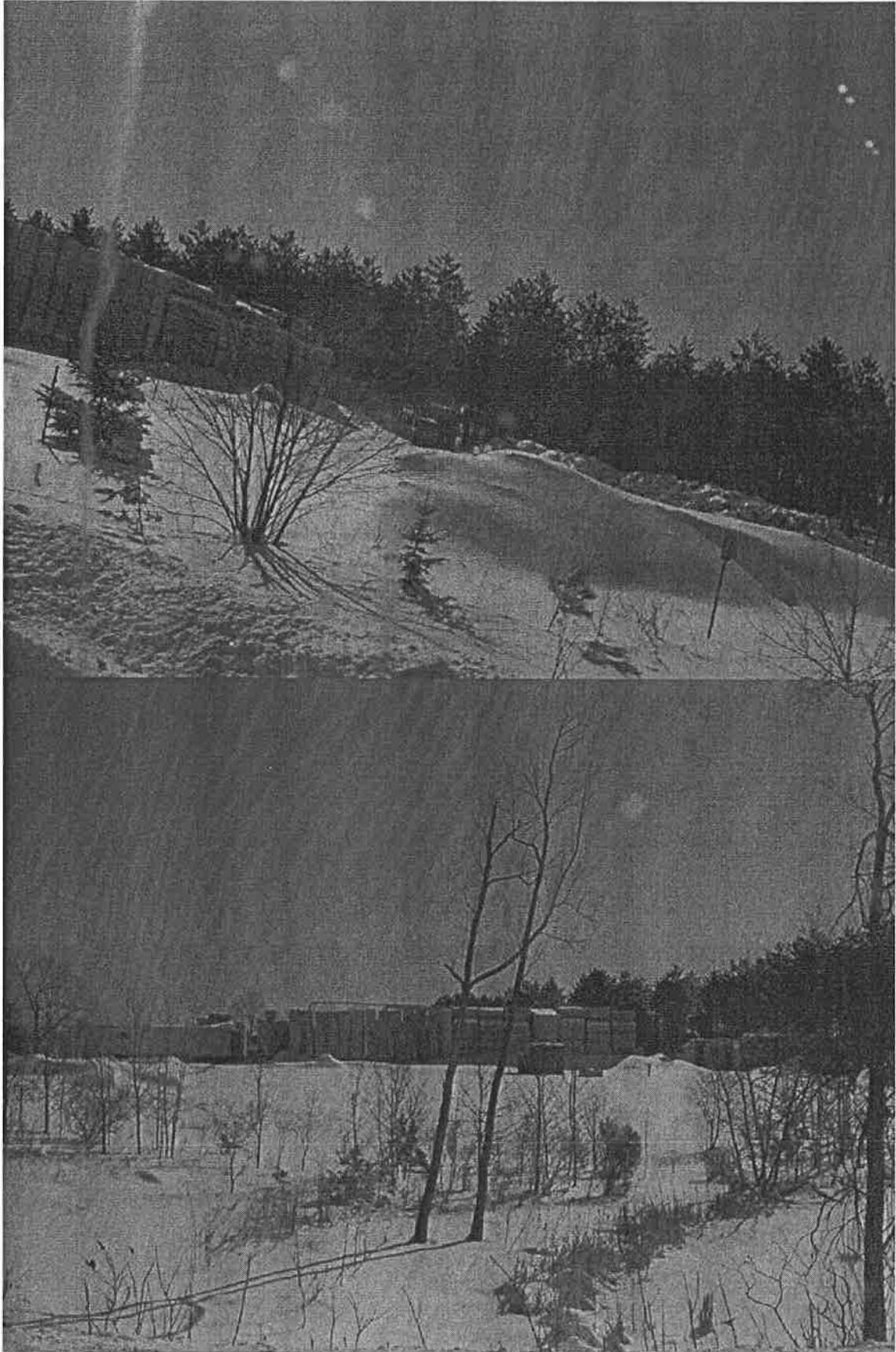


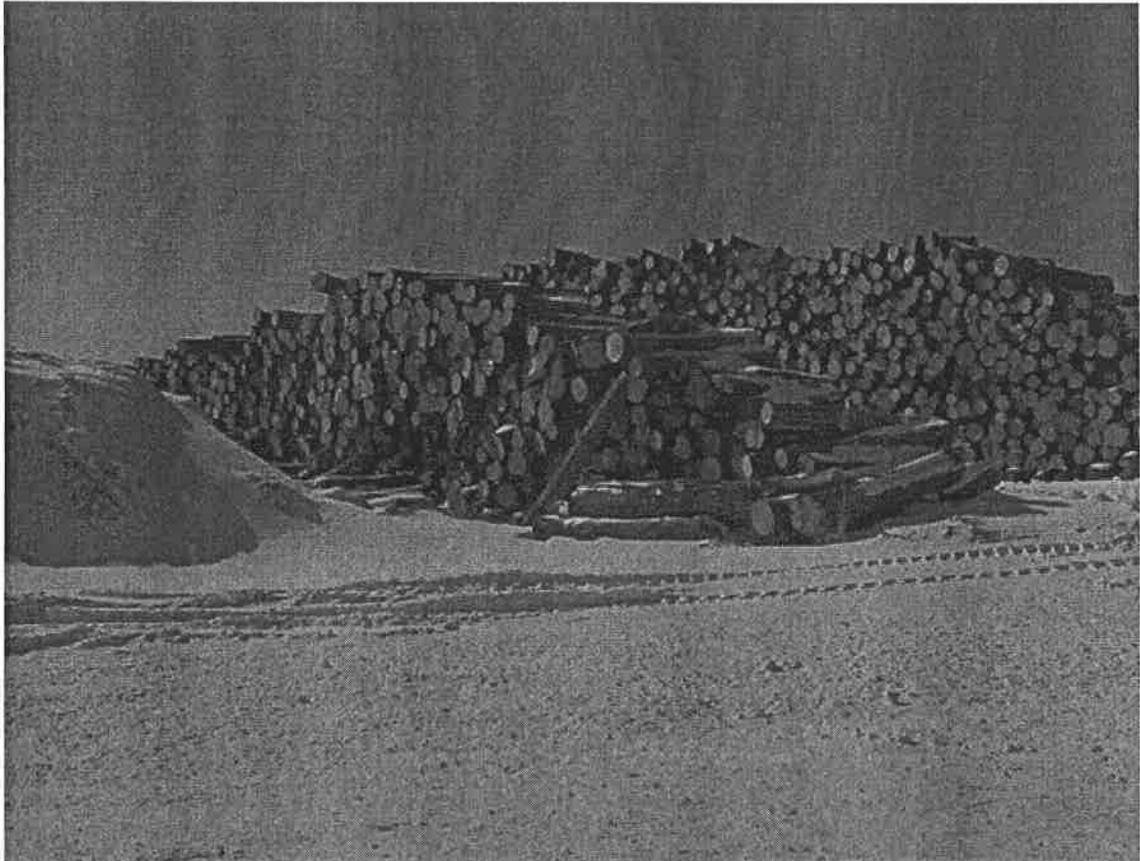






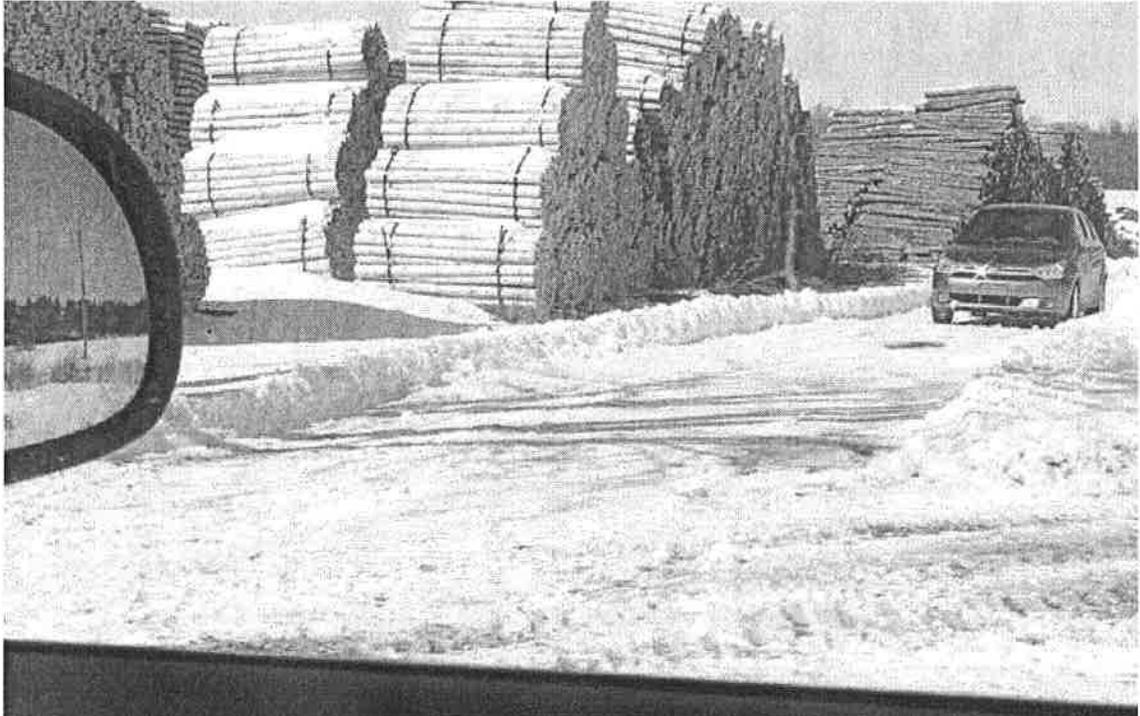


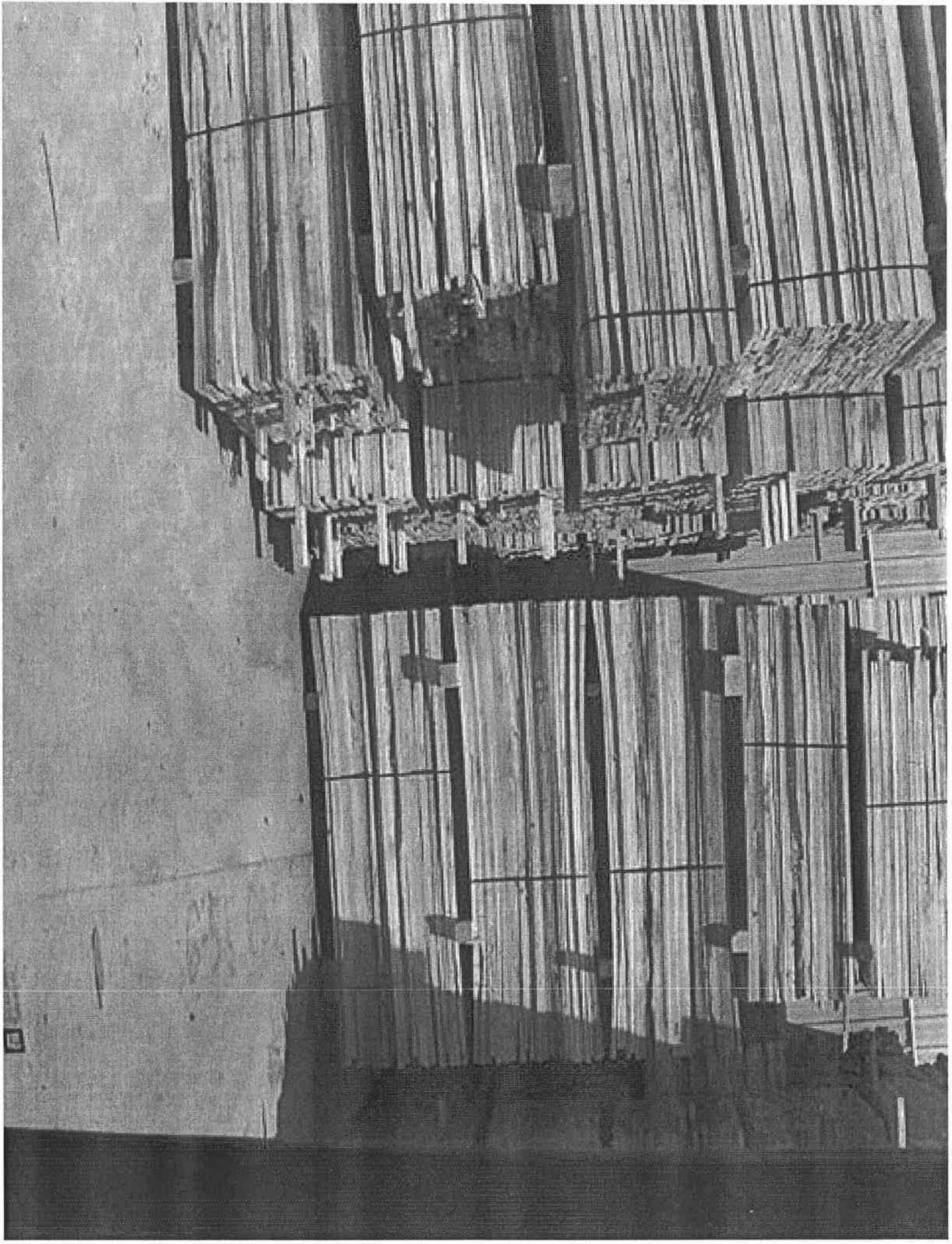


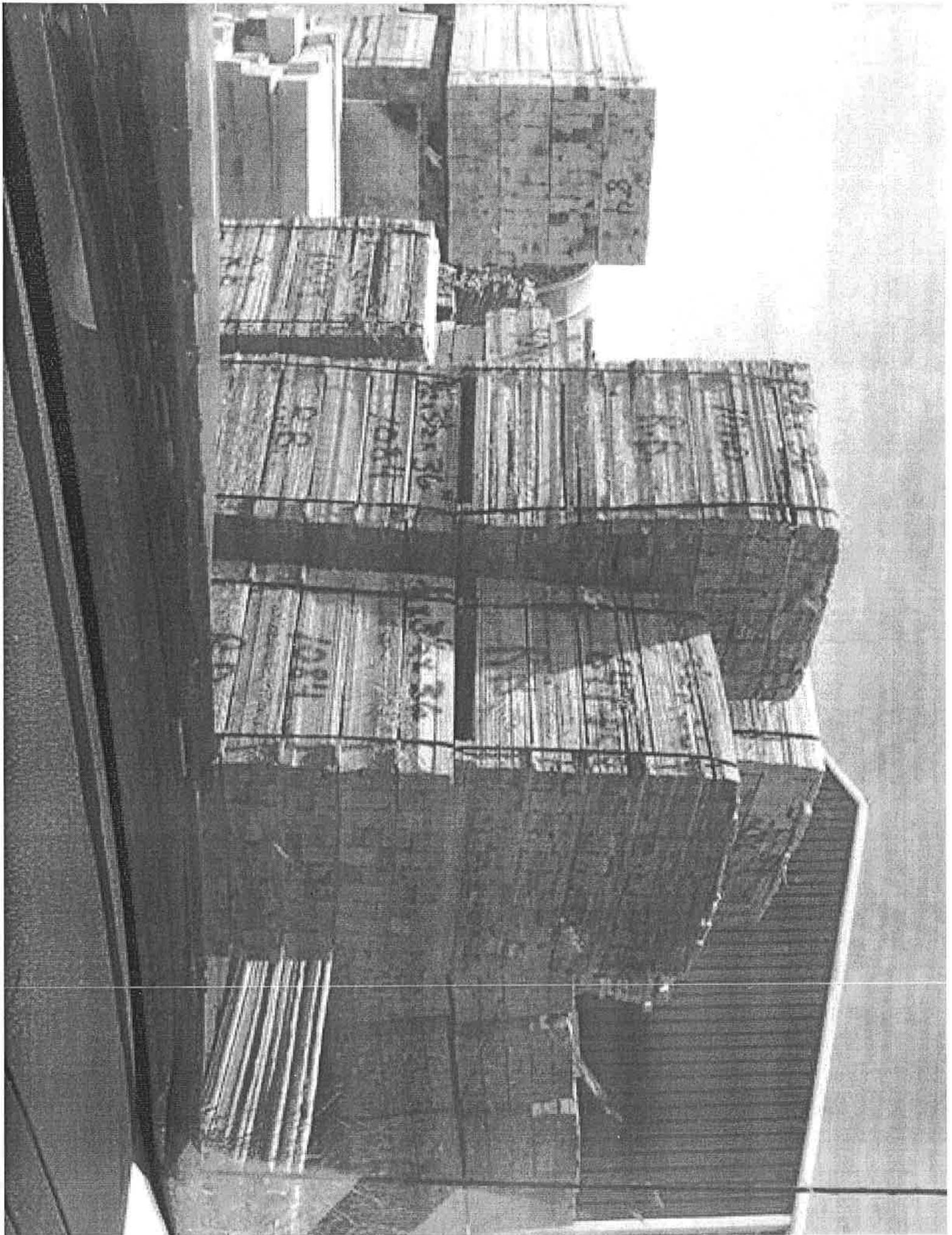


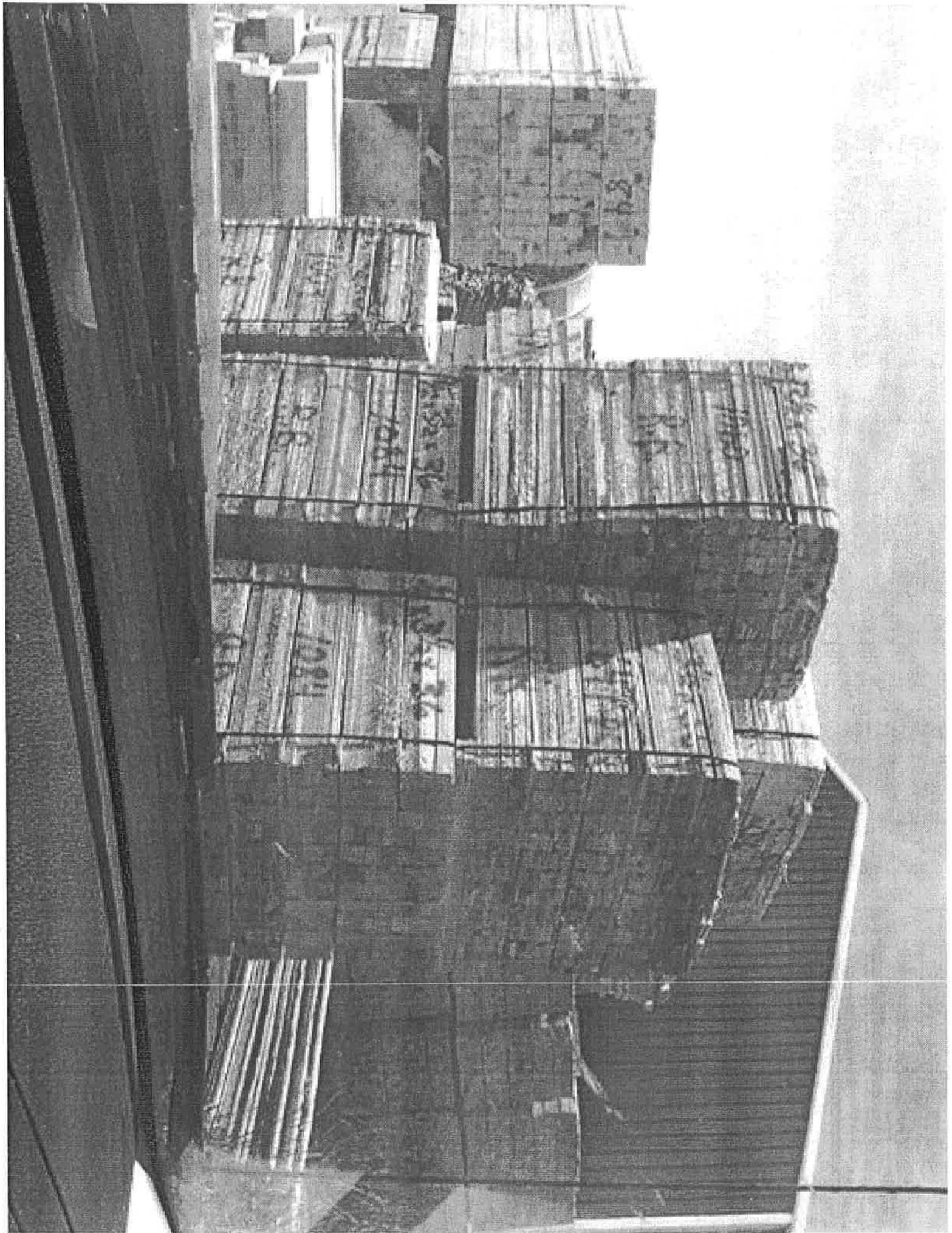


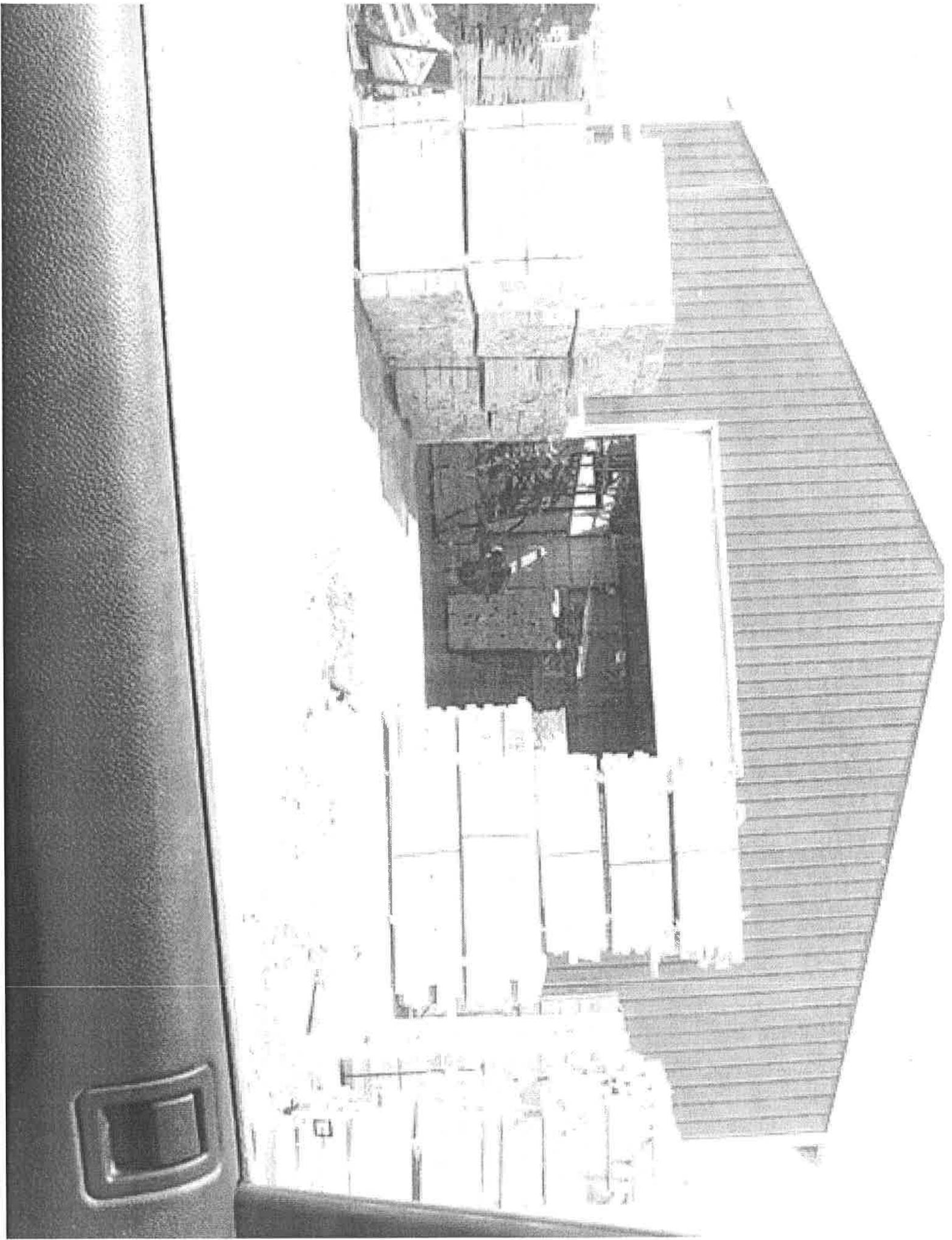




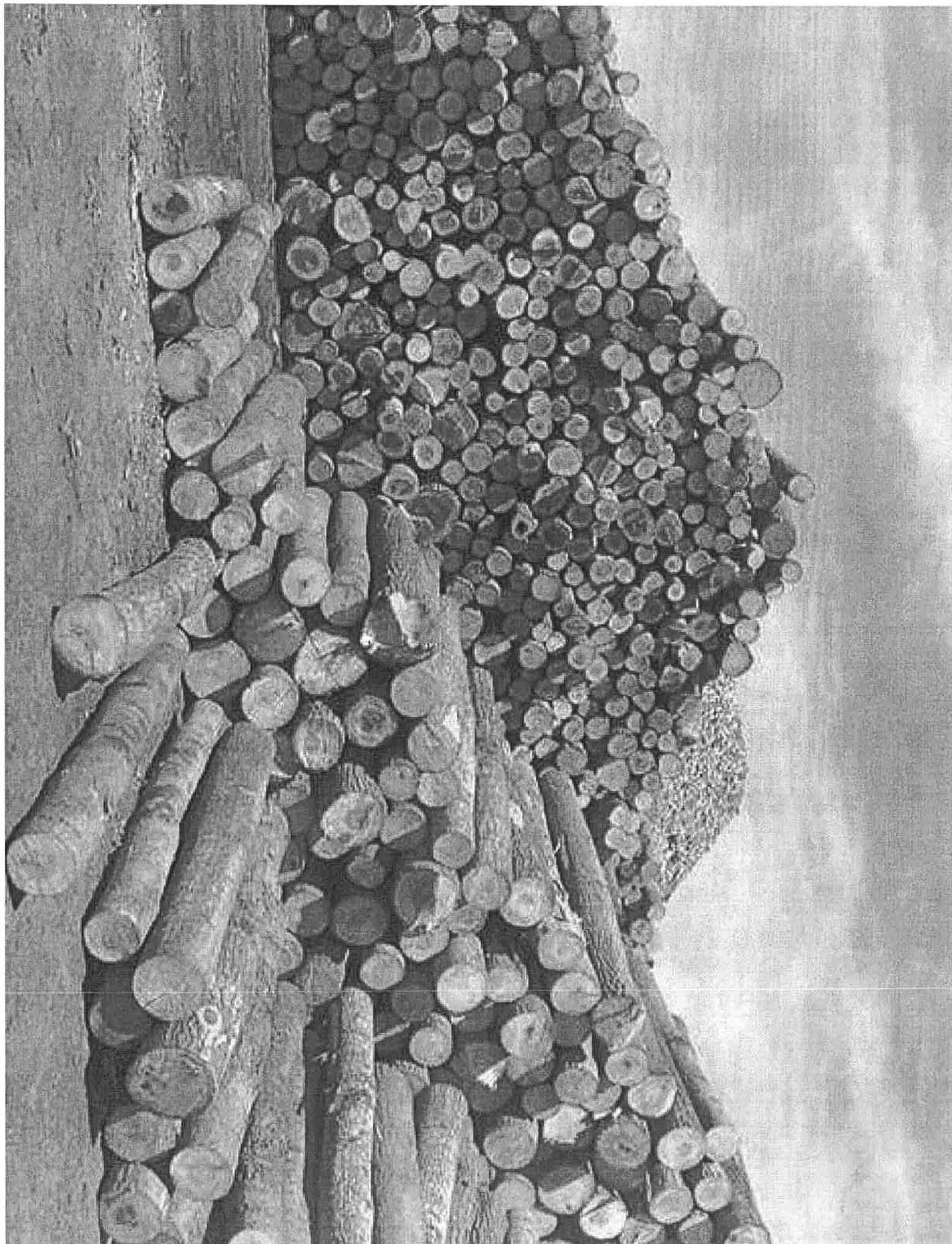


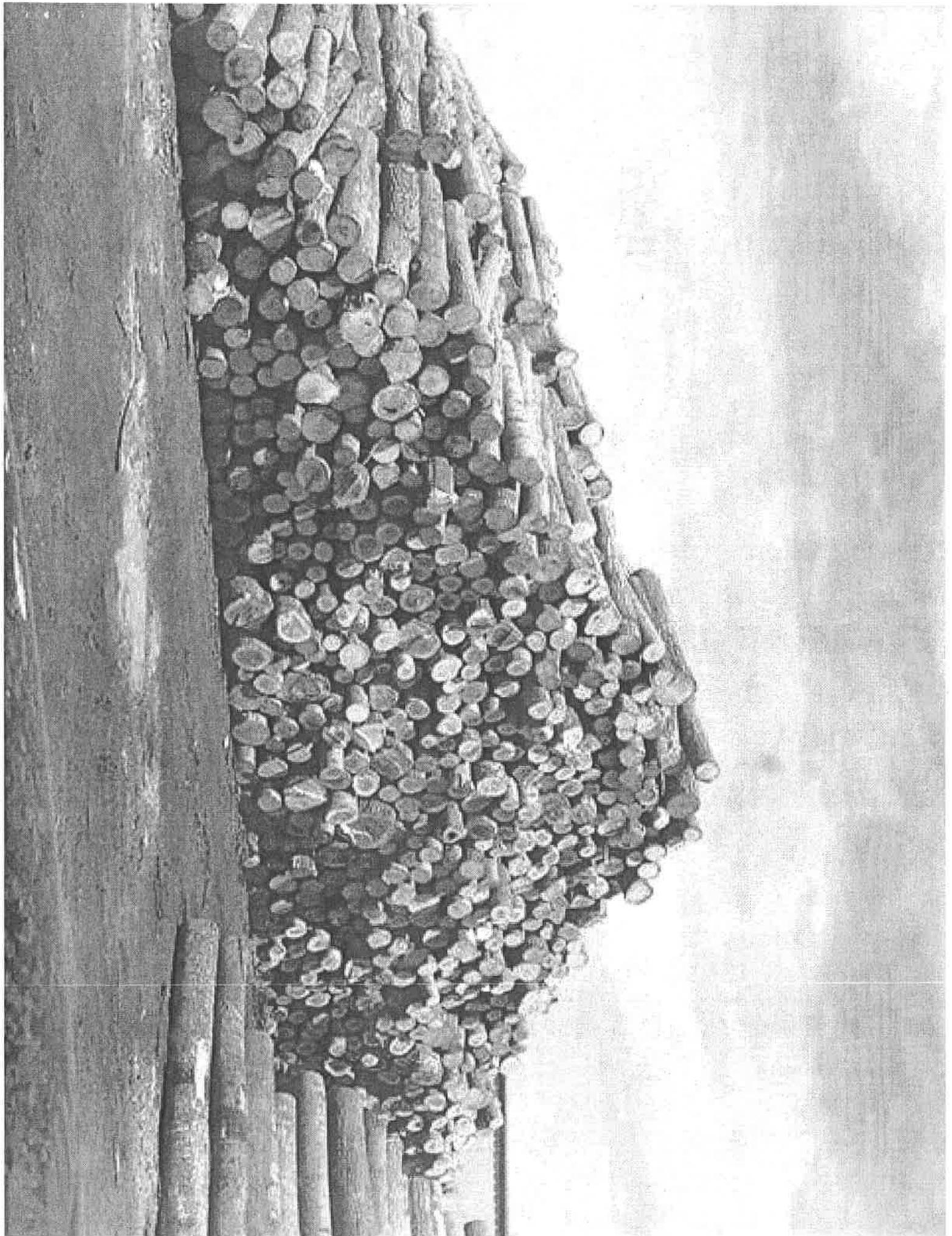


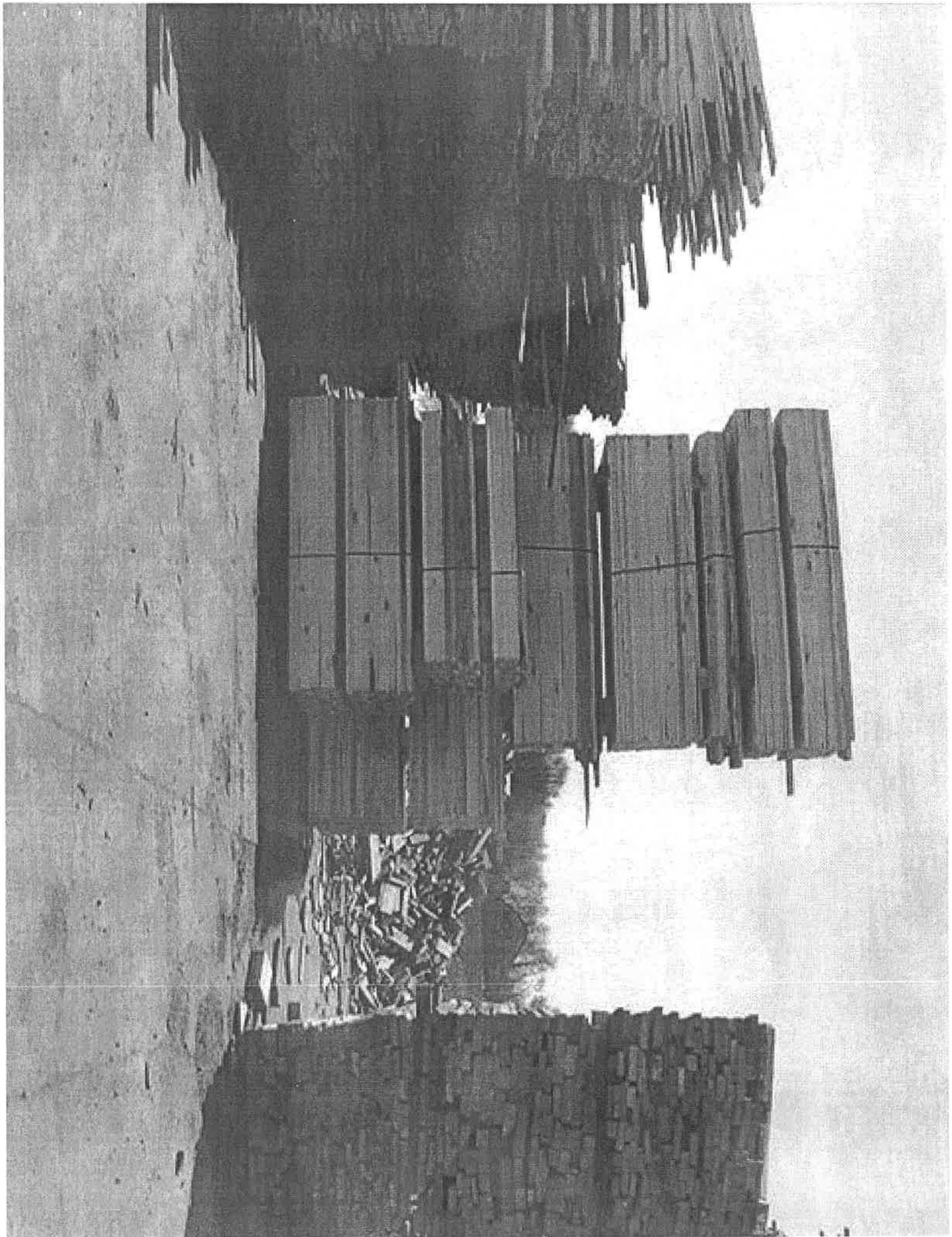


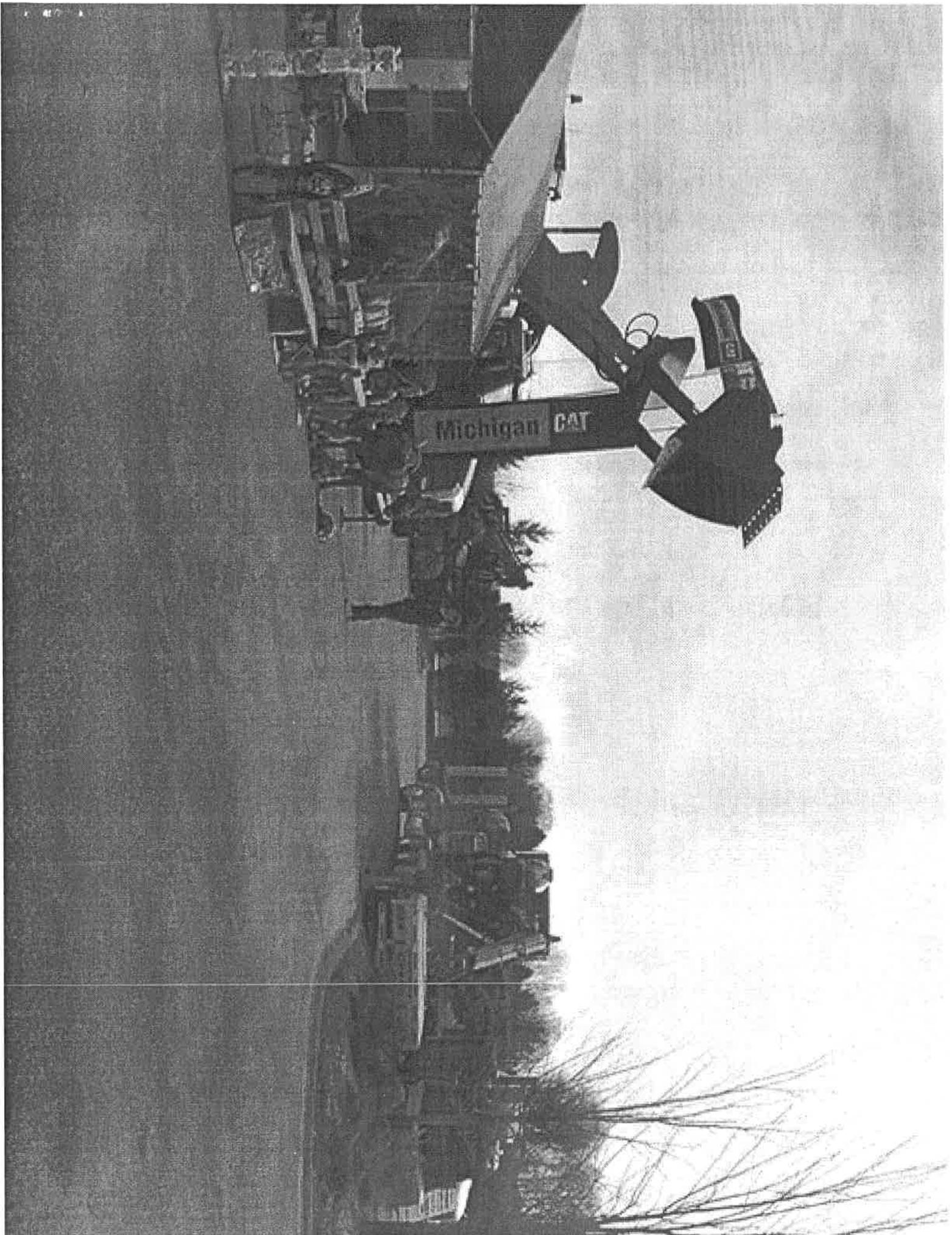


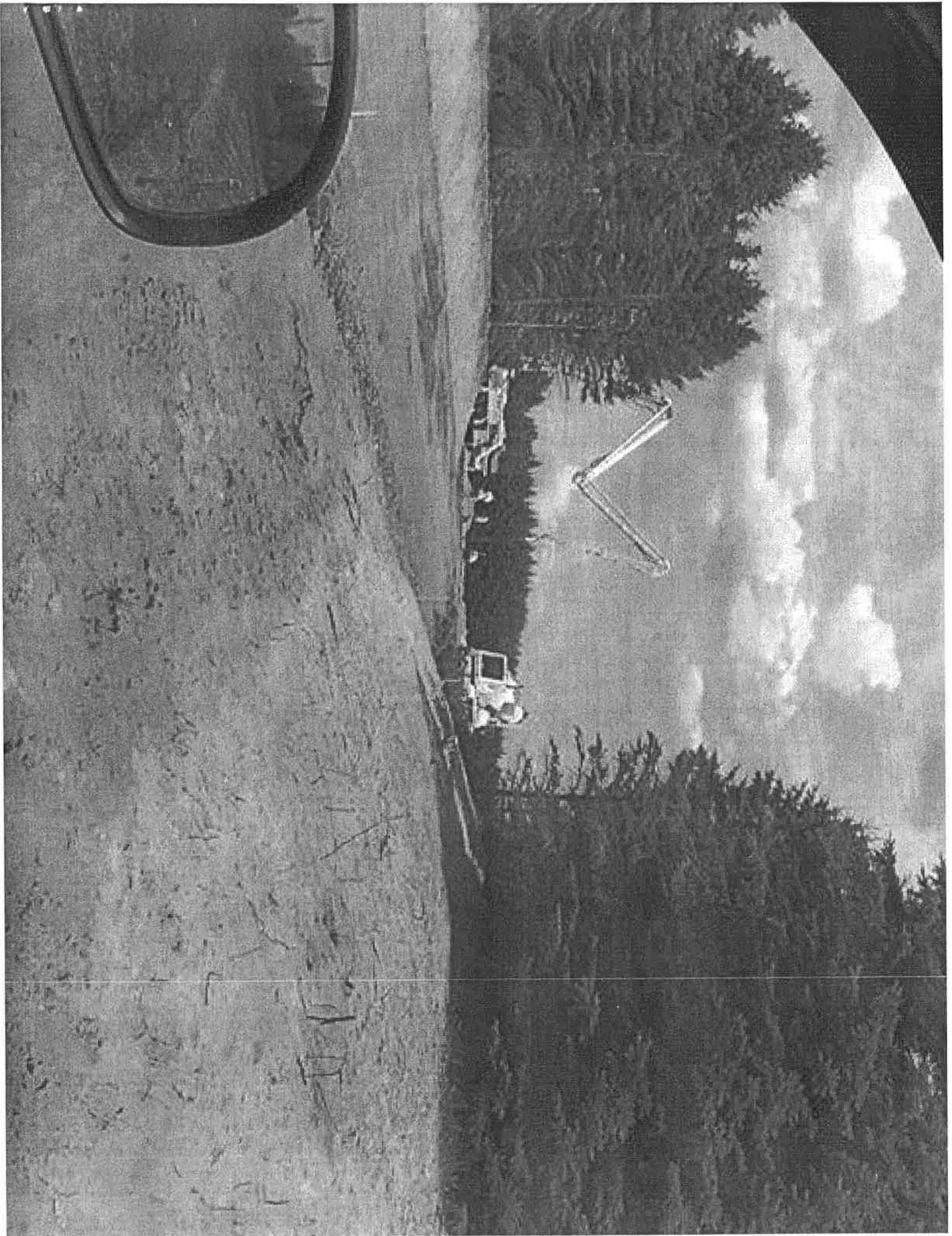


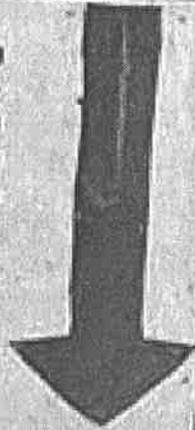












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