



Construction Industry Department of Labor (DOL) Violations –

"The department will not hesitate to pursue legal action, including debarment, to ensure employees working on federally funded projects are properly paid under the law," said Secretary of Labor Hilda L. Solis. "

What: US Department of Labor seeks debarment of construction contractor for labor violations at New York City publicly funded housing projects.

Background: The Department of Labor has taken legal action to seek debarment of a NYC general contractor, and the president of the company, from working on future federally funded contracts for a period of three years.

An investigation by the Labor Department's Wage and Hour Division revealed that the company and its officials had willfully violated wage, benefit, certified payroll and other requirements while working on federally funded projects in NYC. These projects are funded in part by the American Recovery and Reinvestment Act of 2009.

Consequently, these projects are subject to the wage and benefit requirements of the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act. The Davis–Bacon Act requires all contractors and subcontractors performing work on federal and certain federal funded projects to pay their laborers and mechanics the proper prevailing wage rates and fringe benefits as determined by the secretary of labor. In addition, the Contract Work Hours and Safety Standards Act requires contractors and subcontractors to pay laborers and mechanics one and one-half times their basic rate of pay for all hours worked over 40 in a week.

Consequences: Following an investigation of 23 of the company's subcontractors, the Wage and Hour Division determined that 16 were in violation of either prevailing wage or overtime law, or both. As a result of these violations, approximately 290 employees of these subcontractors were found to be due a total of about \$1.4 million in back wages.

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