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LIU RECOVERS \$1.2 MILLION FROM BUILDING CONTRACTORS FOR CHEATED WORKERS

*Many Still Not Identified, Liu Urges Them to Come Forward and File Claims
for Unpaid Prevailing Wages*

NEW YORK, NY – Comptroller John C. Liu today announced a \$1.2 million settlement on behalf of workers who were cheated out of wages and benefits for work at City sites. The contractor Mascon Restoration and its principal have also been debarred from bidding on or receiving any public works contracts for five years.

“This settlement helps to right the wrongs suffered by these hardworking people, and sends a strong message that contractors working on City projects must pay prevailing wages as required under the law,” Comptroller Liu said.

Many of the workers have yet to file claims for their unpaid wages because some were led to believe that the Comptroller’s labor law investigators were actually immigration agents. Comptroller Liu is encouraging these workers to call the Bureau of Labor Law at (212) 669-4443.

As part of a separate plea agreement with the New York County District Attorney’s Office, Mascon agreed to plead guilty to one count of Offering a False Instrument for Filing in the First Degree in violation of Penal Law 177.35, a class E felony.

The case involves contracts between the NYC Department of Housing Preservation and Development (HPD) and three construction management firms that were hired to inspect and identify HPD buildings in need of repair or replacement. The firms in turn hired Mascon to perform demolition, carpentry, and masonry work.

It was determined that Mascon underpaid its employees for work performed on City-funded projects – and that Mascon and the three construction management firms were financially responsible for prevailing wage violations.

As a result of a joint investigation, Mascon and the construction management firms – Promanagement Associates, Delcor Associates and JF Contracting – have paid a total of \$1,178,323 to the Comptroller’s office for the wage violations. Of that amount, \$107,120 is payment to the City’s general fund as a civil penalty.

“A big part of New York’s greatness is its plurality and diversity,” said Carlos Manuel Sada, Consul General of Mexico in New York. “We recognize the effort of Comptroller Liu and his team to take a firm stance against labor violations and frank abuse of the most vulnerable of the city’s residents, and we will continue to work hand in hand to inform Mexicans and Mexican-Americans of their rights and to seek that unscrupulous companies and individuals do not profit from exploiting them.”

“These kinds of prevailing wage abuses are unacceptable in our city,” said NYC Council Member and Chair of the Committee on Immigration, Daniel Dromm (D-Queens). “Too often it is our vulnerable immigrant communities which are exploited and taken advantage of. That is why the Comptroller’s work in securing this very important settlement sends a powerful message that New York City is committed to protecting immigrant rights.”

“It’s important that we stand up for some of the most vulnerable workers in our city and uphold prevailing wage law,” said Vincent Alvarez, president of the New York City Central Labor Council. “All too frequently, undocumented workers suffer unfair treatment, resulting in lost wages, because laws meant to protect them and other workers go unenforced. These workers deserve equal treatment, as well as fair and just compensation.”

“The immigrant community has been exploited in far too many occasions by opportunistic employers seeking to gain an edge off the backs of hard workers and their families. They should be ashamed of themselves, and it is time to pay the piper,” said NYC Council Member Jumaane Williams (D-Brooklyn). “We must take a strong stance along with Comptroller Liu against worker abuse, whether it be undercutting wages or failing to safeguard against unsafe conditions.”

“These actions are about standing up for workers and cracking down on lawless employers,” said Ana Maria Archila, co-executive director of Make the Road New York, an immigrant advocacy organization. “The Comptroller continues to use his office to ensure fair treatment of low-wage immigrant workers.”

About the Case

Investigators from the Comptroller’s office visited various HPD construction projects to ensure compliance with the prevailing wage laws in late 2007. After uncovering evidence of possible violations, they conducted sweeps of 212-214 West 108th Street, 484 Convent Avenue, 1801 Seventh Avenue, and 525 West 134th Street – along with investigators from the New York State Department of Labor and the Workers Compensation Board who were part of the Governor’s Joint Enforcement Task Force on Employee Misclassification. Investigators concluded that most

of Mascon's workforce on these contracts consisted of immigrant workers who were not being paid the prevailing wage.

In 2007, a New York State Supreme Court judge ruled that workers are entitled to file claims for unpaid prevailing wages when employed on public construction projects regardless of their immigration status.

About the Bureau of Labor Law

When performing public works projects pursuant to City contracts, employers are required to pay their workers prevailing wages and benefits as spelled out by the law. The Comptroller's Bureau of Labor Law enforces New York State Labor Laws 220 and 230 in New York City.

These laws require private sector contractors engaged in public works projects and public building services in the City of New York to pay no less than the prevailing wage to their employees for work covered by the statutes.

Any construction or building services worker who feels he or she has been shortchanged for work performed at a worksite on City-owned property is encouraged to call the Comptroller's Bureau of Labor Law at (212) 669-4443. All calls are confidential.

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