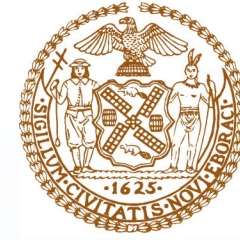


New York City Comptroller
John C. Liu



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November 2011



An Important Message from New York City Comptroller John C. Liu

If you work for a contractor on a city-owned construction site or for a contractor that provides services for a building owned by the city or a city agency, you are entitled to receive prevailing wages. This means you must be paid an established wage set by my office.

Your employer must post a list of prevailing wages at each work site, which I encourage you to review. If there is no list at your site, you should contact my office.

Enforcing the prevailing wage laws is an important part of my office. If you believe your rights have been violated, we are here to help you. You may be entitled to receive back wages.

Your first step should be to contact the Bureau of Labor Law at the New York City Comptroller's Office. We have experienced staff on call to answer your questions. Call us at (212) 669-4443.

If necessary, we will provide step-by-step instructions on how to file a claim, and we will do everything that is necessary to help you get what you are owed.

You should get a fair salary. It's the law!



New York City Comptroller's Office
Labor Law Bureau
1 Centre Street, Room 1120
New York, NY 10007-2341
(212) 669-4443
www.comptroller.nyc.gov

The above flyer is available in eight other languages on the Comptroller's website <http://comptroller.nyc.gov>.

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DEAR NEW YORKER:

This newsletter shares some of the noteworthy accomplishments that my office's Bureau of Labor Law has made in recent months. One of the duties of the New York City Comptroller is to enforce state prevailing wage and local living laws regarding City contracts. It is deeply gratifying when we recover wages owed to workers from contractors that violate these laws. And in the most egregious cases, we bar firms that willfully violate labor laws from performing work for the City.

This year, we have expanded our efforts to inform workers about their rights to prevailing wages when employed on public projects. We have also organized seminars to educate City agency officials and municipal contractors about labor law compliance. Contracting agencies are the first line of defense when it comes to ensuring that contractors and their subcontractors remain honest. Together, we will continue to protect workers' rights, promote fair competition and build a better New York. Thank you for this opportunity to serve.

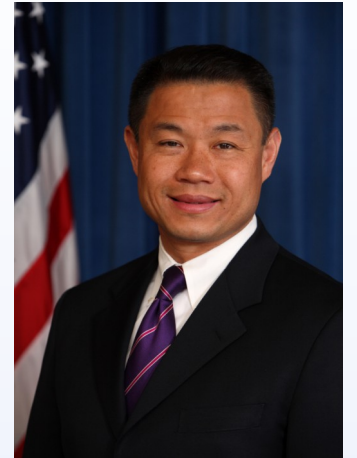
Sincerely,
John C. Liu

COMPTROLLER LIU EDUCATES WORKERS, CITY AGENCIES AND CONTRACTORS ABOUT LABOR LAWS

Immigrants are among the workers most vulnerable to exploitation by dishonest contractors. Many of these workers are not proficient in English or aware of their rights to prevailing wages regardless of their citizenship status. Since Comptroller Liu took office, the Bureau of Labor Law has expanded its efforts to educate immigrants and other workers about prevailing wages. Often together with the New York State Department of Labor's Bureau of Immigrant Worker Rights and the New York Police Department's New Immigrant Outreach Unit, Comptroller Liu's Labor Law Bureau has visited civic forums, ethnic associations, and church groups in neighborhoods throughout the five boroughs. In 2010 alone, the Bureau of Labor Law participated in more than 40 such events.

In August 2011, the Bureau provided information on prevailing wages to hundreds of workers at the Mexican Consulate during the consulate's annual Labor Rights Week. The Comptroller's Office has also developed and distributed labor law educational materials in eight languages, including Spanish, Portuguese, Polish, Chinese, and Urdu.

The outreach is not only focused on immigrants. In fact, the Bureau and the Mayor's Office of Contract Services (MOCS) often partner on the prevailing wage enforcement efforts to foster labor law compliance among municipal agencies and companies with City contracts. MOCS oversees agency activities to ensure that City vendors comply with all labor-related laws. This year, the Bureau has also conducted its own seminars to educate the staff and contractors at various New York City agencies such as the Department of Education, the School Construction Authority, and the Health and Hospitals Corporation. Comptroller Liu and the Bureau of Labor Law have also given presentations to unions and labor organizations, business associations, construction contractor groups and community advocates.



PREVAILING NEWS

Publication about Prevailing
Wage and Living Wage
Enforcement

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RECORD RECOVERY OF WAGES

In 2010, Comptroller Liu's Bureau of Labor Law (Bureau) assessed a record breaking \$5.7 million in back wages and interest owed to workers by contractors that failed to pay prevailing wages and benefits. In the first six months of 2011, the Bureau assessed more than \$3 million in underpayments, resulting in a total of \$8.7 million in underpayment assessed amounts since Comptroller Liu took office. The Bureau also assessed an additional \$363,000 in civil penalties from law-breaking contractors, which constitutes important revenue for the City of New York. During the same period of time Comptroller Liu barred eight companies from doing business with the City or State government because of their actions to cheat workers.

HRA CLEANING CONTRACTOR DEBARRED

After a hearing at the Office of Administrative Trials and Hearings, Comptroller Liu adopted an administrative law judge's report and recommendation stating that Jetstream Maintenance Corporation and its president, Sae Keon Won, willfully violated New York State labor law by underpaying three of its building service workers and deliberately falsifying payroll records submitted to the New York City Human Resources Administration. As a result, the firm and Mr. Won are now debarred from New York government contracts for five years.

SCHOOL PAINTING CONTRACTOR DEBARRED

The president of Mondol Construction, Shafiqul Islam, accepted a debarment from the Bureau of Labor Law in April of 2011 for underpaying his workers and falsifying payroll records on a Department of Education requirements contract. Mondol provided painting and plastering services at various schools in the Bronx.

This was not this contractor's first time trying to evade labor law requirements. The Department of Investigation had arrested Mr. Islam and eight other Parks contractors in 2007 for allegedly paying bribes to an undercover inspector to overlook prevailing wage violations. Mr. Islam pleaded guilty in court to a misdemeanor. He was fined and deemed a non-responsible bidder due to his arrest and subsequent conviction at that time.

XAVIER CONTRACTING PAYS \$375K FOR LABOR LAW VIOLATIONS *Firm Barred from Public Work*

Xavier Contracting performed work under several New York City Department of Parks and Recreation contracts pursuant to Section 220 of the New York State Labor Law. The firm built a playground and a comfort station in Van Cortlandt Park, undertook partial reconstruction of the fire boathouse in East River Park and built a portion of the Bronx River Greenway. Officials from the Laborers Union several years ago prompted Xavier employees to file verified complaints with the Bureau of Labor Law stating that they were paid less than the prevailing rate of wage. The Bureau then conducted an investigation and confirmed that many workers were underpaid.

After being presented with the results of the investigation and a detailed audit that showed employees were paid less than prevailing wages, Xavier managing member Frank Acocella signed a stipulation of settlement with the Bureau. He agreed to pay 11 employees classified as Operating Engineers, Carpenters and Laborers \$341,299 in back wages and a 10 percent civil penalty to the City of New York. Because the case involved multiple willful violations, Xavier is now barred from submitting a bid on, or being awarded, any public work contract in New York State. Staff from Parks provided important information and assistance to labor law investigators that helped move this case forward to an appropriate conclusion.

FIVE PRIMES PAY FOR THE SINS OF ONE SUB

Victory Fence, aka M & E Contracting, was a subcontractor on public construction projects led by the New York City Transit Authority, the NYC Department of Parks and Recreation and the School Construction Authority. Five prime contractors hired the firm to perform work for these agencies. Victory underpaid its employees and subsequently went out of business several years ago without making restitution. After several workers complained, the Bureau of Labor Law opened an investigation.

Pursuant to NYS Labor Law §223, prime contractors are financially responsible for non-compliant subcontractors. Therefore, the Bureau settled this complex case by entering into separate stipulations of settlement with the five contractors that employed Victory Fence. The total violation amount was \$234,803 for eight workers.

EDISON ELECTRICAL CHARGED WITH WILLFUL VIOLATION

Edison Electrical Contractors installed internet wiring and intercom systems in two public schools pursuant to contracts with the School Construction Authority (SCA). In reviewing payroll records and interviewing workers, SCA officials discovered that the firm incorrectly listed several employees who were not registered with the State Department of Labor as helpers or as apprentices. When the SCA was unable to fully resolve these and other issues directly with Edison, it asked the Bureau of Labor Law to take over the case. After an extensive investigation and with assistance from the SCA, the Bureau negotiated a settlement with the firm in August 2011. Edison Electrical accepted a willful violation of the labor law. If the firm receives a second willful violation within the next six years, a five year debarment will take place. Edison's president Peter Tzoumas also paid \$157,719 in restitution to nine workers including interest, and paid a \$15,772 civil penalty to the City of New York.

ECONOMY IRON WORKS DEBARRED FOR FALSIFYING PAYROLL RECORDS

In 2009, a business agent from the Ironworkers Local 580 notified the Comptroller's Bureau of Labor Law that a contractor's employees were being underpaid for their work erecting fences near a Brooklyn public school. Spanish-speaking Labor Law investigators interviewed an ironworker and a laborer at the Department of Design and Construction job site. The workers stated they were being paid approximately \$500 per week, far less than the prevailing wage. The employees filed verified complaint forms with the Comptroller's Labor Law Bureau and an investigation was initiated. In May 2011, the president of Economy Iron Works signed a stipulation of settlement whereby he admitted that he falsified payroll records to cover up underpaying his workers. The firm is now barred from submitting a bid on, or from being awarded, any public contract from the City or State for five years.



May 4, 2011 — Prevailing Wage Council Meeting

JOHNSON CONTROLS MAKES \$130K IN RESTITUTION TO SCHOOL ENGINEERS

The Comptroller's Bureau of Labor Law negotiated a settlement with Johnson Controls, Inc. for \$130,803 in 2011. The agreement provides for full restitution to 17 IUOE Local 94 engineers and helpers who performed building service work for Johnson Controls in public schools pursuant to a contract with the NYC Department of Education. The case was considered non-willful.

SUFFOLK COUNTY D.A. BARS TRANSIT AUTHORITY FENCING COMPANY

The owners of American Chain Link and Construction pleaded guilty in June 2011 to a misdemeanor charge of scheming to defraud in the second-degree for submitting false invoices to the New York City Transit Authority. The firm erected fences around many transit properties from 2003 to 2008. The MTA Inspector General's Office and the Suffolk County District Attorney uncovered the scheme. A plea of guilty to one charge of grand larceny third degree was also entered for the corporation. This felony plea bars the firm from contracting for the City or State of New York for five years.