



New York City Comptroller  
John C. Liu

NEWS RELEASE

PR11-02-017  
Contact: Sharon Lee / Mike Loughran, (212) 669-3747

February 21, 2011  
Page(s): 2

\*\*\*\*\*

## **COMPTROLLER LIU SECURES RECORD AWARD ON BEHALF OF CHEATED WORKERS**

*\$2.35 Million for Underpaid Workers at City Sites,  
\$117K in Penalties Paid to City*

\*\*\*\*\*

NEW YORK, NY – New York City Comptroller John C. Liu today announced a record-breaking settlement of \$2.35 million on behalf of 24 workers who were cheated out of wages and benefits for work at City sites. The award is the largest on record at the New York City Comptroller’s Office, which monitors compliance with New York State’s labor laws.

“This goes to show that vendors who have the privilege of working on City contracts and do not honor their requirements will be held accountable,” Comptroller Liu said. “We will not tolerate contractors who seek to avoid the responsibility of paying their employees what they are rightfully owed.”

In 2007, Paramount Equipment Rental, Inc. (Paramount) was contracted by the New York City Department of Environmental Protection (DEP) to provide debris removal services. Paramount hired operating engineers and provided backhoe loaders to remove debris during the repair of water and sewer systems throughout the City of New York.

After suspecting that Paramount may have shortchanged the workers, an Operating Engineers Local 15 representative alerted DEP. The agency swiftly initiated a review that substantiated the allegations. Unable to resolve the matter on its own, DEP notified the New York City Comptroller’s Office.

Comptroller Liu’s Bureau of Labor Law examined Paramount’s books and records, and determined that the vendor withheld payments for overtime, night shift differentials, and weekend pay for 24 workers.

In January 2011, the Comptroller’s Office negotiated a settlement with Paramount that included an admission of a “willful violation” on the part of the contractor. Paramount paid \$2.35 million in restitution to the workers and \$117,674 to the City’s general fund as a civil penalty. In addition, the company was put on notice that any future violations would result in Paramount being barred from bidding on city projects. This is the largest public works underpayment on record ever determined by the Office of the New York City Comptroller.

Background:

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 Law §220 and 230.

These laws require private sector contractors engaged in public work 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.

###