



New York City Comptroller
Scott M. Stringer

NEWS

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Contact: Andrea Garcia, 212-669-3773, andrea.garcia@comptroller.nyc.gov

COMPTROLLER STRINGER REACHES SETTLEMENT FOR WORKERS CHEATED OUT OF NEARLY \$1 MILLION IN PREVAILING WAGES

Thirty-three underpaid workers did ironwork at eleven city schools and the Queens Museum

New York, NY – On Monday, New York City Comptroller Scott M. Stringer presented checks to immigrant workers who were cheated out of nearly \$1 million in wages for completing structural ironwork on New York City public schools and the Queens Museum. The payments were made under a prevailing wage settlement that the Comptroller’s office reached with North American Iron Works Inc. (NAIW) and its president and owner.

“My office has zero tolerance for City contractors and subcontractors who pocket taxpayer dollars instead of paying their employees the wages and benefits required by law,” Comptroller Stringer said. “Thirty-three workers, many of them immigrants, were robbed and exploited. Today, we will pay these men the wages they deserve for their work and in doing so we are sending a message to unscrupulous contractors: we will take action against those who cheat their workers.”

The Comptroller’s Office sets and enforces prevailing wage and benefit rates on New York City public works projects. NAIW was a subcontractor on twelve projects on which the 33 workers, most of whom were Guyanese immigrants, were employed from January 2010 through February 2012. The company employed the workers to perform structural ironwork in the construction of eleven schools in Brooklyn, Bronx and Manhattan by the New York City School Construction Authority (SCA), and renovations to the Queens Museum by the New York City Department of Design and Construction (DDC).

The case began when a single non-union worker submitted a complaint to Comptroller Stringer’s office for wage underpayment. The Comptroller’s Bureau of Labor Law (BLL), which enforces prevailing wage laws, initiated its investigation by reviewing the payroll reports submitted to the SCA and to the DDC. In both cases, payroll records were inaccurate – non-union workers had

been completely omitted from one payroll, while they had been listed as having been paid false wages in another. The BLL then subpoenaed NAIW's complete payroll records and cross-referenced them against the agency records. In order to ensure that all workers had been properly paid, the office expanded its investigation to include all non-union workers on NAIW's payroll.

"The prevailing wage law is a powerful tool to make sure all workers are treated and paid fairly. As Comptroller, I will take all necessary steps to ensure that employers on City projects treat all of their workers fairly and honestly," Stringer said.

The Comptroller's investigation revealed that NAIW had willfully committed wage theft. NAIW paid its non-union workers \$16 per hour, a fraction of the prevailing wage and benefit rate. The Comptroller's office took legal action, and ultimately reached a settlement with NAIW requiring them to pay **\$970,371.24**, of which **\$871,851.96** represents wage and benefit underpayments, **\$52,311.12** represents interest, and **\$46,208.16** is payable to New York City as a civil penalty.

Additionally, under the settlement terms, NAIW and its president and owner Abdul Karim are also barred from bidding on, or being awarded any public works contracts with the state or with New York City, as contractor or subcontractor, for a period of five years.

The Comptroller is committed to enhancing economic opportunity for all New Yorkers. Case by case, his office is laser focused on defending workers' rights to their earned wages by rooting out waste and fraud, and enforcing prevailing wage laws against contractors who violate New York City laws. In 2014, Comptroller Stringer's BLL assessed over \$5.6 million in unpaid prevailing wages with interest for workers and over \$500,000 in civil penalties for the City of New York and debarred 15 contractors who had taken advantage of vulnerable workers, a record amount.

"NAIW took advantage of workers for financial gain and now they are paying for their actions," Stringer said. "New York is a city of immigrants and a place where if you work hard, you can succeed. To those workers who feel they are being cheated out of their wages – I am here to tell you that my office has your back."

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