



New York State Department of Labor

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Linda Angello, Commissioner

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NEARLY \$1 MILLION RETURNED ON PUBLIC WORK PROJECT

Albany, NY (March 16, 2005) - State Labor Commissioner Linda Angello announced today that the Labor Department and the Suffolk County District Attorney's Office collected nearly \$1 million from a Brooklyn contractor on behalf of 44 workers for construction work performed on a public work project at SUNY Stony Brook. "Contractors who fail to pay their workers the prevailing wage on a public work project will face harsh penalties and will be ordered to pay employees back wages," said Commissioner Angello. "Workers must be compensated for the public services they perform. This is our commitment to protecting the State's workforce, and anything less will not be tolerated."

"Thanks to the efforts of Labor Department staff and the Suffolk County DA's office, we have successfully collected nearly \$1 million in this case for the hard working men and women of New York. It is through these efforts that we continue to be the national leader in prevailing wage enforcement," Commissioner Angello added.

The Labor Department, in conjunction with the Suffolk County District Attorney's Office, completed an investigation into the payment practices of W & B Mechanical Corporation. It was determined that the contractor falsified payroll records, failed to pay the prevailing wage and owed employees \$914,845.15. In addition to the back wages, the contractor was ordered to pay approximately \$30,500 in interest and \$23,600 in civil penalties. The contractor also agreed to a debaring stipulation, which bans them from bidding on or participating in a public work project for five years.

"These cases are a priority for investigation in Suffolk County because contractors exploiting unskilled workers leave the community with poor workmanship in public work projects," said Suffolk County District Attorney Thomas Spota. "The taxpayer paid a good wage – the prevailing wage – to have a health care facility at SUNY-Stony Brook built by skilled carpenters, steamfitters and sheet metal workers. When the unscrupulous contractors commit payroll fraud and use untrained workers earning poor pay, they steal from public treasury and threaten our health and safety. The labor law unit of the district attorney's office, working with the experienced professionals in Commissioner Angello's State Labor Department, must be vigilant in fighting this fraud."

The State Labor Department's Bureau of Public Work inspects public construction projects at the state and local levels to make sure that contractors comply with requirements covering wages, fringe benefits and hours of work. The Bureau is responsible for the administration of Articles 8 and 9 of the State Labor Law. Article 8 covers public construction and Article 9 covers building service contracts. The bureau has jurisdiction throughout the state except for projects contracted by the City of New York.

Commissioner Angello also announced that in 2004 the State Labor Department completed 679 prevailing wage investigations and collected approximately \$6.9 million in back wages on behalf of more than 4,000 workers. Additionally, contractors were fined more than \$540,000 in penalties for failing to comply with requirements covering prevailing wages.

A public work project is based on a contractual agreement between a state or local government entity and a private contractor. Government entities include state agencies, cities, counties, towns, villages, school districts, water districts, fire districts and any agency, commission or authority created under state law. A project may involve construction of new facilities or the renovation or repair of existing facilities. Examples include office buildings, highways, public colleges, schools, bridges, prisons, and water and sewer systems.

Contractors that willfully violate the law by failing to pay prevailing wages or benefits twice in six years are barred from bidding on or being awarded public work contracts in New York State for five years. In addition, a contractor will be debarred for five years if

the company falsifies payroll records or engages in a wage-kickback scheme even once. As a result of the department's enforcement efforts, 59 of these contractors were barred from bidding on public works projects in 2004.

The State Labor Department has investigators throughout the state who are able to answer any questions contractors or workers may have regarding compliance with public work law. Information on the Bureau of Public Work can be found on the Department's website – www.labor.state.ny.us.