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**BNA, Inc.**

# Construction Labor

**REPORT**

**Volume 51 Number 2560**  
**Wednesday, February 15, 2006**  
**ISSN 1523-5688**

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**State News**

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## **New York**

### **Demolition Workers to Receive \$496,000 In Overtime Pay Settlement, Spitzer Says**

NEW YORK--A New York City construction contractor has agreed to pay \$496,000 to settle an investigation into allegations that it relied on an improper subcontracting relationship to avoid paying overtime to demolition laborers, New York Attorney General Eliot Spitzer (D) announced Feb. 9.

Advanced Contracting Co. agreed to pay restitution to demolition laborers who worked on its projects over a nearly five-year period. It entered the agreement after an investigation found that the laborers in question typically were paid \$7.50 for each hour worked, no matter how many hours they worked each week, Spitzer said.

"Workers who work long hours must be paid the wages to which they are entitled," Spitzer said in a statement. "My office remains committed to aggressively looking at companies that fail to meet their responsibilities for payment of wages."

The investigation began in March 2005, when several demolition laborers complained that they had not been paid overtime for work performed on Advanced Contracting projects, the attorney general's office said. The laborers had been recruited by two staffing agencies that shared a basement office in Queens, it added.

Investigators found, however, that the staffing agencies had been set up to supply low-wage demolition workers and that Advanced was their only client, Spitzer said. They further found that Advanced did not pay the agencies enough money for them to pay the workers the overtime wages to which they were entitled, he added.


Hundreds of individuals worked for Advanced under this arrangement, the attorney general's office said. In addition to the restitution payments, the settlement provides that Advanced Contracting will be liable for any future unpaid wages owed to workers referred to them by any staffing service, it added.

The restitution funds will be distributed to laborers who were denied overtime wages on Advanced projects between Dec. 21, 1999, and March 22, 2005, the attorney general's office said.

After a year, according to the settlement terms, any unclaimed amounts from the restitution fund would be returned to Advanced Contracting to use for: purchasing personal protective equipment for demolition workers; training managers, subcontractors, and workers in the required use of the equipment; or training managers and subcontractors on federal and state wage and hour laws.

In the settlement, Advanced Contracting denied that it was the employer of workers who had been denied overtime payments and did not admit any violations of federal and state wage and hour laws. The company cooperated in the investigation, according to the document.

A representative of Advanced Contracting, Andrew P. Marks of the New York law firm Littler Mendelson P.C., declined to comment on the case.

*Spitzer urged laborers who may be entitled to the restitution to contact his office's Labor Bureau at (212) 416-8700.* 

*By John Herzfeld*

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ISSN 1523-5688

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