

UNITED STATES DEPARTMENT OF LABOR
OFFICE OF ADMINISTRATIVE LAW JUDGES
BOSTON, MASSACHUSETTS

Issue Date: 19 March 2020

CASE NO.: 2019-DBA-00003

In the Matter of:

Disputes concerning the payment of prevailing wage rates by:

VETERANS CONTRACTING GROUP, INC.,
Prime Contractor/Respondent,

with respect to laborers and mechanics
employed by Subcontractor,

CITYWIDE CONSTRUCTION WORKS, INC.,

on Project No. VA101F-15-C0018, for the
VA Medical Center New York – Manhattan Campus
New York, New York.

ORDER APPROVING CONSENT FINDINGS

This matter arises under the labor standards provisions of the Davis-Bacon Act, 40 U.S.C. § 3141 *et seq.* (“DBA”), the Copeland Act, 18 U.S.C. § 874, and the regulations found at 29 C.F.R. Parts 3 and 5. The formal hearing was scheduled to take place in New York, New York. When the parties advised they had reached an agreement in principle, the hearing was canceled pending receipt of the settlement documents.¹

On March 6, 2020, counsel for Plaintiff filed a document captioned *Consent Findings and Settlement Agreement* (“Agreement”), duly executed by all parties to the litigation. Pursuant to 29 C.F.R. § 6.32(c), the Agreement is accepted and approved and the agreed findings, terms,

¹ The U.S. Department of Veterans Affairs (“VA”) engaged Veterans Contracting Group, Inc., (“Respondent”) to provide work under a contract subject to the DBA, the Copeland Act and the regulations found at 29 C.F.R. Parts 3 and 5. The VA awarded Respondent contract number VA101F-15-C0018 as prime contractor on the contract for the renovation of the ground floor at the VA Manhattan Campus in New York City. Respondent then subcontracted with Citywide Construction Works, Inc., (“Subcontractor”) for construction work, including masonry work. The subcontract was executed on or about September 16, 2015. The Wage and Hour Division, U.S. Department of Labor, in Philadelphia (“Plaintiff”) subsequently initiated an investigation of Subcontractor. After completing the investigation, Plaintiff determined that Subcontractor allegedly failed to pay four laborers the minimum monetary wages and fringe benefits, improperly required laborers to pay back portions of their paychecks, and submitted false or incomplete certified payroll records. Respondent and Subcontractor were subsequently notified of Plaintiff’s findings including the violations and conclusion that Subcontractor should be debarred. Prior to the filing of the *Order of Reference* in the present matter, Subcontractor and its principal executed a *Consent Agreement* with Plaintiff, in which Subcontractor and its principal each agreed to debarment for a three year period and agreed they violated the DBA.

conditions, and conclusions contained therein shall constitute my findings of fact and conclusions of law.

ORDER

Having found the Agreement to be fair, equitable and in the public interest, **IT IS ORDERED** that:

- (1) Such findings, terms, and conditions of the Agreement are accepted and approved;
- (2) The entire record on which this Order is based shall consist of the Court's file in this matter, the Agreement and this Order;
- (3) The parties are directed to take all necessary action to fully implement the Agreement;² and
- (4) This matter is hereby **DISMISSED**.

SO ORDERED.

TIMOTHY J. McGRATH
Administrative Law Judge

Boston, Massachusetts

² Consistent with 29 C.F.R. §§ 5.5(a)(2) and 5.9, the VA is currently withholding \$266,112.00 in funds due to Respondent under the contract to cover the wage and fringe benefits underpayments due to four of Subcontractor's laborers. Respondent agrees to the payment and release of \$175,000.00 in withheld funds as the back wages and fringe benefits owed to the Subcontractor's employees. Respondent authorizes the VA to then transfer to Plaintiff the \$175,000.00 to distribute to the employees in the amounts set forth in Exhibit C of the Agreement. After receipt from the VA of the settlement amount, Plaintiff will request that the VA release the remainder of the withheld funds to Respondent.