



NEWS RELEASE

Newsline No.: 2014-23 Date: March 20, 2014

Record \$17.7 Million in Unpaid Wages Returned to Workers on Public Works Projects in 2013

Oakland—California Labor Commissioner Julie A. Su announced that in 2013, over 10,000 workers statewide received checks which returned a cumulative \$17.7 million in unpaid prevailing wages on public works projects across the state.

The payments were collected from public works investigations that uncovered prevailing wage and other violations of state public works laws in over 400 publicly-funded projects. In 2012, the Labor Commissioner's office collected the highest amount in the last decade when it reinstated \$8.2 million to approximately 7,400 public works employees. The \$17.7 million figure for 2013 doubles the record set in the previous year.

"The Labor Commissioner plays a critical role in enforcing the prevailing wage laws and in holding employers who skirt the law accountable," said Christine Baker, Director of the Department of Industrial Relations (DIR). The Labor Commissioner's Office, also known as the Division of Labor Standards Enforcement, is a division of DIR.

"We are doing better, more thorough and more timely investigations but it is not enough to just uncover wage theft and issue citations; it is our job is to get the wages earned into workers' pockets," said Labor Commissioner Julie A. Su. "We are now doing this at the highest level in the history of the Division. If we are to truly enforce the law and level the playing field, this has to be our end game."

One of the largest settlements in the history of the Labor Commissioner's office was reached in July on behalf of workers of the <u>Hilton San Diego Bayfront Hotel project</u>. The case involved 173 different contractors and over 2,000 construction workers who were reinstated a total of \$8,072,273 in wages they had earned.

In a case related to the construction of San Jose Fire Station #36, eight workers were issued payments averaging \$12,800 in owed wages. Contractor Diversified Electric Company/Applegate Johnston Inc., failed to pay the correct prevailing wage to employees classified as electrician, inside wireman and laborer. During the investigation, the employer admitted that he had submitted a low bid in order to win the contract and then was unable to pay the appropriate prevailing wage.

Among its wide-ranging enforcement responsibilities, the Labor Commissioner's office inspects workplaces for wage and hour violations, adjudicates wage claims, enforces prevailing wage rates and apprenticeship standards in public works projects, investigates retaliation complaints, issues licenses and registrations for businesses and educates the public on labor laws.

The most recent information related to California labor laws is available on DIR's <u>website</u> as well as on our <u>Facebook</u> and <u>Twitter</u> pages. Employees with work-related questions or complaints may call the toll-free California Workers' Information Line at (866) 924-9757 for recorded information, in English and Spanish.

For media inquiries, contact Erika Monterroza at (510) 286-1164 or Peter Melton at (510) 286-7046.