U.S. DEPARTMENT OF LABOR

Please note: As of 01/20/2025, information in some news releases may be out of date or not reflect current policies.

News Release

US DEPARTMENT OF LABOR RECOVERS $633K IN BACK WAGES FOR 84 WORKERS FOR VIOLATIONS BY DISTRICT OF COLUMBIA DEVELOPMENT SITE'S SUBCONTRACTORS

Investigators also find some employers falsified records at Southeast residential development

WASHINGTON – The U.S. Department of Labor has recovered $633,029 in back wages for 84 workers denied their full wages and benefits by subcontractors involved in construction of an affordable housing development funded by the District of Columbia.

Three offices of the department's Wage and Hour Division conducted investigations of six subcontractors hired to work on The Bridge project in the district's southeast section by the development's general contractor, McCullough Construction and its first-tier subcontractors. The division found the employers violated the Davis- Bacon Act, Contract Work Hours and Safety Standards Act, and the Fair Labor Standards Act.

The division recovered $292,193 in back wages for 14 employees of MTZ Electric Service LLC of Laurel, Maryland, after determining the subcontractor misclassified workers as independent contractors, failed to pay prevailing wage rates and the required overtime premium, failed to provide health and welfare fringe benefits, and violated recordkeeping requirements when it omitted workers from certified payroll records and falsified certified payroll records. Colonial Electric Company Inc. of Harwood, Maryland – the first-tier subcontractor that hired MTZ Electric – agreed to pay the back wages.

To resolve the case, MTZ's owner, Victor Martinez, signed a consent agreement to accept debarment, which prohibits the employer from bidding on federally funded construction projects for a period of three years.

The division also recovered $253,146 in back wages for seven workers of Igloo Construction Inc. in Westminster, Maryland. Investigators found the employer failed to pay proper prevailing wages and fringe benefits, falsified certified payroll records, and hired a labor broker who failed to report its workers on weekly certified payroll records. The division held the first-tier contractor – Titan Mechanical Inc. of Manassas Park, Virginia – liable for the back wages because they failed to include the required Davis-Bacon labor standards' clauses in their subcontract with Igloo.

The division also found the DBRA and CWHSSA violations by the following subcontractors:

Subcontractor	Location	Violations	Workers	Wages
M&Y Exteriors LLC	Manassas, VA	Misclassification of employees; CWHSSA overtime premium owed	7	$53,451
Muller Construction LLC	Springfield, VA	Prevailing wage and fringe benefits owed; falsified records; workers omitted from records; CWHSSA overtime premium owed	5	$19,460
Allied Drywall Construction Inc.	Washington D.C.	Prevailing wage and fringe benefits owed	45	$10,051
Diverse Masonry Corp.	Catharpin, Virginia	Prevailing wage and fringe benefits owed.	6	$4,728

"Contractors must properly incorporate the applicable wage determination and the Davis-Bacon labor standards clauses directly into all lower-tier subcontract agreements when working on a federally funded construction project. We are here to assist contractors and subcontractors with questions about the federal labor requirements and help ensure they comply with all applicable laws," said Wage and Hour Division Regional Administrator Mark Watson, in Philadelphia.

Learn more about the DBRA, the CWHSSA and other laws enforced by the division including a search tool if you think you may be owed back wages collected by the division. The department can speak with callers confidentially in more than 200 languages through the agency's toll-free helpline at 866-4US-WAGE (487-9243). Download the agency's new Timesheet App, available for iOS and Android devices, and now available in Spanish, to ensure hours and pay are accurate.

Learn more about Wage and Hour Division.

Agency: Wage and Hour Division
Date: March 20, 2023
Release Number: 23-462-PHI

Media Contact: Joanna Hawkins
Phone Number: 215-861-5101
Email: hawkins.joanna@dol.gov

Media Contact: Leni Fortson
Phone Number: 215-861-5102
Email: uddyback-fortson.lenore@dol.gov

More News Releases

Previous
US Department of Labor investigation recovers more than $158K in back pay, damages for 78 Louisiana home healthcare workers denied overtime

Next Up
US Department of Labor certifies Maine's completion of developmental steps of occupational safety, health plan for state, local government workers