

Massachusetts Attorney General's Office Returns Nearly \$8 million in Back Wages to Workers

Massachusetts Attorney General Scott Harshbarger announced on Labor Day that his office has recovered nearly \$8 million in unpaid wages that were due to working men and women across the state. Harshbarger's office began enforcing the Commonwealth's wage and hour laws in September 1993.

As of this Labor Day, over \$7,845,000 has been returned to thousands of workers through successful enforcement of cases involving failure to pay overtime wages, prevailing wages and the minimum wage. The authority to enforce the Commonwealth's wage laws was transferred from the state Division of Labor and Industries by the State Legislature five years ago.

Harshbarger said, "As we mark Labor Day, I'm proud of the wage enforcement record compiled by my office after overcoming the tremendous bureaucratic hurdles that we inherited". He said, "We are sending a clear message that the rights of the working men and women of this Commonwealth will be protected. We are making sure they get the money they have earned".

Harshbarger said he expects the Legislature to enact his proposed new wage law that would strengthen his authority for enforcing wage laws. The proposed law would create a civil enforcement alternative to the present criminal sanctions, which would decrease the current backlog of criminal cases. The law would also increase criminal penalties for the most egregious violations of wage laws.

In the fiscal year that ended June 30, 1997, the AG's Fair Labor and Business Practices Division collected more than \$2.12 million in unpaid wages. The Division maintains offices in Springfield, Pittsfield, Worcester and Fall River as well as the main office in Boston. Last year, the Springfield office alone processed more than 1,000 wage complaints and collected \$378,000 on behalf of workers.

For information about filing a wage complaint - if for example, you did not receive the prevailing wage on a public construc-

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New Crackdown on Western Mass Wage Abuse

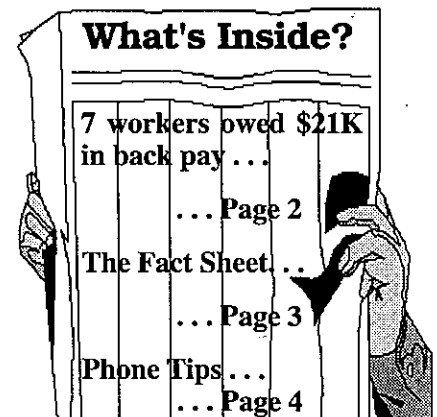
In an effort to cast a wider net, the FFCM has doubled its monitoring of the construction industry in Western Massachusetts. Since early summer, the FFCM office in East Longmeadow (near Springfield) has been assisted by an intern, who has joined Western Mass Field Monitor Ron Baran in covering the state from the Berkshires to the Worcester area.

"We've seen a steady increase in responses from workers in our region," said Baran. "The message is getting out that prevailing wage and related laws apply statewide - and that the FFCM is here to assist workers in coming forward". He said that "whether it be Pittsfield or Washington, Springfield or Belchertown, Worcester or Shirley, cities or towns - we're making sure the laws work fairly for all construction workers on Massachusetts projects". Baran said that the FFCM has been regularly referring worker complaints to the A.G. - with more complaints on the way.

The Western Mass office has been able to conduct a much more comprehensive review of the conduct on public works projects. Baran noted that "we're still assessing the results, but I have no doubt that as a result of our efforts, you're going to see that unscrupulous contractors are going to feel the heat to pay their workers their fair and legal share".

Field Monitor intern Christopher Burger agreed, noting that "the many towns and cities I've been visiting want to work with contrac-

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Five Contractors Indicted on Brookline Project

Attorney General Scott Harshbarger announced July 28 that 45 indictments were returned by grand juries in Suffolk and Norfolk Counties against five companies and seven corporate officers involved in the construction of the Lincoln Elementary School in Brookline. The indictments allege fraud between 1992 and 1994, including unemployment tax fraud, workers' compensation fraud and prevailing wage violations.

Quinn Construction Company of Brockton was charged with one count each of failure to pay the prevailing wage and failure to provide true and accurate payroll records. Quinn Company President Lawrence Craffey and his daughter Dorothy Lirosi were charged with six counts of failure to file a quarterly contribution report. Craffey was also charged with one count each of failure to pay prevailing wages, failure to provide payroll records and workers' compensation fraud and three counts of making false statements to the Division of Employment and Training.

Jeffrey Construction, Inc. of Walpole was charged with one count each of failure to pay the prevailing wage and failure to provide true and accurate payroll records. Company president Perry Jeffrey was charged with one count each of failure to pay the prevailing wage, failure to provide payroll records and workers' compensation fraud.

Davidson Form Construction Company of Rowley was charged with one count each of failure to pay the prevailing wage and failure to provide true and accurate payroll records. Company President Peter Davidson and VP Wayne Kimball were charged with one count each of failure to pay the prevail-

Seven Workers Owed \$21,000 in Back Wages

A criminal complaint has been issued against Michael Sheehan of Readville, MA., for seven counts of non-payment of wages and one count of failing to provide workers' compensation insurance. Sheehan is president of M.P.E. Equipment Leasing, Inc. The Attorney General alleges that Sheehan owes over \$21,000 in unpaid wages to seven workers for jobs done in Boston and Franklin during June and July of 1995. Each count of non-payment of wages is punishable by up to 2 months in prison and/or a fine of up to \$3,000.

\$8 Million in Wages. . .

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tion job, or you were not paid time-and-a-half for overtime, or were misclassified as an "independent contractor" -- you can call the Foundation for Fair Contracting at 1-800-224-FAIR. The FFCM will assist you in filing a complaint with the Attorney General's Office.

ing wage, failure to provide true and accurate payroll records and two counts of making false statements to the DET. Kimball was also charged with one count of failure to pay unemployment taxes to the DET.

LaFazia Concrete Floors and Plumbing Company of Cranston, RI was charged with one count each of failure to pay the prevailing wage and failure to provide true and accurate payroll records. June LaFazia was charged with one count each of failure to pay the prevailing wage and failure to provide payroll records.

H.M. Horton Company of Wellesley and David Horton, president, were charged with one count of failure to provide true and accurate payrolls. Horton was also charged with three counts of making false statements to the DET and one count of workers' compensation fraud.

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tors who will comply with the law and play by the rules". He added that "those communities understand that in many cases these construction projects employ local or area residents who pay taxes, shop locally, and deserve their fair share of what's legally coming to them".

The Western Mass office of the FFCM now plans to start a high visibility outreach campaign in the media, placing advertisements, and publicity wherever construction workers can be reached. "Our goal," said Burger, "is for it to become common knowledge for construction workers in Western Massachusetts that they are not alone when they are cheated by their boss - and that the Foundation is in their corner as an ally".

Both Baran and Burger urge construction workers that have worked on Western Massachusetts public projects and believe they have been the victim of wage fraud, to contact the FFCM at (413) 525 - 8288.

New Field Monitor Joins Foundation

Ms. Janine Yodanis has joined the Foundation for Fair Contracting of Massachusetts as a Field Monitor. Ms. Yodanis earned a Masters Degree in Labor Studies from the University of Massachusetts and a Bachelors Degree from Penn State. Before joining the FFCM, she worked for the Service Employees Union in upstate New York.

Ms. Yodanis will cover wage other labor law enforcement in Eastern Massachusetts for the FFCM. She joins FFCM Western Mass Monitor Ron Baran on the field staff.

Sunbelt To Pay \$15,000 in Back Wages

A major subcontractor on a luxury apartment project in Waltham that is partly financed with endowment money from Harvard University, has been slapped with a federal labor violation.

A team of special agents from the US Immigration and Naturalization Service arrested nine workers at the project, employees of Sunbelt Contractors who allegedly are illegal immigrants. INS has also begun a criminal investigation into how the laborers were hired, said Paula Grenier, INS public affairs officer.

Located on 65 acres off Route 128, the 325-unit apartment project, named the Village at Bear Hill, is one of the largest private construction jobs in the Boston area, Waltham officials said. Construction began in April and, a few weeks later, U.S. Labor Department agents visited the site because of complaints about pay and work conditions. After investigating, they directed Sunbelt to pay \$15,000 in back wages to 10 workers.

Then, OSHA fined Sunbelt \$106,500 for alleged "willful, serious, and repeated" safety violations at the site. In particular, OSHA said Sunbelt failed to institute a program to prevent falls by workers, despite warnings from the agency.

Civic Center Contractor Charged

Attorney General Scott Harshbarger has announced his office filed a criminal complaint against Hodges Masonry, a construction contractor from Orange and company owner Robert Hodges for failing to pay wages to 14 of its employees for work at the Springfield Civic Center. If convicted, the defendants could be fined up to \$100,000 and be debarred from public projects for one year.

The Foundation for Fair Contracting of Massachusetts

The Foundation for Fair Contracting of Massachusetts (FFCM) was created to help construction workers when contractors pay less than the prevailing wage or do not pay overtime on public works projects. Workers can also get help when contractors treat them as bogus "subcontractors," cheating them out of unemployment benefits, workers compensation benefits, and payment of employer taxes. When tradesmen and women contact the FFCM, they are assured of confidentiality. More and more workers are calling because **now they can get triple back pay** when they file a complaint. Helping workers helps fair contractors who treat their employees decently.

Save Your Pay Stubs...Keep a Log of the Job...

Make a Complaint

(Even after the job is finished!)

Call 1-800-224-FAIR

By Brett Smith Research Director

As you may know, the Foundation for Fair Contracting monitors hundreds of prevailing wage projects in the Commonwealth every year. In doing so, we collect the certified payrolls which must be submitted weekly by each contractor on state funded projects. Each of the payrolls received by the FFCM at one time or another crosses my desk, and over the past several years I have noticed that more and more employers are taking out pension deductions from employees' pay.

The Massachusetts' Prevailing Wage Law permits employers to make contributions to bona-fide pension plans on rated jobs, and also allows the amount to be deducted from the prevailing wage for the job classification. This is permitted because the Legislature views pensions for construction workers as a positive benefit for the worker later in life. However, as is the case with many aspects of the Prevailing Wage Law, abuses can and do occur with these pension deductions.

Therefore, it is important for every worker to know his or her rights with regards to their pension fund. The United States Department of Labor publishes a fifty-page booklet titled *What You Should Know About Your Pension Rights*. This publication does an excellent job of reviewing the basic areas of the Employee Retirement Income Security Act of 1974 (ERISA) which sets minimum standards for pension plans in private industry.

One of the most important sections of ERISA deals with a workers' right to pension plan information. If you are enrolled in a pension plan, your plan's administrator is legally obligated to provide to you - free of charge - a summary plan description (SPD). The SPD is an important document that tells you what the plan provides and how it operates. It tells you when you begin to participate in the plan, how your service and benefits are calculated, when your benefit becomes vested, when you will receive payment and in what form, and how to file a claim for benefits. In addition, the plan administrator must automatically send to you a copy of the Summary Annual Report, which is a summary of the financial report most pension plans must file with the Department of Labor. An employee may also request, once every twelve months - free of charge - an Individual Benefit Statement which describes their total accrued and vested benefits.

Another substantial topic of the booklet concerns vesting. Vesting refers to the amount of time you must work before earning a nonforfeitable right to your accrued benefit. When a person is fully vested, they will have a right to their benefit, even if they

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The Wage Watch is published quarterly by the non-profit Foundation for Fair Contracting of Massachusetts. The FFCM mailing address is Box 256, State House Station, Boston, MA 02133. *The Wage Watch* accepts Letters-to-the-Editor. For information call 1-800-224-FAIR.

Two Contractors Charged with Wage & Tax Violations

A Woburn company and its president were indicted by a Middlesex City, grand jury for allegedly failing to pay workers' and unemployment compensation taxes and failing to pay the prevailing wage, Atty. General Harshbarger announced. Seaver Construction Co., Inc., and president Scott Seaver, were indicted on one count each of failure to pay the prevailing wage, failure to pay unemployment compensation, and workers' compensation premium avoidance.

Seaver and his company allegedly underpaid workers' compensation taxes from April 1992 to April 1994, and unemployment taxes from January 1993 to December 1994. He also allegedly failed to pay the prevailing wage to one employee from August to November 1993. If convicted, Seaver and his company face maximum fines totalling \$91,000 plus at least \$71,000 in restitution.

A Boston Municipal Court issued criminal complaints against Bennie Woody of Stoughton, MA., for non-payment of wages to two of his employees and failure to pay unemployment taxes. These violations were alleged to have happened in 1994. The two workers could receive \$5,000 in back pay.

The Seaver case was one of the first cases referred to the AG and Insurance Fraud Division by the FFCM.

The Fact Sheet . . . Continued from page 3

leave the company before reaching retirement age. There are three basic vesting schedules which are covered. The first is immediate vesting, which means a person is vested in their plan as soon as they start making contributions. Another is a 7-year "graded" vesting schedule which has a progressive percentage of the accrued vested benefit depending on the number of years of contributions. The third schedule is the 5-year "cliff" vesting schedule, which requires the completion of 5 years vesting service before benefits can be received, at which time the employee is 100% vested.

These are just a couple of the many topics covered in *What You Should Know About Your Pension Rights*. If your employer is taking out pension deductions, I strongly recommend requesting a booklet for yourself. One can be obtained by writing to the US Department of Labor, Pension & Welfare Benefits Administration, J.F.K. Federal Building, Room 575, Boston, MA. 02203.

Where To Find Help

FFCM Hotline
1-800-224-FAIR (3247)

The Industrial Accident Board
1-617-727-4900
(Workers' Compensation Claims)

National Labor Relations Board
1-617-565-6700

Occupational Health & Safety Administration
1-617-565-7164
(OSHA)

Mass. Dept. of Labor & Industries
1-617-727-3492

The Attorney General Wage Complaints
1-617-727-3477

AG's Springfield Office
165 Liberty St., Springfield, MA

AG's Pittsfield Office
46 Summer St. Pittsfield
(Open Tuesday)

AG's Worcester Office
340 Main St., 2nd Fl., Worcester
(Open Mon. & Tues.)

Wage Watch

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