

USDOL Prevailing-Wage Enforcement Likely To Increase

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Indications are that the U.S. Labor Department will be stepping-up its investigative activity among employers who are subject to federal prevailing-wage and fringe-benefits requirements. Comments made at the agency's ongoing series of Prevailing Wage Conferences currently being held across the country suggest that its enforcement activity could rise by more than 80% in the near future.

The number of employers performing work subject to the Davis-Bacon Act and "Related" Acts, the Service Contract Act, the Contract Work Hours and Safety Standards Act, and a variety of other provisions has grown steadily over the last several years. The proportion of companies taking on Davis-Bacon Act obligations in particular spiked dramatically beginning in 2009, as American Recovery and Reinvestment Act stimulus measures began to fund or assist various projects or to facilitate the funding of projects through certain tax-favored bonds.

During this same time, staffing levels at DOL's National Office have been beefed-up substantially in these areas. Moreover, DOL has been adding hundreds of new investigators since early 2009, and senior officials believe that these investigators are now seasoned enough to begin to take on additional training and enforcement responsibility in this specialized field.

DOL will also be prepared to investigate complaints of non-compliance brought by an employer's competitors or by other third-parties.

Every employer that is doing business with the federal government as a contractor or subcontractor or in some other way, or that is involved in work funded through federal grants, loans, loan guarantees, tax-favored bonds, or financial aid of other kinds, should take immediate steps to confirm that it is complying with all applicable requirements.