

FACT SHEET #11 - DAVIS-BACON INVESTIGATIONS

DAVIS-BACON PROVISIONS FOR CLEAN AND DRINKING WATER SRF PROJECTS

Activities that take place during and after construction to ensure contractor compliance with Davis-Bacon

PAYROLL FALSIFICATION INDICATORS In order to conceal underpayments, a willfully violating employer must falsify the payroll report and usually does so in one or more of the following ways: ratio of journeyman-to-apprentices, too few or irregular hours, discrepancies in wage computations, and extraordinary deductions.

If these indicators appear on payrolls, you will want to take preliminary steps to test whether the payrolls are accurate or false.

1. INFORMAL COMMUNICATION FOR ROUTINE PAYROLL REVIEW. Many times, the types of deficiencies which come to the attention of the WID Construction Section can be handled more efficiently and just as effectively with good informal communication like a phone call with the employer/prime contractor rather than with a site interview. Examples of the types of issues that could easily be addressed informally, assuming cooperation on both sides:

- a. A missing payroll report or apprenticeship certificate;
- b. Requests for employee authorizations for deductions;
- c. Small underpayments that appear on the face of the payroll, etc.

These matters can be disposed of quickly with a telephone call and a brief note to the project file documenting the purpose of the call and resolution. If the employer/prime contractor does not respond appropriately to this type of communication, it may be necessary to resort to more formal means.

2. CONDUCT ON-SITE INTERVIEWS WITH LABORERS AND MECHANICS. The project Owner, Consulting Engineer or WID Construction Section may conduct interviews with construction workers on the job site when payroll reviews indicate errors or fraud. The purpose of the interviews is to capture observations of the work being performed and to verify payroll information.

3. TARGETING WILLFUL VIOLATORS. Barring aggravated circumstances, such as requiring kickbacks of wages from employees, the WID Construction Section will review circumstances regarding underpayment against a willful violator for a first offense and will require a written statement assuring future compliance from the employer, in addition to full wage restitution for all underpaid employees. If the employer is found in violation of labor standards again, WID Construction Section will recommend debarment to the U.S. Department of Labor based in part upon the breach of assurance of future compliance secured after the prior violation.