



MAURA HEALEY  
ATTORNEY GENERAL

# THE COMMONWEALTH OF MASSACHUSETTS OFFICE OF THE ATTORNEY GENERAL

ONE ASHBURTON PLACE  
BOSTON, MASSACHUSETTS 02108

(617) 727-2200  
[www.mass.gov/ago](http://www.mass.gov/ago)

February 28, 2020

Michael D. Hurley  
Clerk of the Senate  
State House, Room 335  
Boston, MA 02133

Steven T. James  
Clerk of the House of Representatives  
State House, Room 145  
Boston, MA 02133

Dear Clerks Hurley and James:

The Attorney General's Fair Labor Division is pleased to submit this report on enforcement actions and violation trends within the construction industry, pursuant to our Wage Enforcement line item 0810-0045 of the FY20 General Appropriations Act.

## **Enforcement Actions & Violation Trends**

In calendar year 2019, the Division issued 205 citations against 102 construction companies for violating state wage and hour and prevailing wage laws. As a part of these enforcement actions, more than 850 employees will receive \$1.6 million in restitution and the companies will pay nearly \$1.3 million in penalties to the General Fund. Construction was the most cited industry in 2019, representing 29 percent of all enforcement. The violations with the highest assessments were failure to pay the prevailing wage (\$1,751,319), failure to pay overtime (\$272,826), nonpayment of wages (\$253,393) and misclassification (\$23,250). Employers were assessed \$498,100 for records violations, which include failure to maintain and failure to furnish true and accurate records.

The Division debarred 17 companies and individuals that failed to comply with citations. These companies will be barred from obtaining public construction contracts in Massachusetts. The Division also issued letters to state and local awarding authorities, notifying them of prevailing wage violations that occurred on their construction projects. The Division of Capital Asset Management and Maintenance's Certification Unit was copied on each letter.



Additionally, the Division made 50 payroll fraud referrals to the Massachusetts Council on the Underground Economy and other agencies to investigate and combat insurance fraud and tax evasion by unscrupulous employers.

### **Funding**

The FY 2020 General Appropriations Act (chapter 41 of the acts of 2019) increased the Division's funding by over \$1 million. It includes not less than \$500,000 "for the establishment and operationalization of a specialized prevailing wage and construction investigatory and enforcement unit."

The Governor's proposed budget for FY21, however, cuts the Division's funding by \$455,130 from FY 2020 GAA. House 2 undermines the Division's ability to protect workers and to level the playing field for responsible businesses. It will curtail ongoing efforts to enforce prevailing wage laws, where taxpayer dollars are used to support the construction of schools, transportation infrastructure, affordable housing and other public projects.

The office remains committed to addressing wage theft in the construction industry. The office respectfully seeks \$5,236,334 in funding for our Wage Enforcement line item 0810-0045 in the FY21 budget.

Please contact Alicia Rebello-Pradas in the Policy & Government Division at (617) 963-2057 with any questions.

Sincerely,



Cynthia Mark  
Chief, Fair Labor Division  
Office of Attorney General Maura Healey  
One Ashburton Place  
Boston, MA 02108  
(617) 963-2626