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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-215602

July 27, 1984

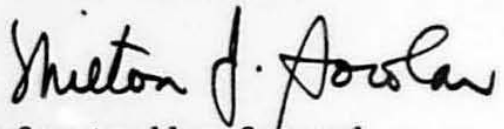
Mr. James R. Generelli, President
Mr. Anton O. Freeman, Treasurer
Worcester County Refrigeration, Inc.
50 Kingsbury Street
Worcester, Massachusetts 01610

Gentlemen:

Enclosed is a copy of our finding of today that Worcester County Refrigeration, Inc., James R. Generelli and Anton O. Freeman, individually, have disregarded obligations to employees within the meaning of the Davis-Bacon Act, 40 U.S.C. § 276a (1982), in the performance of a subcontract under contract No. F19650-81-C0067 for construction work at the Youth Hall, Hanscom Air Force Base, Massachusetts.

Pursuant to the provisions of section 3(a) of the act, the names of the above individuals and corporation shall be included on our next published debarred bidders list, and no government contract will be awarded to them or to any firm, corporation, partnership, joint venture or association in which they or any of them may have an interest until 3 years have elapsed from that date.

Sincerely yours,

for 
Comptroller General
of the United States

Enclosure



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Finding

In the matter of Worcester County Refrigeration, Inc., James R. Generelli, president, and Anton O. Freeman, treasurer.

Section 1(a) of the Davis-Bacon Act of August 30, 1935, 49 Stat. 1011, 40 U.S.C. § 276a (1982), provides in part that:

"The advertised specifications for every contract in excess of \$2,000, to which the United States . . . is a party, for construction, alteration, and/or repair, including painting and decorating, of public buildings or public works of the United States . . . and which requires or involves the employment of mechanics and/or laborers shall contain a provision stating the minimum wages to be paid various classes of laborers and mechanics . . . and every contract based upon these specifications shall contain a stipulation that the contractor or his subcontractor shall pay all mechanics and laborers employed directly upon the site of the work, unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account, the full amounts accrued at time of payment, computed at wage rates not less than those stated in the advertised specifications, regardless of any contractual relationship which may be alleged to exist between the contractor or subcontractor and such laborers and mechanics . . ."

Section 3(a) of the act provides that:

" . . . the Comptroller General of the United States is further authorized and is directed to distribute a list to all departments of the Government giving the names of persons or firms whom he has found to have disregarded their obligations to employees and subcontractors. No contract shall be awarded to the persons or firms appearing on this list or to any firm, corporation, partnership, or association in which such persons or firms have an interest until three years have elapsed from the date of publication of the list containing the names of such persons or firms."

Contract No. F19650-81-C0067, in excess of \$2,000 for construction work at Youth Hall, Hanscom Air Force Base, Massachusetts, was awarded by the Department of the Air Force to Doral Corporation. The contract contained the provisions and stipulations required by section 1 of the Davis-Bacon Act.

Sheet metal work was subcontracted to Worcester County Refrigeration, Inc. The subcontract also contained the provisions and stipulations required by section 1 of the Davis-Bacon Act.

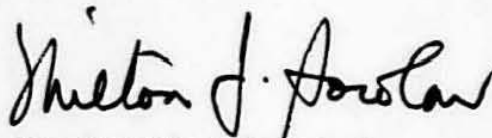
An investigation was conducted by the United States Air Force in response to a complaint alleging Davis-Bacon Act violations. The investigation disclosed that the subcontractor, having full knowledge of its statutory and contractual responsibilities, submitted false certified payrolls to the contracting agency to simulate compliance with the Davis-Bacon Act, when in actuality it disregarded its obligation to employees by underpaying three employees a total of \$1,514.91 in violation of the act. Full restitution has been made to these three employees.

The Deputy Administrator, Wage and Hour Division, Department of Labor (DOL), notified the subcontractor of the nature and extent of the labor standards violations and afforded it an opportunity to rebut these allegations in a hearing under section 5.1.2(b) of DOL's regulations (29 C.F.R. § 5.12(b) (1984)). Although the subcontractor submitted a letter containing statements attempting to

rebut these allegations, there was an insufficient basis to terminate proposed debarment proceedings. DOL again offered the subcontractor the opportunity of a hearing. The subcontractor did not respond to this offer.

On the basis of the existing record, particularly in light of the falsified payrolls, we conclude that good faith was not shown in complying with the act and the contractual provisions. Both the Department of the Air Force and the Department of Labor have recommended the imposition of debarment.

We therefore find that Worcester County Refrigeration, Inc., James R. Generelli, and Anton O. Freeman have disregarded their "obligations to employees" within the meaning of section 3(a) of the Davis-Bacon Act. Accordingly, these names will be included on a list for distribution to all agencies of the government and, pursuant to statutory requirements, no contract shall be awarded to them or to any firm, corporation, partnership, or association in which they have an interest until 3 years have elapsed from the date of publication of such list.

for 
Comptroller General
of the United States

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