



United States
General Accounting Office
Washington, D.C. 20548

Office of the General Counsel

B-230488

April 1, 1988

Sylvester L. Green, Director
Contract Standards Operations
U.S. Department of Labor
Room S3518
200 Constitution Avenue, NW.
Washington, D.C. 20210

Dear Mr. Green:

Subject: Spaw-Glass Construction, Inc. - Prime Contractor
Genser Electric Co., Inc. - Subcontractor
Houston, Texas

Project No.: DTCG47-85-C-00036
Construction of U.S. Coast Guard
Air Station
Ellington Airport
Houston, Texas

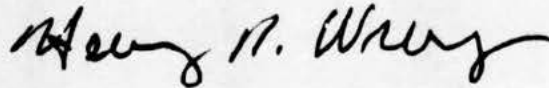
DOL File No.: 86-615-05980

By letter dated February 29, 1988, the Administrator, Employment Standards Administration, submitted to us the above-referenced case involving violations of the Davis-Bacon Act, 40 U.S.C. §§ 276a to 276a-5 (1982), by Genser Electric Co., Inc. The letter indicated that funds in the amount of \$9,707.82 withheld by the U.S. Coast Guard under the contract are to be disbursed to the underpaid employees. We were advised further that since the violations appeared to have resulted from a legitimate misunderstanding as to the proper classification of employees, you did not initiate debarment action.

We agree that Genser Electric Co., Inc., should not be debarred. Our review of the record confirms that the violations in the case were not substantial and do not constitute a disregard of obligations to employees with respect to the minimum wage provisions of the Davis-Bacon Act.

At the present time, there are no funds on deposit with our Claims Group. When our Claims Group obtains the funds in the amount of \$9,707.82 which are involved in this case, they will be disbursed in accordance with established procedures.

Sincerely yours,

A handwritten signature in cursive script, reading "Henry R. Wray".

Henry R. Wray
Associate General Counsel

cc: Mr. Wayne Genser
Genser Electric Co., Inc.
11902 Jones Road, Suite L232
Houston, Texas 77070

Associate Director, GGD - Claims Group
with Labor Department enclosures