



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

OFFICE OF GENERAL COUNSEL

B-220827

January 31, 1986

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

Subject: New England General Contractors Co., Inc.
Brockton, Massachusetts
Contract No. V523-C-835
Your File No: MASS-83-316

Dear Mr. Green:

By letter dated December 1, 1983, you requested that we distribute funds to wage claimants that were to be withheld from L. Addison & Associates, Inc. (Addison), for violations of the Davis-Bacon Act, 40 U.S.C. §§ 276a to 276a-5 (1982), by New England General Contractors Co., Inc. (New England). On the issue of possible debarment, you concluded that the Department of Labor (DOL), does not consider further administrative action necessary.

Briefly, the facts are that Addison performed work as the prime contractor under Contract No. V523-C-835 at the Veterans Administration (VA) Hospital, Jamaica Plain, Massachusetts, and New England performed work as a subcontractor to Addison. As a result of an investigation by DOL, it was determined that a minimum wage was not paid by New England to certain of its employees. [redacted] as owner of New England, and his attorney, accepted that determination in full and agreed to the payment of all back wages found due. However, since New England was without funds, Mr. [redacted] agreed to have funds diverted from remaining contract funds due him as the subcontractor to Addison. By letter dated March 31, 1983, Mr. [redacted] authorized the VA hospital to release \$2,650.91 for this purpose from funds otherwise due him.

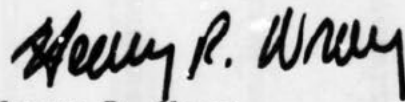
On the issue of debarment, [redacted], through his attorney, asserted that the work being performed was his first government contract and as a result of his inexperience, he did not realize the possible consequences of his failure to comply. The investigative report states that the payroll

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records certified as to correctness and completeness were inaccurate, but only as to the per hour rate which was to be paid. Thus, it appears that there is insufficient evidence to show that New England intentionally violated the labor standards provisions of the Act. Therefore, based on our independent review of the record, we decline to debar New England.

With regard to payments to the wage claimants involved, we have ordered the funds on deposit in our Office (\$2,650.91), to be disbursed in accordance with established procedures.

Sincerely yours



Henry R. Wray
Associate General Counsel

cc: John M. Webby, President
New England General Contractors
Co., Inc.
623 Pleasant Street
Brockton, Massachusetts 02401