

From Construction Labor Report

By Jewel Edwards

Nov. 25 — Newark, N.J.-based construction company Larino Masonry Inc. has agreed to pay about \$2.9 million in back wages after the company's owners admitted that they failed to pay workers the required prevailing wage, overtime and fringe benefits while working on federally funded projects, the Labor Department announced Nov. 25.

An administrative law judge finalized a settlement between Larino Masonry and the DOL that resolves charges that the company violated the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act in the past five years.

According to a settlement approved Nov. 18 by Administrative Law Judge Adele Odegard, Larino Masonry will pay \$1.945 million in back wages to workers on two construction projects in the New York City boroughs of Manhattan and the Bronx.

An order approved Feb. 27 by Chief Administrative Judge Stephen Purcell states that Larino Masonry will pay \$959,000 in back wages to workers on residential projects located in Queens and Brooklyn.

In addition, Larino Masonry and its executives, company president Juan Luis Larino and vice president Maria Larino, are barred from bidding on federal contracts for the next three years.

Larino Masonry and its owners "voluntarily agreed to be debarred from bidding on federally funded projects for three years" as part of the settlement, the company's attorney Vincent Martinelli said.

DOL Regional Solicitor of Labor in New York Jeffrey Rogoff in a Nov. 25 statement said, "The department's investigations and litigation demonstrate a commitment to ensuring workers are paid the wages to which they are legally entitled and a level playing field for employers doing business with the government."

More Than 200 Workers Affected

According to the DOL, Larino Masonry submitted falsified payroll records for 228 laborers and mechanics working for the company while it was a subcontractor on federal projects between July 2009 and December 2011.

An investigation beginning January 2010 led by the DOL's Wage and Hour Division found that Larino Masonry did not pay prevailing wages or fringe benefits to 67 laborers and mechanics on the Hobbs Ciena construction project in Manhattan.

The DOL found that Larino was one of many subcontractors on this project working under prime contracting company Lettire Construction Corp., which reached a Davis-Bacon Act-related settlement with the DOL in 2012 (58 CLR 693, 8/2/12).

Larino Masonry failed to pay required wages to 62 workers on the Claremont Project located in the Bronx. The company admitted that it paid some skilled tradesmen, such as power equipment operators, at a lower general-laborer rate, the DOL said.

On two housing projects, the Reverend Dan Ramm Residence in Brooklyn and Council Towers VI in Queens, Larino Masonry failed to pay the legal wage to 99 workers, the DOL found.
Underpaying for Years

According to Mike Prohaska, business manager of New York-based Construction and General Building Laborers' Local 79 of the Laborers' International Union of North America, Larino Masonry has been underpaying laborers and mechanics for years.

In a Nov. 26 e-mail to Bloomberg BNA, Prohaska said, "It is unbelievable that a firm like Larino, which is banned from receiving federal contracts for three years, is still allowed to work on [New York City Department of Housing Preservation and Development] projects."

"When Larino Masonry or any other employer violates labor laws, they cheat their employees and gain an unfair advantage over employers who obey the law. We will hold them accountable," DOL New York City District Office Wage and Hour Director Maria Rosado said in a Nov. 25 statement.

Larino Masonry's attorney, Vincent Martinelli, in a Nov. 26 e-mail to Bloomberg BNA, said the company became aware of "potential deficiencies" in some of the workers' wages in fall 2011. Martinelli said that since then Larino Masonry has worked with DOL investigators and counsel to fully compensate the underpaid workers and correct all payment errors.

"Although as part of the settlement Larino and its owners voluntarily agreed to be debarred from bidding on federally funded projects for three years, they wish to thank the DOL for their cooperation during this litigation," Martinelli said.

Molly Biklen, James Wong and Lindsey Rothfeder from the DOL Office of the Regional Solicitor in New York litigated both of the Larino Masonry cases.

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