

# Labor Commission Settles Unpaid Wage Claims On Public Works Project

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Claims that an employee or contractor was not paid properly for their work often forms the subject of employment law disputes. On this blog we've previously discussed issues related to [overtime pay and non-exempt salaries](#), but pay-related disputes are broader in nature and may arise whenever an employee or contractor feels they have been paid less than the prevailing wage due under law.

A recent settlement involving a construction company and the California Department of Industrial Relations (DIR) illustrates the point. The settlement grew out of a prevailing wage claim against the construction company after it was hired to build a public school in the Arcadia Unified School District.

According to the [DIR press release](#) "Tadros & Youssef Construction has agreed to pay \$877,876.64 in back wages and penalties for failure to pay prevailing wage, overtime wages, and related labor violations."

The investigation into the matter began when a worker who "had installed all stainless steel and wood doors throughout the school, and was promised to be paid by piece rate" claimed "the contractor did not pay any wages for work performed".

Piece rate work is work paid based on the number of units completed.

As Labor Commissioner Julie Yu noted: "Piece rate payment should never be used as an end-run around minimum wage and prevailing wage laws . . . Workers are entitled to at least the hourly floor for every hour worked."

Employers must be diligent to ensure that employees are paid at least the prevailing wage for all hours worked, and that they classify employees correctly in compliance with applicable labor laws.

Tharpe & Howell has vast experience dealing with litigation and transactional issues related to prevailing wages and public entity projects. These issues are very fact specific and require legal assistance when seeking to prevent potential violations of the prevailing wage requirements.

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