



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

J. Phillips
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B-193475

December 27, 1978

[Placing Subcontractor's Name on Debarred Bidders' List for Violations of Davis-Bacon Act]
FINDING

In the matter of Ronald J. Montange, owner of Island Handyman, Ewa Beach, Hawaii, and Chelsea, Michigan.

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Section 1(a) of the Davis-Bacon Act of August 30, 1935, 49 Stat. 1011, 40 U.S.C. § 276a (1976), 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 repairs 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

Other
Finding

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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."

Contracts Nos. DAKF14-77-C-0126 and DAK14-77-C-0017, both in excess of \$2,000, for repair work at Schofield Barracks, Hawaii, were awarded by the Department of the Army to Metro Builders, Honolulu, Hawaii. Both contracts contained the stipulations and representations required by section 1 of the Davis-Bacon Act. Two subcontracts were awarded to Island Handyman to perform portions of the above-mentioned contracts.

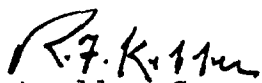
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An investigation conducted by the United States Army disclosed that the subcontractor, Ronald J. Montange, doing business as Island Handyman, having full knowledge of his statutory and contractual responsibilities, did nevertheless disregard these obligations as evidenced by the deliberate payment of subminimum wage rates to persons employed by him on subject projects. As a result of this investigation three employees were found to have been underpaid a total of \$4,397.98 in violation of the terms of the Davis-Bacon Act. The record also revealed that certified payrolls submitted to the contracting agency contained incorrect information designed to simulate compliance with the applicable labor standards requirements.

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By registered letter, dated May 26, 1978, the Acting Deputy Administrator of the Wage and Hour Division of the Department of Labor notified the above-named subcontractor in detail of the nature and extent of the labor standards violations charged against him and his firm. While the subcontractor responded to this letter, he offered no explanation justifying the violations. By letter of August 18,

1978, the Acting Deputy Administrator offered the subcontractor an opportunity for an informal hearing. However, the subcontractor failed to respond to this letter.

It is clear, particularly in light of the falsified payrolls, that good faith was not shown in complying with the Davis-Bacon Act. Both the Department of the Army and the Department of Labor have recommended imposition of debarment.

We therefore find that Island Handyman and Ronald J. Montange, individually, have disregarded "obligations to employees" within the meaning of the Davis-Bacon Act. Accordingly, these names will be included on a list for distribution to all agencies of the Government pursuant to the statutory requirements and no contract shall be awarded to them or to any firm, corporation, partnership, joint venture or association, in which they or either of them has an interest until 3 years have elapsed from the date of publication of such list.


Acting Comptroller General
of the United States