



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

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OCT 31 1979

B-195313

[Debarment Resulting From Violations of Davis-Bacon Act]

Mr. Imrich Halasz
Halasz Electric and Plumbing
Company
10223 Waters Avenue South
Seattle, Washington 98178

DLG03245

Dear Mr. Halasz:

Enclosed is a copy of our Finding of today that Halasz Electric and Plumbing Company, also known as Halasz Electric and Plumbing Company, Inc., and Imrich Halasz have disregarded obligations to employees within the meaning of the Davis-Bacon Act, 40 U.S.C. § 276a (1976), in the performance of certain contracts for the repair of properties owned by the Department of Housing and Urban Development.

AGC 10/31/79

Pursuant to the provisions of section 3(a) of the act, these names shall be included in a list for publication on November 1, 1979, and no Government contract will be awarded to them or to any firm, corporation, partnership, or association in which they have an interest until 3 years have elapsed from the date.

Sincerely yours,

MILTON SOCOLAR

For the Comptroller General
of the United States

Enclosure

007673



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

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FINDING

In the matter of Halasz Electric and Plumbing Company, also known as Halasz Electric and Plumbing Company, Inc., and Imrich Halasz individually.

Section 1 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 repair, 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 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."

During the period December 1973 through December 1974, the Department of Housing and Urban Development (HUD) awarded several contracts (contract Nos. 127-74-194, 127-74-197, 127-74-259, 127-74-292, 127-74-421, 127-74-564, 127-74-549, 127-74-673, 127-74-710, 127-74-802, 127-75-1012 and 127-75-1431) to Halasz Electric and Plumbing Company for the repair of HUD-owned property. Each of the contracts was in excess of \$2,000 and contained the stipulations and representations required by section 1 of the Davis-Bacon Act.

An investigation by HUD disclosed that the contractor disregarded these obligations as evidenced by the deliberate payment of subminimum wage rates to persons employed by it on the subject projects. Ten employees were found to have been underpaid a total of \$7,162.21. The certified payrolls submitted to the contracting agency contained false information simulating compliance with Davis-Bacon wage requirements. The improper payrolls were certified for the contractor by Mr. Imrich Halasz. The contractor refused to make restitution.

The Deputy Administrator of the Wage and Hour Division of the Department of Labor advised the contractor of the nature and extent of the labor standards violations and afforded it an opportunity to rebut the charges. The Assistant Regional Administrator who conducted the informal proceedings recommended

debarment and advised the contractor of the right to file objections with the Administrator of the Wage and Hour Division within 30 days. No objections were filed.

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

We therefore find that Halasz Electric and Plumbing Company, also known as Halasz Electric and Plumbing Company, Inc., and Imrich Halasz, 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 and, pursuant to the statutory direction, no contract shall be awarded to them or to any firm, corporation, partnership, or association, in which they have an interest until 3 years have elapsed from the date of the publication of such list.

MILTON SOCOLAR

For the Comptroller General
of the United States

JUN 25 1979

Z-2813182

The Comptroller General

Here is the file pertaining to the apparent violations of the Davis-Bacon Act, 40 U.S.C. 276a, by Halasz Electric and Plumbing Company, Inc., performing work under Department of Housing and Urban Development, contract Nos. PO-0233-05, Project Nos. 127-74-197, 194, 259, 292, 421, 564, 549, 673, 710, 802, 1012, and 1431, at HUD acquired properties, Seattle, Washington.

Details of the violations and administrative recommendations concerning debarment are contained in the attached investigative report and Department of Labor transmittal letter.

We have been advised that no funds were withheld from the contractor therefore, the matter of whether the contractor's name should be placed on the debarred bidders list for violations under the Davis-Bacon Act is forwarded for your consideration and instructions.

For further information, please contact Ms. Marcia Brown on extension 53218.

Chief, Payment Branch



Indorsement

B-195313-O.M.

OCT 8 1979

Director, Claims Division

Returned. Halasz Electric and Plumbing Company, also known as Halasz Electric and Plumbing Company, Inc., and Imrich Halasz, individually, are being notified of debarment for violation of the Davis-Bacon Act, 40 U.S.C. § 276a (1976), in accordance with the attached letter and Finding (copies), and these names should be included on the listing of ineligible to be published on November 1, 1979.

MILTON SOCOLAR
MILTON SOCOLAR

For the Comptroller General
of the United States

Attachments - 3