

September 8, 2022

**VIA ONLINE PORTAL** (<https://www.reginfo.gov/>)

U.S. General Services Administration  
Office of Acquisition Policy  
1800 F Street, NW  
Washington, DC 20006

**Re: Construction Payrolls and Basic Records (ICR Reference No. 202208-3090-002)**

To Whom It May Concern:

These comments are submitted on behalf of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, AFL-CIO (“United Association” or “UA”) in response to the U.S. General Services Administration’s (“GSA” or “Agency”) request for comment in connection with its proposal that contractors on federal construction projects be required to electronically submit their payroll reports using an online portal.<sup>1</sup> The United Association represents 359,000 hardworking men and women in the plumbing and pipe fitting trades, many of whom are employed on federal construction projects covered by prevailing wage recordkeeping requirements. For the reasons explained below, the UA strongly supports the GSA’s proposal in this proceeding.

Employer theft of employee wages through practices such as misclassification or the failure to pay required minimums or overtime is a persistent and pernicious problem in American society. The U.S. House of Representatives’ Committee on Education and Labor estimated earlier this year that “[u]nscrupulous employers steal an estimated \$50 billion per year from workers’ legally owed earnings.”<sup>2</sup> Despite the heightened recordkeeping requirements that apply to federal contractors covered by a prevailing wage requirement, however, employees working under those contracts are not immune from these types of wage theft. For example, the U.S. Government Accountability

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<sup>1</sup> *Submission for OMB Review; General Services Administration Regulation; Construction Payrolls and Basic Records*, 87 Fed. Reg. 48,481 (Aug. 9, 2022) (“GSA Proposal”).

<sup>2</sup> U.S. HOUSE OF REPRESENTATIVES, COMM. ON EDUC. & LABOR, *FACT SHEET: Wage Theft Prevention and Wage Recovery Act of 2022 (H.R. 7701)* (last visited Sep. 6, 2022), <https://edlabor.house.gov/imo/media/doc/2022-05-18%20Wage%20Theft%20Prevention%20and%20Wage%20Recovery%20Act%20Fact%20Sheet.pdf>.

Office recently reported that federal contractors agreed to pay \$224 million in back wages to compensate workers that were the victims of prevailing wage violations on projects covered by the Service Contract Act between 2014 and 2019.<sup>3</sup>

A recent study on the pervasiveness of wage theft in the United States concluded that employers are less likely to engage in these unlawful practices when enforcement of wage laws is strengthened.<sup>4</sup> In this regard, the GSA writes in its request for comment in this proceeding that “[t]he current manual process for reviewing weekly certified payroll data...has a large probability of human error, *i.e.*, non-identification or delayed identification of errors in pay for covered workers.”<sup>5</sup> The Agency further explains that this delayed- or non-identification is “costly” for the employees who will suffer a corresponding reduction in “economic purchase power” because of these “error[s]” committed by their employer.<sup>6</sup> The proposal in this proceeding that contractors be required to electronically submit their payrolls using a standardized electronic process is intended to “increase the efficiency of the weekly payroll certification process,”<sup>7</sup> thus reducing the likelihood that this delayed- or non-identification of possible prevailing wage violations on federal construction projects will occur.

Although this proposal is only a small step for the Agency to take when compared to the scale of wage theft in the United States, its adoption will nevertheless send a strong message to the contracting community that the federal government will be increasingly vigilant in monitoring certified payroll submissions for potential prevailing wage violations. Sending this message could, in turn, deter potential violators from committing unlawful payroll practices in the future. Even if implementing this requirement will only modestly increase the likelihood of detecting the next Glenn O. Hawbaker—a construction firm that pled in 2021 to criminal charges arising from prevailing wage violations and is now being required to pay over \$20 million in restitution to affected workers<sup>8</sup>—it is a worthwhile requirement for the GSA to adopt.

For the reasons stated above, the United Association strongly supports the GSA’s proposal in this proceeding that contractors on federal construction projects be required to electronically

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<sup>3</sup> U.S. GOV’T ACCOUNTABILITY OFFICE, GAO-21-11, FEDERAL CONTRACTING: ACTIONS NEEDED TO IMPROVE DEPARTMENT OF LABOR’S ENFORCEMENT OF SERVICE WORKER WAGE PROTECTIONS, at 20 (2020).

<sup>4</sup> David Cooper & Teresa Kroeger, *Employers steal billions from workers’ paychecks each year*, ECON. POLICY INST. (May 10, 2017), <https://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year/> (“[T]he strength of a state’s labor laws and its enforcement capacity do have a significant impact on the likelihood that employers will commit wage theft.”).

<sup>5</sup> GSA Proposal, *supra* note 1, at 48,482.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Hawbaker Sentenced, Will Pay Workers More Than \$20 Million in Stolen Wages*, PA. OFFICE OF ATTORNEY GENERAL (Aug. 3, 2021), <https://www.attorneygeneral.gov/taking-action/hawbaker-sentenced-will-pay-workers-more-than-20-million-in-stolen-wages/>.

submit their required payroll reports using a standardized online portal. Prevailing wage requirements are consistently shown to expand the middle class and increase access to both health insurance coverage and retirement plans.<sup>9</sup> However, prevailing wage laws can only produce these economic benefits if their requirements are enforced. Adopting the proposal in this proceeding will send a strong message to the contracting community that the federal government will be vigilant in policing prevailing wage violations and will increase the likelihood that violations of these laws are discovered and remedied.

Sincerely,

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<sup>9</sup> Karla Walter & David Madland, *How the U.S. Government Should Enforce Prevailing Wage Standards in All of Its Spending*, CTR. FOR AM. PROGRESS ACTION FUND (Aug. 9, 2021), <https://www.americanprogressaction.org/article/u-s-government-enforce-prevailing-wage-standards-spending/>.