



DOL News Brief

January 23, 2014

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WINNER OF 2013 AVA DIGITAL GOLD AWARD & NAGC AWARD OF EXCELLENCE

A Revival for Jobs Training



For his first labor secretary, President Ronald Reagan selected New Jersey construction executive Raymond J. Donovan. Raised among 11 siblings in a working class family, Donovan was attuned to the lives

of working people and, over the course of his professional career, gained considerable experience as a "tough but fair" negotiator over labor contracts. The major challenge that would occupy his term was the implementation of the Jobs Training and Partnership Act, which was passed by Congress with broad bipartisan support in 1982. It overhauled the department's employment and training programs under the previous Comprehensive Employment and Training Act (which was signed by President Richard Nixon in 1973). The new law established or altered a series

of training and employment programs intended to serve youth, unskilled adult workers, dislocated workers, and other economically disadvantaged groups. It placed an emphasis on public-private partnerships as a model for these



programs and transferred some authority for them to state and local governments. The JTPA was again replaced in 1998, when President Bill Clinton signed the Workforce Investment Act.

- [Read About the JTPA](#)
- [View the Centennial Timeline](#)
- [View the Centennial Video](#)
- [Suggest a Centennial Moment](#)

What's New

Hearing Firsthand About the Need for Immigration Reform

During U.S. Secretary of Labor Thomas E. Perez's jam-packed trip to San Francisco on Jan. 22, the topic on everyone's mind was the need to pass comprehensive immigration reform. Throughout the day, Perez heard from community leaders, culinary entrepreneurs, and CEOs representing some of



the largest technology companies about the contributions that immigrants have made to the U.S. economy. Perez toured La Cocina, a San Francisco-based food business incubator that helps low-income entrepreneurs secure kitchen space, technical expertise and market access. Many, having come from immigrant families themselves, are eager to start their own businesses in the San Francisco area. Perez learned about the struggles and successes of these hard-working individuals, including Donna who, thanks to help from La Cocina, now sells her product "Love & Hummus" to Whole Foods Market. "It's impossible not to spend time here and be anything other than inspired," said Perez of the dedication and talent he saw at La Cocina. His next stop was Dolores Street Community Services for a meeting on immigrant integration and the workforce. Community leaders and advocates recounted personal stories and discussed the positive impact immigration reform will have on the economy. Perez emphasized that "immigration has always been bipartisan" and has had broad support from business and faith leaders. In the Silicon Valley, CEOs and senior executives from the technology industry met with Perez to discuss the contributions of the immigrant community, which comprises 36 percent of California's business owners and generates \$34.3 billion in income for the state each year. Later on, Perez met with students at the Treasure Island Job Corps Center, a top-performing program. The center, one student told Perez, has "given me a second chance."

- [View the Slideshow](#)

Small Business Owners Say, 'Raise the Minimum Wage'

Owners of hardware stores, delis, a record store and a nursery were among the small business representatives who sat down with Secretary Perez on Jan. 23 for a discussion on how raising the minimum wage would benefit low-wage workers and also their bottom lines, as well as the economy. "This is not the usual conversation you expect to have with business



AFFORDABLE CARE ACT MYTH BUSTER

Myth: For young people, health insurance is a waste of money. Not true: Even young and healthy people can

benefit from coverage, and health insurance is a smart investment at any age. Illness and injuries can be expensive. For example, fixing a broken leg can cost thousands of dollars, which would be a heavy financial burden for most workers regardless of age. Fortunately, the Affordable Care Act offers an array of health insurance options, so young people can get the health-care coverage they need. Some plans cost less than \$100 per month. Health coverage can help protect you from high, unexpected out-of-pocket costs — but only if you have it. By paying a little now, you can save a lot later.

- [Watch the Video](#)
- [Visit healthcare.gov](#)

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## (Work in Progress) The Best of Our Blog

Each week, this space will bring you the best from our ([Work in Progress](#)) blog.

- [Dr. King: His Courage Guides Us Still](#): Honoring the Rev. Martin Luther King Jr., means carrying on his pursuit of economic justice by calling for a raise in the minimum wage, accessible health care, and extended unemployment benefits, writes Secretary Perez.
- [Under the Influence of Books](#): Georgia librarian Susan Kosenka on how our "Books that Shaped Work in America" project is helping educate one community about the history of the American workplace.
- [The Price of Poverty and its Unique Costs for Women](#): An analysis of the recently released Shriver Report on challenges facing working women and what the Labor Department is doing to help, from Women's Bureau Director Latifa Lyles and Laura Fortman, principal deputy administrator of the Wage and Hour Division.

leaders," said Perez. "It's counter-intuitive that business owners would support an increase." Yet these men and women told the secretary that paying workers more leads to reduced turnover and a savings in training costs, better customer service, happier customers and more money to spend in their businesses and at other establishments. "Our training costs would be significantly higher if we paid lower wages and we had the kind of turnover that you typically see in a restaurant," said Amanda Rothschild, who runs a café in Baltimore. John Shepley, co-owner of a small wholesale nursery in Maryland, made a strong economic argument for paying those at the bottom of the income ladder a little bit more. "They're spending 100 percent of their take-home pay in the local economy," he said. "It's recirculating. They're spending it on rent, groceries, cars, new tires — all the things you need to live." Paul Saginaw, who helped found Zingerman's Community of Businesses, a delicatessen chain based in Ann Arbor, Mich., said that an increase in the minimum wage would have only a small impact on the bottom line of his businesses. But, he added, "It's going to change millions of people's lives in a meaningful way."

- [View the Slideshow](#)
- [Read the Blog Post](#)

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## Saluting the Nation's Mayors and Championing Opportunity



Speaking to 400 mayors from around the country gathered in Washington, D.C., on Jan. 23, Secretary Perez hailed America's cities as incubators of public policy and critical partners in the administration's efforts to create and expand opportunity for hardworking Americans.

"When President Obama says

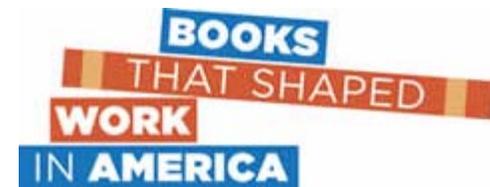
that change often comes to Washington rather than from Washington," Perez noted, "he's talking in large measure about the leadership coming out of our nation's cities." One day earlier, Eric Seleznow, acting assistant secretary for the Employment and Training Administration, also addressed the U.S. Conference of Mayors. Seleznow's remarks focused on the department's priorities for the coming years, such as increasing effective partnerships between cities, community colleges and employers; investing in effective work-based strategies like registered apprenticeship; and expanding the department's reach to help those who need it most: low-skilled workers, the long-term unemployed, veterans and disadvantaged youth.

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## DOL Working for You

### 'If I Could Dream It I Could Do It,' Job Corps Student Found

An adjustment in her career path after graduating from Job Corps enabled Dr. Kay Miller to become a chiropractor with a thriving practice in Wisconsin. Miller attended and graduated from Minnesota's Hubert H. Humphrey Job Corps Center, while simultaneously taking dental assistant training at a local technical institute. Miller said living at Job Corps "took the pressure off" so she didn't have to worry about money or lodging. She added that the program made her believe, "If I could dream it I could do it." Miller enrolled in college to become a dentist but switched to chiropractic school so she could restore people's health without using surgery or drugs. She now routinely addresses Job Corps students about the benefits of the program. Along with her patients, Miller equips young people enrolled in local science, technology, education and math studies



### Need Career Advice?

"Find a job which always expects a little more than you can deliver, but not so much that you get snowed under. A job should always keep you straining at the limits of your abilities." That's very good career advice, right from the pages of Sloan Wilson's 1955 novel, "The Man in the Gray Flannel Suit" — one of more than 100 titles on the department's list of "Books that Shaped Work in America." Whether it's a novel, a "how come/how to" or a play, there are passages in every one of the selections that dispense terrific words of wisdom, applicable career advice and even important rules to remember for everyday living. You can find more inspiring quotes on the project's website.

- [Read the Blog Post](#)
- [Books that Shaped Work in America](#)

with school supplies.

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## Partnerships in Maryland

Building partnerships among community colleges, companies and the workforce development community is key to creating a sustained



pipeline of skilled workers. On Jan. 17, Secretary Perez met with representatives from the Maryland Association of Community Colleges, which advocates on behalf of 16 community colleges in the state. The meeting focused on exploring ways Maryland could expand programs through the Trade Adjustment Assistance Community College and Career Training program. Prince George's Community College received a grant in the second round of TAACCCT and used the funds to develop an information technology, education and green jobs pathway program.

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## Safety Alliances in Midwest



To protect the safety and health of workers in Missouri and Kansas, the Occupational Safety and Health Administration formalized a

partnership on Jan. 17 with the Sheet Metal and Air Conditioning Contractors' National Association in Kansas City, Mo. An additional alliance was signed by OSHA and the International Association of Sheet Metal Workers, Local 2, to provide safety and health training to its members. The partnership and alliance establish a collaborative relationship to promote safe and healthful work environments for workers in the construction and general industries.

• [View the Slideshow](#)

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## Combating Misclassification

Regional officials with the Wage and Hour Division in the Western Region met with California Labor Commissioner Julie Su and staff from the



state's Division of Labor Standards Enforcement in Los Angeles on Jan. 17. Participants discussed collaboration strategies between federal and state agencies to leverage enforcement of labor laws as outlined in a Memorandum of Understanding on combating employee misclassification in the state. Officials discussed priority industries, opportunities for joint enforcement and investigative tools. Federal and state agencies plan to develop joint training for investigators and referral methods to ensure compliance of federal and state labor laws in the underground economy.

• [View the Slideshow](#)

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## DOL in Action

### \$10 Million Settlement With People Care Holdings

When Bruce Jacobson and Jerry Lewkowicz sold People Care Holdings Inc. to their employees through an employee stock ownership plan, they violated the Employee Retirement Income Security Act by permitting the ESOP to purchase stock for more than its fair market value, the department contends. Under the terms of a settlement announced on Jan. 22, Jacobson and Lewkowicz will pay \$9,090,910 to the ESOP and a civil penalty of \$909,090. "Owners who sell their companies to their employees and benefit from ESOP tax treatments are responsible for ensuring that the terms are fair to the plan and its participants," said Assistant Secretary of Labor for Employee Benefits Security Phyllis C. Borzi.

• [Read the News Release](#)

### Cargill Settles Hiring Discrimination Charges for \$2.2 Million

Cargill Meat Solutions agreed to settle charges of hiring discrimination and will pay \$2.2 million in back wages and interest to 2,959 applicants who were rejected for jobs between 2005 and 2009. Compliance officers with the Office of Federal Contract Compliance Programs found evidence that Cargill's hiring and selection processes at facilities in Springdale, Ark.; Fort Morgan, Colo.; and Beardstown, Ill.; violated Executive Order 11246 by discriminating on the bases of sex, race and/or ethnicity. "This settlement will benefit thousands of workers who were subjected to unfair discrimination," said Secretary Perez. "And it demonstrates the Department of Labor's commitment to ensuring that everybody has a fair and equal shot at competing for good jobs."

• [Read the News Release](#)

### Contractor Agrees to Pay \$500,000 in Back Wages

DCK North America, a construction contractor operating in Yuma, Ariz., with headquarters in Pennsylvania, agreed to pay more than \$500,000 in back wages due 12 subcontractors for prevailing wage and fringe benefits violations found under the Davis-Bacon Act. Approximately 220 drywall, paint, electrical, sprinkler fitter and sheet metal workers are affected. All of the employees performed covered work in the construction of two fighter jet maintenance hangars inside a U.S. Marine Corps Air Station in Yuma. Investigators found that the U.S. Department of the Navy failed to incorporate the correct wage determination in the prime contract, resulting in the pay error.

### Misclassified Phoenix Plumbers Receive Back Pay

Phoenix, Ariz.-based subcontractor B&B Plumbing paid \$130,678 in back wages to five employees for prevailing wage and fringe benefits violations under the Davis-Bacon Act. B&B Plumbing was hired by prime contractor FCI Constructors Inc. to perform covered work at the Window Rock Events Center in Fort Defiance. According to investigators from the Wage and Hour Division, the affected plumbers were misclassified as laborers and paid the wrong prevailing wage rate and fringe benefits.

### Crane Fatality Prompts Citations in American Samoa

McConnell Dowell Constructors in Pago Pago, American Samoa, has been cited with nine serious violations of workplace safety standards by the Occupational Safety and Health Administration. OSHA began its inspection after a worker was electrocuted last July during a crane operation. Citations included failure to determine the safe working distances when operating a crane close to high-voltage power lines, and failure to ensure that at least one electrocution hazard warning label was affixed in the crane cab within view of the operator and at least two were posted on the outside of the

## Inspector Training in Philly

Enhancing the oversight of construction contractors in Philadelphia is the focus of a two-year collaborative effort launched on Jan. 16 by the Occupational Safety and Health Administration and the Philadelphia Department of Licenses and Inspections. Approximately 60 L&I inspectors attended a training on excavation safety, the first in a series of quarterly sessions designed for city supervisors and field inspectors to enhance hazard awareness. The initiative was developed following a Philadelphia building collapse last June, which resulted in six deaths and 14 injuries.

## Educating Salvadoran Workers



Officials from the Occupational Safety and Health Administration signed alliances on Jan. 15 with the Consulates of El Salvador for New

York, New Jersey and Long Island. The alliances will provide Salvadoran workers in both states with information, training and guidance as well as access to educational resources to help them identify and prevent occupational hazards. They also will provide workers with training on their workplace safety and health rights.

- [Learn About OSHA Alliances](#)

## Disabilities Initiative Update

Board members of the Pennsylvania Statewide Independent Living Council and other representatives from the Keystone States disability community gathered in Harrisburg, Pa., on Jan. 16 for an update on the department's employment initiatives for people with disabilities. Assistant Secretary of Labor for Disability Employment Policy Kathy Martinez recounted her experiences growing up as a child with a disability and the important role that the independent living movement played in her life and employment.

"America's future success requires us to capitalize on the talents of all segments of the population — and I believe strongly that the responsibility must be shared," she said. Martinez also provided an update on the Affordable Care Act, Executive Order 13548 (which calls for an additional 100,000 individuals with disabilities to be employed by the federal government over 5 years), and changes to Section 503 of the Rehabilitation Act that go into effect in March.

- [Learn About Disability Employment Initiative](#)

## Weekly UI Claims

The department reported that the advance figure for seasonally adjusted initial Unemployment Insurance claims was 326,000 for the week ending Jan. 18, an increase of 1,000 from the previous week. The four-week moving average was 331,500, down 3,750 from the previous

crane before use.

- [Read the News Release](#)

## Arizona Eatery to Pay Employees for Wage Violations

Tilted Kilt Pub & Eatery, a restaurant chain headquartered in Tempe, Ariz., agreed to pay \$32,087 in minimum and overtime back wages due to 250 employees working at two establishments in Tempe and Phoenix. An investigation by the Wage and Hour Division found that the company made improper deductions from tipped server wages to cover the cost of uniforms. The restaurant routinely deducted up to \$40 each pay period until the servers paid the full price of the uniforms, which cost up to \$160. Server pay also was deducted for employee parking. The division's Phoenix District Office conducted investigations of three other independently owned Tilted Kilt franchises in the Phoenix metro area. As a result, an additional \$12,462 in back wages was found due to 149 employees for minimum wage and overtime violations.

## 60-Hour Weeks on Average and No Overtime

A federal judge has ordered two markets operating under common ownership in Phoenix, Ariz., to pay \$129,809 in back wages due 34 employees for minimum wage and overtime violations under the Fair Labor Standards Act. Investigators found affected employees routinely worked more than 60 hours per week and received a flat salary for all hours worked, including overtime hours. Under the consent judgment, Carnicería La Piedad and Carnicería La Michoacán agreed to pay the back wages in full and post and distribute notifications of the judgment agreement to all employees in English and Spanish.

## Illinois Concrete Company Cited in Worker Death

Dukane Precast Inc., a precast concrete products manufacturer, has been issued eight safety violations by the Occupational Safety and Health Administration. A temporary worker was fatally crushed at the company's Aurora, Ill., concrete batch plant while working alone in a permit-required confined space last July. The 39-year-old worker had entered a concrete mixer's discharge mud hopper. He tried to free a pneumatically powered discharge gate stuck in the open position because of hardened concrete. The gate, which had not been isolated to prevent unintentional operation during maintenance activity, closed and crushed him. OSHA has placed the company in its Severe Violator Enforcement Program.

- [Read the News Release](#)

## Former Illinois Union Officer Sentenced for Embezzlement

Natasha J. Bever, former secretary-treasurer of Communications Workers of America Local 4202 in Rantoul, Ill., has been sentenced to one year plus one day in prison and three years of supervised release for embezzling \$149,404 in union funds. On June 28, 2013, Bever pleaded guilty to one count of embezzlement of union funds totaling \$149,404. An investigation by the Office of Labor-Management Standards found that Bever took excessive salary payments from the union's payroll account, made out unauthorized checks to herself, and put unapproved personal expenses on the union's debit card. The personal expenses included meals, cable TV, community college tuition, fuel and purchases at several stores. In several instances, Bever received per-diem in advance for travel expenses and used the union's credit card for lavish meals, taxi, car rental, fuel and hotel expenses. During sentencing in U.S. District Court for the Central District of Illinois, Urbana Division, Bever was ordered to pay remaining restitution of \$55,759, having previously repaid the balance of the stolen funds.

## Illinois Contractor Fails to Protect Workers in Trench, Inspection Finds

The Occupational Safety and Health Administration has again cited Mike Neri Sewer & Water Contractor Inc. for failing to protect workers from cave-

week's revised average.

- [Read the News Release](#)

## Upcoming Deadlines & Events

### [Open Funding Opportunities](#)

OFCCP — Affirmative Action Program Development for Small or First-Time Supply and Service Contractors

- [January 29 — Los Angeles, CA](#)

OFCCP — Best Practices for Corporate Management Compliance Evaluations

- [February 12 — Memphis, TN](#)

OFCCP — Compliance Assistance Session for Construction Contractors and Subcontractors

- [February 5 — Chicago, IL](#)
- [February 27 — Richmond, VA](#)

OFCCP — Construction Compliance Evaluations in 16 Steps

- [January 28 — Atlanta, GA](#)
- [February 4 — San Francisco, CA](#)
- [February 25 — Atlanta, GA](#)

OFCCP — Essential Elements of The AAP Part I

- [February 18 — Webinar](#)

OFCCP — Essential Elements of The AAP Part II

- [February 25 — Webinar](#)

OFCCP — Everything You Want to Know About Adverse Impact

- [February 12 — Orange, CA](#)

OFCCP — Filing an Employment Discrimination Complaint

- [February 19 — Portland, OR](#)

OFCCP — Laws Enforced by OFCCP

- [February 19 — Detroit, MI](#)

OFCCP — OFCCP Overview

- [February 18 — Birmingham, AL](#)

OFCCP — Scheduling and AAP Requirements

- [February 21 — Houston, TX](#)

OFCCP — What To Expect During An OFCCP Audit

- [February 6 — Richmond, VA](#)
- [February 6 — Omaha, NE](#)
- [February 18 — Atlanta, GA](#)

ins during trenching operations. OSHA initiated an inspection after witnessing cave-in hazards while traveling past the commercial construction site in Des Plaines, Ill., last July. Three months earlier, inspectors cited the Elk Grove Village, Ill., company for the same hazards under OSHA's national emphasis program for trenching and excavation. The company then was placed in the Severe Violator Enforcement Program. OSHA has proposed additional penalties of \$150,150 for the company.

- [Read the News Release](#)
- [Learn About National Emphasis Program on Trenching](#)
- [Learn About Severe Violator Enforcement Program](#)

Teen Challenge of Florida Facing \$228,000 in Penalties

Teen Challenge of Florida Inc., an international rehabilitation program, was cited by the Occupational Safety and Health Administration with three willful, 18 serious and four other-than-serious safety and health violations, following an inspection at the company's facilities in Pensacola, Fla. The willful violations included exposing workers to amputation hazards by not providing machine guarding on the hand-fed rip saws, the cutting heads of the routers and the abrasive wheels on the grinding wheel. Other violations involved failing to provide workers first-aid training in case of an emergency as well as several electrical deficiencies and tripping hazards. OSHA initiated the July 2013 inspection after receiving a complaint alleging safety and health hazards. Proposed penalties total \$228,600.

- [Read the News Release](#)

Worker Fatally Injured at Ohio Manufacturing Plant

PPG Industries, an optical and specialty material manufacturer, has been cited with serious and willful safety violations by the Occupational Safety and Health Administration after a fatality occurred at the company's Barberton, Ohio, facility. Last July, a worker became entangled in an unprotected spindle winder, resulting in the employee's death. OSHA issued one willful citation for failure to ensure machine guarding was provided to protect the operator and other employees working in the machine area from its hazards.

- [Read the News Release](#)

Illinois-based Company Faulted for Hazards at Massachusetts Plant

Hazards at a Massachusetts plant have resulted in \$66,000 in Occupational Safety and Health Administration fines for Illinois-based Packaging Corp. of America. OSHA cited the packaging manufacturer for two repeat safety violations after an inspection by OSHA's Andover, Mass., Area Office. Inspectors found plant workers exposed to crushing, struck-by and caught-in machinery hazards while setting up a press that had not been properly locked out. Workers also were at risk of being caught in operating conveyor belts on the same machine that lacked protective guarding. The company previously was cited for similar violations at its Opelika, Ala., location.

- [Read the News Release](#)

Inspection Finds Safety Violations at Georgia Manufacturer

American Air Filter Co. Inc., doing business as AAF International, was cited by the Occupational Safety and Health Administration with eight safety violations following an inspection at the company's manufacturing facility in Atlanta. Two repeat violations involved exposing workers to shock and burn hazards from unused openings in electrical boxes and failing to use electrical equipment according to manufacturer guidelines. Five serious and one other-than-serious violation included the employer's failure to provide temporary workers performing cleaning operations with lockout/tagout training, exposing workers to struck-by and caught-in hazards while cleaning the conveyor, and not inspecting the specific energy control procedures periodically. The inspection, prompted by a complaint, began in August 2013. It resulted in \$64,040 in proposed penalties.

OLMS — Compliance Assistance Seminar

- [February 26 — Pittsburgh, PA](#)
- [February 27 — Pittsburgh, PA](#)

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- [Read the News Release](#)

Frozen Food Manufacturer Exposed Workers to Hazardous Chemicals

Michael Angelo's Gourmet Foods Inc. was cited with six serious safety violations by the Occupational Safety and Health Administration for exposing workers at its Austin, Texas, plant to chemical hazards from an ammonia release last July. Under the agency's process safety management standard, which encompasses a detailed set of requirements and procedures employers must follow to address hazards proactively, the majority of the violations related to potential fire and explosion hazards, as well as potential toxic effects stemming from the release of anhydrous ammonia used in the facility's refrigeration system. The serious violations included failure to consider the layout of ammonia equipment with regard to the surrounding forklift operations when performing a process hazard analysis; renew the process hazard analysis every 5 years; inspect and maintain the ventilation system; conduct a compliance audit every 3 years; and track and complete action items from previous compliance audits.

- [Read the News Release](#)

Chicago Engineering Company Placed in Violator Program

Pan-Oceanic Engineering Co. Inc. has been cited with willful and repeat safety violations for failing to protect workers from trenching hazards at a Chicago job site. The Occupational Safety and Health Administration initiated an inspection after witnessing an employee working in an unprotected trench greater than 8 feet in depth. OSHA issued one willful citation for failing to provide cave-in protection for employees in a trench. Two repeat and one serious violation also were cited. Proposed penalties total \$105,600, and the company has been placed in the Severe Violator Enforcement Program.

- [Read the News Release](#)

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