



DOL News Brief

May 28, 2015

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**BY THE NUMBERS**

More than  
**1 in 5**  
**WORKERS**  
are employed  
by a  
**FEDERAL**  
**CONTRACTOR**

The **BEST** of our blog

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

- [Is Your Manicure Making Someone Sick?](#) "Like many other women in my industry, I chose to become a manicurist to make women feel beautiful and to provide for my family. Although there are many good things about the job — the glamour, the artistry, the beautiful colors and new designs — there are also significant hazards," writes Chanh Hang, a nail salon owner and member of the California Healthy Nail Salon Collaborative.
- [Fair and Safe Workplaces for Federal Contractors:](#) We can all agree that businesses that break the law by cutting corners at the expense of their workers should not benefit from taxpayer-funded federal contracts, writes Secretary Perez.
- [Better AAPI Data for Better AAPI Policies:](#) The Labor Department has taken a huge leap forward this year by publishing seasonally adjusted data for Asian Americans and Pacific Islanders.

**Fair Pay and Safe Workplaces**

While the majority of federal contractors play by the rules, every year tens of thousands of American workers are denied overtime wages, unlawfully discriminated against in hiring or pay, have their health and safety put at risk by contractors that cut corners, or are otherwise unlawfully denied basic workplace protections. To improve contractor compliance, President Obama signed the Fair Pay and Safe Workplaces Executive Order on July 31, 2014, requiring

What's New

Apprentices Train for 21st Century Shipbuilding

Submarines are a technological marvel and the people responsible for building them are among the most highly skilled workers in the world. While traveling in New England this week, U.S. Secretary of Labor Thomas E. Perez toured shipyards to see how innovative training programs are helping



prepare workers to build 21st century vessels. U.S. Sen. Susan Collins of Maine joined Perez on May 27 at Bath Iron Works and the Portsmouth Naval Shipyard, where a four-year apprenticeship program is developing welders, electricians and other skilled tradespeople. Apprentices earn a competitive salary during their training and enjoy health, leave and retirement benefits. The following day, Perez traveled to Groton, Conn., where he toured General Dynamics' Electric Boat, which has been designing and building submarines for more than 100 years. Electric Boat is an employer partner in the Connecticut Advanced Manufacturing Initiative, a regional collaboration between local community colleges, the workforce system and employers to develop a training program to prepare workers in high-skilled manufacturing occupations. Recently, the program was awarded a \$15 million grant from the department to expand the program to more colleges and develop work-based training programs like apprenticeship.

- [Read the Blog Post](#)
- [Learn About Apprenticeship](#)

Education and Training Opportunities Expanding in Minnesota



As part of an unprecedented \$2 billion national investment to develop innovative partnerships between colleges, the workforce system and local employers, the department awarded a \$15 million grant to community colleges in Minnesota last year. On May 26, Secretary Perez traveled to the state to see

firsthand how those investments are paying off. His first stop was at Graco Inc., a multinational company based in Minneapolis that creates tools for residential and commercial construction. Graco has partnered with Minneapolis Community and Technical College to expand its machining and welding programs. It also established a summer internship program placing MCTC students at the company and opening the door for full-time employment upon graduation. Perez applauded this partnership during a visit to MCTC later that day to discuss President Obama's

prospective federal contractors to disclose labor law violations and giving agencies more guidance on how to consider labor violations when awarding federal contracts. With this order, the president pledged to hold accountable federal contractors that put workers' safety, hard-earned wages and basic workplace rights at risk. On May 27, the Federal Acquisition Regulatory Council made good on that pledge by publishing proposed regulations to implement the order, and the department has proposed guidance to help contracting officials and potential contractors comply.

- [Read the News Release](#)
- [Comment on the Proposed Regulation](#)

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## Ending Veterans Homelessness

The National Coalition for Homeless Veterans held its annual conference in Washington, D.C., on May 28. Deputy Secretary Chris Lu spoke to the attendees about the Department's commitment to ending veterans homelessness, saying: "We not only help homeless veterans prepare for and find jobs, but we also help prevent at-risk veterans from starting a downward spiral towards homelessness. Our employment and training programs help build a ladder to the middle class." The deputy secretary reminded the advocacy groups and community organizations of the importance of integrating their programs with the 2,500 American Job Centers, where veterans receive priority service for services such as counseling and training. The department also provides \$38 million in Homeless Veterans' Reintegration Program grants each year, with many of those grants going to organizations present at the conference.

- [Learn About HVRP](#)

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## Focus on Communication

In addition to a strategic use of its enforcement resources, the Wage and Hour Division is engaged in robust efforts to educate employers



about their responsibilities to their workers. During remarks delivered to the Washington, D.C., chapter of the Labor and Employment Relations Association on May 27, Administrator Dr. David Weil told the gathering of labor, management and government professionals that the agency needs to hear from stakeholders in order to best accomplish its objectives. "We need to keep the lines of communication wide open, in both directions," said Weil. "We want to hear from you when there are more opportunities to conduct outreach and on how we can work together to achieve common goals: workers who are treated fairly, a level competitive playing field for employers, and a stronger economy for all."

- [Read More on Outreach](#)

America's College Promise initiative. During a roundtable discussion with state and local officials and representatives from education, community, philanthropic and nonprofit organizations, Perez discussed the importance of the president's initiative to establish tuition-free community colleges for responsible students. "Community colleges help people launch middle-class careers," he said. "They help businesses compete and grow. They help industries prepare pipelines of skilled workers. That's why I like to call them the secret sauce of workforce development."

- [Learn About America's College Promise](#)



Working Families Are at the Heart of #LeadOnLeave Tour



During his visit to Minneapolis on May 26, Secretary Perez continued his #LeadOnLeave tour by joining worker advocates, businesses, employees and elected leaders for a roundtable discussion on paid leave. The conversation took place at UCare, an independent, nonprofit health plan provider

whose CEO, Nancy Feldman, has been a leader at implementing policies that support working families to create healthy and happy employees. State elected officials in Minnesota have pushed for robust legislation that would expand leave benefits for working women and their families. One day later, Perez traveled to New Haven, Conn., where he met with Rep. Rosa DeLauro and local business leaders, government officials and advocates to talk about common-sense paid leave policies. Connecticut currently has paid sick leave policies in place but is considering expanding paid parental leave benefits. "I've heard from more than a thousand people from all 50 states who wrote into us at the Labor Department about the impossible choices they're forced to make every day — between getting paid and getting well, between the job they need and the family they love," noted Perez.

- [Learn About Paid Leave](#)

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## National News

Report Offers Solutions for Benefit Plan Audits

A new report by the Employee Benefits Security Administration finds significant issues with the way employee benefit plans are audited and calls for a legislative fix. "The existing patchwork of regulations and rules needs to be overhauled and a meaningful enforcement mechanism needs to be created," said Assistant Secretary of Labor for Employee Benefits Security Phyllis C. Borzi in a May 28 news release. The report found that 39 percent of plan audits contained major deficiencies that put \$653 billion and 22.5 million plan participants and beneficiaries at risk. Proposed solutions include increased enforcement of audit standards and amendments to the Employee Retirement Income Security Act.

- [Read the News Release](#)
- [Read the Report](#)

## N.C. Farm Labor Workshop

Roughly two dozen farm labor contractors participated in an educational workshop on their legal responsibilities on May 27 in Goldsboro, N.C. Staff from the Wage and Hour Division's North Carolina District Office, North Carolina's Department of Commerce-Division of Workforce Solutions and Department of Labor-Bureau of Agriculture, Safety and Health provided comprehensive and interactive training on the Migrant and Seasonal Agricultural Worker Protection Act and provisions of the H-2A visa program. Participants asked a variety of questions related to farm labor contractor registration, the differences between state and federal laws, liability for providing transportation for farmworkers, and sanitation and housing requirements. "In North Carolina, this was a first-of-its-kind where training was provided exclusively to farm labor contractors on the importance of their role in ensuring agricultural labor compliance," said Richard Blaylock, district director in Raleigh.

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## Impact Inspections at 18 Mines

The Mine Safety and Health Administration completed impact inspections at 18 mines from around the country in April and issued 107 citations and one order. These monthly inspections began in April 2010 and involve mines that merit increased attention and enforcement due to their poor compliance history. Impact inspections were conducted at mines in Illinois, Kentucky, Nebraska, Oklahoma, Utah, Virginia and West Virginia.

- [Read the News Brief](#)

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## Weekly UI Claims

Seasonally adjusted initial Unemployment Insurance claims rose to 282,000 for the week ended May 23, the department reported. The advance figure was up 7,000 from the previous week's revised level. The four-week moving average was 271,500, up 5,000 from the previous week's revised average.

- [Read the News Release](#)

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## Upcoming Deadlines & Events

### [Open Funding Opportunities](#)

EBSA — Getting It Right: Know Your Fiduciary Responsibilities

- [June 4 — Salt Lake City, UT](#)
- [June 24 — Denver, CO](#)
- [July 9 — Erlanger, KY](#)

EBSA — Health Benefits Laws Compliance Assistance Seminar

- [June 2 — Anchorage, AK](#)
- [June 3 — Anchorage, AK](#)

## DOL Working for You

### Soaring to a New Career With Help From TAA

After 30 years in the aircraft manufacturing industry, John Cekala lost his job when his company moved its operations overseas. At 57, Cekala was returning to school — something he had not expected or planned. Undaunted, Cekala took this life-changing event as an opportunity to re-invent himself and



contacted the New Mexico Workforce Solutions office in Albuquerque. There, he was able to get training and upgrade his work skills through the Employment and Training Administration's Trade Adjustment Assistance program. The TAA assists U.S. workers who lose jobs as a result of foreign trade, providing the resources and support needed to become reemployed. As part of the TAA, Cekala was able to attend Embry-Riddle Aeronautical University, where he graduated this year with a bachelor of science degree in technical management. Cekala, now 60, also made the transition to a new career and is the assistant director of academic support at the university. "Staying in Albuquerque, while being able to get my education, was important to me, and the TAA program allowed me to do both while paying my books and tuition," Cekala said. "I got to go from a worker bee to a mentor with the opportunity to guide a whole new generation of young people."

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## DOL in Action

### Alabama Dental Lab Settles Hiring Discrimination Case

Oral Arts Laboratory Inc. has entered into a conciliation agreement with the Office of Federal Contract Compliance Programs to resolve allegations of systemic hiring discrimination at its Huntsville, Ala., corporate headquarters. Investigators found that the federal contractor discriminated against 83 women and 19 African Americans who were denied dental lab technician positions, as well as 57 men who were rejected for shipping positions. Under the agreement, the dental lab and manufacturer will pay \$115,000 to 159 applicants and extend job offers to at least 19 of the original class members as positions become available. "This agreement underscores the notion that federal contractors, like Oral Arts, should closely examine their employment policies and practices to identify and eliminate unfair barriers to equal opportunity," said OFCCP Director Patricia A. Shiu.

- [Read the News Release](#)

### Federal Court Finds Missouri Foundry in Contempt

After disobeying a court order, the owner of a Kansas City, Mo., foundry has been found in criminal contempt in U.S. District Court. Martin Foundry Co. Inc., owner Darrell Stone and representatives of Compliance Professionals Inc., refused to allow the Occupational Safety and Health Administration access to a report of an employee with an elevated blood lead level. As a result, the defendants are required to jointly pay \$10,778 to reimburse departmental costs as well as individual fines for willfully impeding OSHA's investigation and refusing to comply with the warrant. Exposure to high levels of lead may cause anemia, weakness, and kidney and brain damage. Each year, more than 50,000 American workers die from occupational exposure to lead, asbestos and other substances.

- [Read the News Release](#)

Fiduciaries Took Pension Plan Money for Personal Use, Probe

#### OASAM — Vendor Outreach Session

- [July 23 — Washington, DC](#)

#### OFCCP — 16 Steps to Construction Compliance

- [July 16 — Orange, CA](#)

#### OFCCP — AAP: Creating an Inclusive Workforce

- [July 16 — Houston, TX](#)

#### OFCCP — Compliance Assistance for Construction Contractors

- [July 14 — Denver, CO](#)

#### OFCCP — Compliance Assistance and Coordination Meeting by OFCCP and the EEOC

- [July 29 — Denver, CO](#)

#### OFCCP — Compliance Assistance by OFCCP and DOL Agencies for Employers

- [June 23 — Denver, CO](#)

#### OFCCP — Compliance Assistance for Newly Scheduled Contractors

- [June 11 — Denver, CO](#)

#### OFCCP — Compliance Assistance: Requirements Under Section 503 and 4212 (VEVRAA)

- [June 18 — Milwaukee, WI](#)

#### OFCCP — Compliance Assistance Webinar: Robert A Young Federal Building Seismic Renovation Project

- [June 9 — Webinar](#)

#### OFCCP — Complying with the Section 503 and VEVRAA Regulations

- [June 10 — Baltimore, MD](#)

#### OFCCP — Common Problem Areas for Federal Contractors

- [June 4 — Houston, TX](#)

#### OFCCP — New Veterans' Regulations

- [June 17 — Orange, CA](#)

#### OFCCP — Scheduling and AAP Requirements

- [June 25 — Houston, TX](#)

#### OFCCP — Scheduling Letter Updates

- [June 23 — New Orleans, LA](#)

#### OWCP — Town Hall Meeting to Assist Nuclear Weapons Workers

- [June 16 — Bridgeton, MO](#)
- [June 18 — Bridgeton, MO](#)

#### Finds

An investigation by the Employee Benefits Security Administration found that Alfred and Judy Chan, fiduciaries of a pension benefit plan for employees of their Lakewood, Wash., medical corporation, violated their fiduciary duties to administer the plan on behalf of its participants. Shortly before an impending indictment for Medicare fraud, the Chans relocated to Taiwan where, according to the department, they allegedly used the plan's assets for personal, non-plan expenses. On May 21, the U.S. District Court, Western District of Washington ordered that the defendants shall be removed as fiduciaries to the plan and permanently enjoined from serving as fiduciary or service provider to any employee benefit plan subject to the Employee Retirement Income Security Act. The Chans also shall not recover any amount from the plan unless and until the rest of the participants receive the distributions owed to them in full, which is more than \$400,000.

- [Read the News Brief](#)
- [See the Consent Judgment and Order](#)

#### Inspection Finds Locked Emergency Exits at Bronx Department

A blocked or obstructed exit route in a busy department store can mean the difference between life and death. Despite repeated warnings from the Occupational Safety and Health Administration, an OSHA inspection last December found four emergency exits locked with metal bars at Conway Stores' Bronx, N.Y., location. Store managers were told to correct the violation, but when inspectors returned later that month, the four emergency exits remained locked.

- [Read the News Release](#)

#### Defective Safety Equipment, Chemical Exposure Found

An Atlanta-area laminating company was cited for 18 serious safety and health citations following an inspection by the Occupational Safety and Health Administration. After receiving a complaint, OSHA inspectors cited Panolam Industries International Inc. for failing to ensure machines did not accidentally start up while workers performed maintenance and repairs; not removing from service forklifts with defective safety equipment; and not training workers on the hazards of exposure to formaldehyde. Proposed penalties total \$79,650.

- [Read the News Brief](#)

#### Gas Manufacturer Repeatedly Exposed Employees to Hazards

Following up on a 2013 inspection, the Occupational Safety and Health Administration issued a New Jersey-based industrial gas manufacturer two failure-to-abate notices for repeat hazards. In November 2014, OSHA determined that Welco Acetylene Corp., did not maintain process equipment and failed to address the potential impact of a vapor cloud explosion on an occupied temporary trailer at its repackaging facility in Newark. Proposed penalties total \$57,400.

- [Read the News Brief](#)

#### Rhode Island Restaurant Group to Pay Back Wages, Damages

The Marrocco Group, which owns four restaurants, two bar/lounges and a boutique hotel in Providence, R.I., agreed to pay \$303,000 in back wages and liquidated damages to 146 employees following a Wage and Hour Division investigation. During a review of company payroll records, the investigator learned that numerous payment schemes were in play, which violated the overtime and recordkeeping requirements of the Fair Labor Standards Act. The investigation was part of an ongoing multiyear education and enforcement initiative by the division's Hartford, Conn., district office to improve compliance in the Connecticut and Rhode Island restaurant industries.

OWCP — Traveling Resource Center to Assist Nuclear Weapons Workers

- [June 8 — Los Alamos, NM](#)
- [June 10 — Grand Junction, CO](#)
- [June 11 — Albuquerque, NM](#)
- [June 11 — Moab, UT](#)
- [June 15 — Los Alamos, NM](#)
- [June 18 — Albuquerque, NM](#)
- [June 22 — Los Alamos, NM](#)

WHD — Free Seminar: Understanding Subminimum Wages under Section 14(c) of the FLSA

- [June 3 — New York, NY](#)
- [June 11 — Frederick, MD](#)
- [June 30 — Portland, OR](#)
- [July 16 — Charlotte, NC](#)
- [July 30 — Salt Lake City, UT](#)

WHD — Prevailing Wage Seminar

- [July 14 — Charlotte, NC](#)
- [July 15 — Charlotte, NC](#)
- [July 16 — Charlotte, NC](#)
- [July 28 — Wichita, KS](#)
- [July 29 — Wichita, KS](#)
- [July 30 — Wichita, KS](#)

WHD — The Family and Medical Leave Act

- [June 16 — Houston, TX](#)
- [June 18 — Houston, TX](#)

- [Read the News Brief](#)

Lack of Safety Mechanisms Leads to Amputation of Worker's Finger

A 55-year-old worker's left index finger was crushed between weld clamps at a Valley City, Ohio, metal stamping plant in March. During its investigation, the Occupational Safety and Health Administration determined that Superior Roll Forming Company Inc., exposed workers to operating parts of machinery by failing to install safety mechanisms and proposed fines of \$70,000. The company was cited for similar violations twice in 2012 and once in 2014.

- [Read the News Release](#)

North Carolina Union to Hold New Election

Sheet Metal Air Rail Transportation Union Local 1715 in Charlotte, N.C., has agreed to conduct a new election for secretary under the supervision of the Office of Labor-Management Standards. During an investigation of the union's November 2014 mail ballot officer election, OLMS found that Local 1715 failed to publish instructions to members on how to obtain replacement ballots, retrieve and re-mail ballot packages that had been returned to the post office as undeliverable, and maintain ballot return envelopes. The investigation also disclosed that the union did not arrange for the key to the post office box that was the repository for voted ballots to remain in the possession of the postmaster, as required by the union's constitution. The new election will be held in June.

Global Technology Company Faces Nearly \$500,000 in Fines

A global provider of heat transfer, centrifugal separation and fluid handling products faces \$477,900 in proposed penalties after the Occupational Safety and Health Administration found 45 serious and five repeated violations at the company's Broken Arrow, Okla., facility. OSHA cited Alfa Laval for inadequate protection of workers from machinery, a lack of respiratory equipment and no training for hazardous chemicals. The facility also had no procedure in place to prevent machines from unexpectedly starting during maintenance or service, and it failed to maintain written fire protection and emergency management plans. The serious violations carry a proposed penalty of \$259,400; the repeated violations were levied a \$218,500 fine.

- [Read the News Release](#)

Prison Sentence for Former New Mexico Union Official

A former business manager for Elevator Constructors Local Union 13 in Albuquerque, N.M., recently was sentenced to one year in prison, followed by three years of supervised release, and was ordered to pay \$140,877 in restitution to the union. Previously, Leonard Bridge II pleaded guilty to one count of embezzling union funds in U.S. District Court for New Mexico. An investigation by the Office of Labor-Management Standards disclosed that Bridge stole union funds for his personal use in a variety of ways, including writing unauthorized checks to himself, making unauthorized cash withdrawals from the union's bank account, and using the union's debit card to make unauthorized purchases.

- [Read the News Release](#)

Contractor Faulted on Staten Island Building Collapse

The life of a 46-year-old demolition worker killed in a November 2014 building collapse on Staten Island could have been spared if his employer had not disregarded federal safety rules, an Occupational Safety and Health Administration inspection has found. Delfino Jesus Velazquez Mendizabal died when the mezzanine of a former automobile dealership collapsed on him during demolition work. OSHA inspectors found that Formica Construction Co. Inc., a Port Richmond, N.Y., contractor, failed to conduct a required pre-demolition engineering survey to determine the building's

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**Vicki Salemi**  
@vickisalemi

3h

If you're job searching, this @USDOL piece is a helpful reminder as to why salaries vary: Same job, different pay.  
[bls.gov/careeroutlook/...](http://bls.gov/careeroutlook/)

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stability and a possible structural collapse. The company also ignored required safety practices by removing load-supporting sections of walls and floors before upper-level sections of the building were demolished and removed, and it did not shore or brace the walls and floors against collapse while employees worked in the building.

- [Read the News Release](#)
- [Learn About Demolition Safety](#)

#### Georgia Lumber Mill Fined \$56,000 in Worker Amputation

A Cordele, Ga., lumber mill has been cited by the Occupational Safety and Health Administration in the amputation of a worker's arm last January. The amputation occurred when the worker's sleeve became entangled in the unguarded driveshaft of a conveyer belt. OSHA cited Griffin Lumber & Hardware with a willful violation for failing to ensure workers were protected from an unguarded sprocket and chain. The company faces a proposed penalty of \$56,000.

- [Read the News Release](#)

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