



**Ed Jennings**  
**Regional Director**  
**Region IV**

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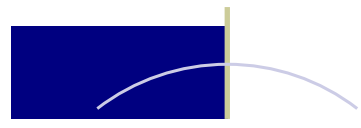
**Upcoming Events**

**Agency Training**— The OLR Web site now includes all training scheduled for agencies and other clients. In Region IV, we do send out invitations, mass emails and faxes to notify potential participants, but please check the site frequently, as there may be training available in a nearby state. The URL is: <http://www.hud.gov/offices/olr/olrtrainingsem1.cfm>

**“Wisdom doesn't automatically come with old age. Nothing does - except wrinkles. It's true, some wines improve with age. But only if the grapes were good in the first place.”**

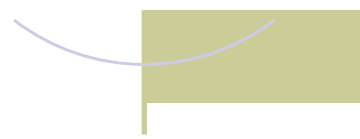
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**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

# Region IV Labor Relations News



## What it's All About - HUD Office of Labor Relations Protecting the Rights of Construction Workers

The following true stories illustrate the daily work of Labor Relations Specialists in the Office of Labor Relations (OLR), Atlanta Regional Office, and how the OLR fulfills its mission to ensure compliance with federal prevailing wage requirements throughout Region IV.

Representatives of the Department of Housing and Urban Development came calling recently, bringing good news to construction workers in Nashville, Tennessee. The workers were to receive wage restitution for work they performed helping build an FHA-insured housing development. For some, the substantial amounts would make the difference between losing their home and keeping it.

The project on which they worked was subject to federal laws (the Davis-Bacon and Related Acts), which requires prevailing wages to be paid to all laborers and mechanics employed on the project. Prevailing hourly wages are determined by the U.S. Department of Labor (DOL) through surveys of wages paid in localities such as Nashville. The prevailing wages, at minimum, must be paid to all workers according to the classification of work performed.

HUD staff in the Office of Labor Relations reviewed payroll and other documentation submitted by contractors and found workers had not received the local prevailing wage for the work they performed. In all, HUD

determined that \$162,456.90 in restitution was due to over 70 affected workers engaged in painting, carpentry, and drywall trades.

The violations were found through routine compliance monitoring of the kind performed by OLR staff every day. While wage underpayments of this magnitude do not occur on every



HUD project, staff must be vigilant to detect evidence of miss-classification, underpayment, and fraud every day.

Absent OLR's efforts, the workers in Nashville would not have received fair treatment under the law.

## Office of Labor Relations

**Dondra J. Merrell**  
Regional Labor Relations Officer

**Alfreida Doe**  
Program Support Assistant x2605

### Atlanta Staff by State / Function

**Save four digits; dial us direct!**  
Dial (678) 732 + extension:

**Alabama**  
Rhonda Lindquist x2585

**Caribbean**  
Leslie Gibson x2042

**Florida (South)**  
Steve Bales x2039

**Florida (North)**  
Ira Turman x2062

**Georgia**  
Melanie Dalton x2045

**Kentucky / City of Atlanta &  
Atlanta Housing Authority**  
Tony Bacon x2046

**Mississippi**  
Patrick Richards x2710

**North Carolina**  
Jennifer DuPont x2034

**South Carolina**  
Debra Tilley x2003

**Tennessee**  
Deborah Conyers x2044

### For Information on Tribal Authorities Call:

Jennifer DuPont  
All Region IV Tribes in AL, FL,  
MS, NC, & FL  
(678) 732-2034



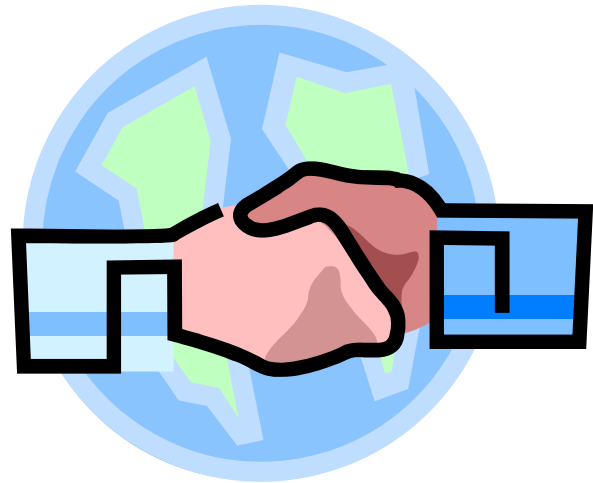
## What it's All About, continued

### HUD Office of Labor Relations and the U.S. Department of Labor Cooperation Leads to Justice for Construction Workers

On another Tennessee project, located in Knoxville, a subcontractor underpaid many workers performing electrical duties. As a result, restitution was paid to 64 employees, totaling \$73,662.64.

Through a routine review of certified payrolls submitted by a subcontractor, a Labor Relations Specialist noted warning signs that laborers might have performed electrical work without receiving the appropriate hourly wage for the trade. Worse, further review indicated many payrolls were falsified. More documents were reviewed, workers interviewed, and the contractor contacted. In this case, the subcontractor refused to comply.

OLR staff explained to the subcontractor that the duties performed by the "laborers" (such as wiring apartments, installing underground electrical conduits, meter services, installing electrical outlets, installing electrical switches, pulling and running wires) were the duties of the electricians trade. Nevertheless, the subcontractor disagreed with our findings and insisted the workers were unskilled laborers, not skilled electricians. He further argued the men were homeless, living in halfway houses, and what should matter most is he was doing them a favor by employing them. Nevertheless, under



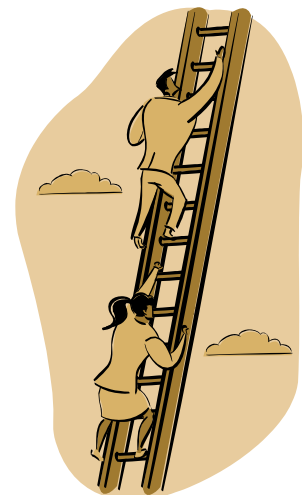
the law (the Davis-Bacon and Related Acts), all laborers and mechanics performing work on the project site must be paid the prevailing wage rate for the work actually performed. In this case, the contractor was getting by on cheap labor for skilled work.

HUD works closely with the Department of Labor (DOL), especially on investigative cases. The Atlanta OLR contacted the Knoxville DOL office for assistance in this matter; the local DOL investigator was able to obtain additional information substantiating Atlanta's initial findings, further develop the case, and proceed to recommend debarment of the subcontractor.

Postscript - During the investigation, the subcontractor in violation abandoned the job. The general contractor was responsible for ensuring all workers on the project site were paid properly, in accordance with applicable laws. After meeting with his attorneys and DOL investigators, the general contractor agreed to pay all affected workers the back pay owed

to them.

The Office of Labor Relations in Atlanta serves HUD Region IV (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, and the U.S. Virgin Islands). For further information, please visit the main OLR Web Page: <http://www.hud.gov/office/olr/>



# PHAs, ARRA Funding, & Davis-Bacon Requirements



News that bears repeating as we travel throughout the region is how Davis-Bacon prevailing wage requirements apply to construction/repair work funded under the American Recovery and Reinvestment Act of 2009 (Recovery Act).

For projects funded or assisted under the Recovery Act (**Public Housing Capital Funds programs, CDBG-R & NSP-2**), Davis-Bacon applies to construction/repair in the same manner as it is under the existing statutes for the Capital Funds and CDBG programs, respectively.

Similarly, for Recovery Act Native American programs, the provisions contained in existing statutes are applicable: Indian CDBG is exempt from Davis-Bacon and tribally-determined prevailing wages may pre-empt Davis-Bacon rates.

To recap, the Supplemental Appropriations Act of 2009 extended the regular thresholds for CDBG, Public Housing and NAHASDA projects to the Recovery Act. Recovery Act CDBG-R, NSP-2, ICDBG, IHBG and Capital Fund programs will operate under the same Davis-Bacon rules and thresholds as their regular program counterparts.

Be sure to incorporate Federal prevailing wage requirements and the applicable Wage Decision into construction contracts to which Davis-Bacon applies, monitor for compliance. Wage restitution, whether paid by the contractor or the contracting agency must be reported to HUD in your Semi-Annual Enforcement Reports.



## Caution: For Certain Programs Under ARRA, Davis-Bacon Applies Very Broadly

There are certain programs under the Recovery Act to which Davis-Bacon prevailing wage requirements apply very broadly and for which exclusions with which you may be familiar do not apply.

Under the Tax Credit Assistance Program (TCAP), Assisted Housing Green Retrofit, and the Lead Hazard Reduction / Healthy Homes Program, there is no 8-unit threshold before prevailing wages apply; there is no exclusion of acquisition, equipment purchase or “soft costs;” and there is no exclusion for volunteers. Simply put, Davis-Bacon applies to any construction or rehabilitation project where the prime contract exceeds \$2,000.

If your agency only purchases property with funds from one of these programs, and the dollar amount exceeds just \$2,000, then associated construction or rehabilitation will be subject to Davis-Bacon.

If your agency rehabilitates a single family dwelling with funds from one of these programs, and the dollar amount exceeds \$2,000, the rehabilitation work will be subject to Davis-Bacon.

As you can see, the requirements are much more restrictive than under the CDBG program. Please contact your Labor Relations Specialist in Atlanta if you have any questions.



## HUD Mission

Create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business.

## SEMI-ANNUAL LABOR STANDARDS ENFORCEMENT REPORTS DUE

Please submit reports to your labor specialist in Atlanta no later than Friday October 8th. Be sure to include all applicable projects from your agency and report all wage restitution, whether collected by the agency or paid directly by contractors.



## Region IV Welcomes Ed Jennings, Regional Director



On July 9, 2010, Edward L. Jennings, Jr., was sworn in as HUD's Regional Administrator serving the Southeast Region. "I am both humbled and excited at the prospect of leading one of the most dynamic regions in the nation especially during these most challenging times," said Jennings. "HUD's role in the daily lives of literally millions is increasing as are our efforts to work seamlessly with other federal, state and local agencies to make a difference in

communities throughout the region and nation."

A fifth generation Floridian, Jennings served as a State Representative from 2000-2006. As founder of Jennings Development Group, Inc., he helped develop hundreds of units of affordable housing in Gainesville.

Jennings served in the Florida House of Representatives, where he received several awards. He was named one of Florida Trend Magazine's Top Seven Freshman in the Legislature, and Affordable Housing Advocate of the Year. He served on various committees including the Vice Chair of Community Colleges and Workforce Development; Commerce Council; Transportation and Economic Development Appropria-

tions Committee; and the Insurance Committee. He also served as a Fannie Mae Fellow at Harvard's Kennedy School of Government in the Senior Executives and State/Local Elected Officials Program. He was elected by his peers to be the Chair of the Florida Conference of Black State Legislators and a member of the Board of Directors for the National Conference of Black State Legislators.

Jennings founded his real estate development firm in 1997 and his professional experience includes development, construction, acquisition, and property management of varied property types. They include: low income housing tax credit housing, single family modular housing, transitional housing, mixed use property, and com-

mercial/retail space. As a business leader, Jennings served on the boards of the: Alachua County Public Schools' Foundation, Gainesville Area Chamber of Commerce, Builder's Association of North Central Florida, African American Accountability Alliance, and the United Way. He has garnered numerous civic and professional honors for his community and legislative contributions. He earned a Bachelor of Arts in Political Science with a minor in Spanish from the University of Florida. During his tenure at the University of Florida, he also served as President of Florida's most prestigious leadership honorary, Florida Blue Key.

**Ed Jennings  
Regional Director  
Region IV**

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### Attention/Forward to:

**Agency staff responsible for Davis-Bacon & HUD determined prevailing wage enforcement**