

## FOR IMMEDIATE RELEASE

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## Labor Commissioner cites framing subcontractor RDV Construction \$12 million for wage theft affecting more than 1,000 workers

Los Angeles, CA — The California Labor Commissioner's office has issued a <u>citation</u> to the Southern California framing subcontractor RDV Construction for close to \$12 million in wage theft violations that left more than 1,000 workers waiting weeks or months to get paid, and then would just receive a portion of what they were owed. Investigators also found that RDV did not provide proper rest periods or overtime, and habitually and illegally would withhold 10-25 percent of a worker's earned wages.

"We applaud the Labor Commissioner's strategic enforcement actions cracking down on companies breaking the law." said David Kersh, executive director of the Carpenters/Contractors Cooperation Committee. "Robbing construction workers of their pay is not the way to address California's critical housing crisis and the need for a long-term trained workforce."

The C/CCC, known as Quad C, is a labor-management committee that monitors construction projects for compliance with labor, payroll, insurance and tax laws, and has helped thousands of workers recover tens of millions of dollars in back wages. RDV came to the attention of the C/CCC when workers informed C/CCC field representatives of repeated instances of checks bouncing with insufficient funds as well as shady labor practices involving labor brokers.

Over the years, RDV has worked with prominent regional developers and general contractors on hotels, apartments and mixed-use projects in Los Angeles and Orange Counties. The Labor Commissioner's investigation involved 35 projects during a three-year period.



In many instances, general contractors and developers just choose to ignore these types of unlawful business practices in their projects. A new California law that holds general contractors liable for their subcontractor's wage theft on private projects will hopefully change this attitude. This law allows labor management groups like the C/CCC to take legal action against general contractors for their subcontractors' labor violations.

"This law is a powerful tool to foster a culture of compliance within the construction industry, especially in the residential mixed-use industry where we see wage theft and tax fraud practices." Kersh said. "If general contractors realize they have skin in the game, they will not be able to turn a blind eye and hopefully take steps to ensure they work with responsible law-abiding subcontractors. It is precisely these types of situations, like this RDV case, that this law seeks to address and help make sure workers get paid all their wages."

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