

STATE OF CALIFORNIA  
DEPARTMENT OF INDUSTRIAL RELATIONS

In the Matter of the Request for Review of:

**GRFCO, Inc.**

Case No. 15-0074-PWH

From a Determination of Civil Penalty issued by:

**Division of Labor Standards Enforcement**

**DECISION OF THE DIRECTOR OF INDUSTRIAL RELATIONS**

Affected contractor GRFCO, Inc. (GRFCO) submitted a request for review of a Determination of Civil Penalty (Determination) issued by the Division of Labor Standards Enforcement (DLSE) on December 29, 2014, with respect to work performed by GRFCO on the Sewer Replacement on Garfield Avenue from Bushard Street to Brookhurst Street project (Project) for the City of Fountain Valley (Awarding Body), Orange County, California. The Determination found that GRFCO failed to submit contract award information to applicable apprenticeship programs in accordance with Labor Code section 1777.5, subdivision (e), and failed to employ apprentices in accordance with Labor Code section 1777.5, subdivision (g). DLSE assessed an aggregate penalty of \$14,300.00 under Labor Code section 1777.7.

On August 13, 2015, a Hearing on the Merits was held in Los Angeles, California, before Hearing Officer Richard T. Hsueh. James Jackson (Jackson) appeared for GRFCO, and Max Norris appeared for DLSE. The matter was submitted for decision on August 13, 2015.

The issues for decision are as follows:

- Did GRFCO provide each applicable apprenticeship committee with timely notice of contract award information in the manner required by California Code of Regulations, title 8, section 230?
- Did GRFCO properly request dispatch of laborer apprentices from all applicable apprenticeship committees as required by California Code of Regulations, title 8, section 230.1?

- Whether GRFCO was excused from sending a DAS 140 and a DAS 142, or generally a request to dispatch laborer apprentices, to the Associated General Contractors of America, San Diego Chapter because it would have been a futile act to do so as Associated General Contractors of America, San Diego Chapter would not dispatch apprentices to a non-member contractor?
- Did GRFCO fail to employ laborer apprentices on the Project in the minimum ratio required by Labor Code section 1777.5 (20 percent of journeyman hours employed)?
- Is GRFCO liable for penalties under Labor Code section 1777.7?
- What is the appropriate penalty for any violations of Labor Code section 1777.5?

In this Decision, the Director finds that GRFCO failed to properly provide one of the applicable apprenticeship committee with timely notice of contract award information and failed to properly request dispatch of laborer apprentices from two apprenticeship committees in the geographic area of operation of the Project. The Director further finds that GRFCO failed to properly request dispatch of operating engineer apprentices from one apprenticeship committee in the geographic area of operation of the Project. GRFCO, therefore, was not excused from the requirement to employ apprentices under Labor Code section 1777.7. This Decision affirms the Determination that a penalty is appropriate however, the penalty is reduced to more accurately reflect the severity of the violations. Therefore, the Director of Industrial Relations issues this Decision affirming and modifying the Determination.

## FACTS

On or about January 20, 2014, GRFCO submitted a Division of Apprenticeship Standards (DAS) Public Works Contract Award Information form (DAS 140) to the Laborers Southern California Joint Apprenticeship Committee (LSC JAC) indicating among other things that it executed a contract on November 5, 2013, to do work on the Project, that it was going to employ journeymen laborers on the Project during the period January 27, 2014, through June 13, 2014, and that it would employ and train apprentices in accordance with the California Apprenticeship Council regulations. Likewise, on or about January 20, 2014, GRFCO submitted a DAS 140 to the Southern California Operating Engineers J.A.C (SCOE) indicating among other things that it executed a contract on November 5, 2013, to do work on the Project, that it was going to employ

journeymen operator on the Project during the period January 27, 2014, through June 13, 2014, and that it would employ and train apprentices in accordance with the California Apprenticeship Council regulations.

On or about January 20, 2014, GRFCO submitted a DAS Request for Dispatch of an Apprentice form (DAS 142) to both the LSC JAC and the SCOE. The DAS 142 to the LSC JAC indicated that GRFCO needed one apprentice in the craft or trade of laborer to report on July 27, 2014, to the Project, and provided the name of the person to report to as well as the address and time. The DAS 142 to the SOCE indicated that GRFCO needed 1 apprentice in the craft or trade of operator to report on July 27, 2014, and provided the same contact information. According to GRFCO's certified payroll records (CPRs), the last day an employee worked on the Project was July 3, 2014. The Project was accepted by the Awarding Body on October 8, 2014, and a Notice of Completion was filed. Neither laborer nor operating engineer apprentices were employed on the Project.

Applicable Committees in the Geographic Area. As for labor apprentices, Jackson acknowledged that the LSC JAC was the applicable committee in the geographic area of the Project. As for operating engineer apprentices, Jackson acknowledges that the SCOE was the applicable committee in the geographic area. Jackson denied that the Associated General Contractors of America, San Diego Chapter (AGC-San Diego) was an applicable committee for laborer apprentices.

Notice of Contract Award Information and Request for Dispatch of Apprentices. As stated above, GRFCO sent a DAS 140 and a DAS 142 to the LSC JAC for a laborer apprentice and the same notice and request to the SCOE for an operator apprentice. Jackson testified that GRFCO did not send either form to the AGC-San Diego because GRFCO did not believe that AGC-San Diego was operating in the geographic area where the Project was located. Jackson further testified that the AGC-San Diego did not provide training in the trade or craft of laborer. He then produced Exhibit E, a copy of web page labeled as AGC Apprenticeship and "Most Frequently Asked Questions." This exhibit indicates that as of 2014, AGC-San Diego's program was approved only for the following occupations: "carpenter, cement mason, drywall finisher,

drywall lather, heavy equipment operator, heavy equipment mechanic, painter, tile finisher, and tile setter.” Additionally, Jackson testified that the AGC-San Diego was not even listed as an available apprenticeship program for operating engineer according to the DIR’s web site. He then produced Exhibit B, a search result printout from the DIR’s Apprenticeship program information search web site, which did not show the AGC-San Diego as an available apprentice program for the craft or trade of operating engineer. This printout indicated that “the data is current as of 9/24/2013.”

Jackson further testified that any effort to request dispatch of apprentices from the AGC-San Diego would have been futile in any event because GRFCO is not a member of the AGC-San Diego. Jackson produced Exhibit H, which is a copy of an email from Charles Henkels of the AGC-San Diego. In this email, Henkels informed Jackson that the AGC-San Diego does not dispatch apprentices to the company without an agreement to train. Jackson also produced a copy of web page labeled as AGC Apprenticeship and “Most Frequently Asked Questions” as Exhibit E. The answer to one question indicates that the AGC-San Diego requires contractors to maintain an annual membership with the AGC-San Diego and sign a subscription agreement.

Assessment of Penalties. Kari Anderson, an Industrial Relations Representative with DLSE, testified that the penalties were assessed based on the number of days journeymen were on the Project, 143 days. The 143 days were calculated from February 10, 2014, the first day of work performed on the Project to July 3, 2014, the last day of work. Anderson testified further that the amount of the penalty was set at the maximum rate of \$100.00 per day because GRFCO had other violations.

## DISCUSSION

Labor Code sections 1777.5 through 1777.7<sup>1</sup> set forth the statutory requirements governing the employment of apprentices on public works projects. These requirements are further addressed in regulations promulgated by the California Apprenticeship Council.

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<sup>1</sup> All further statutory references are to Labor Code unless stated otherwise.

California Code of Regulations, title 8, section 227<sup>2</sup> provides that the regulations “shall govern all actions pursuant to ... Labor Code Sections 1777.5 and 1777.7.”

With respect to the requirement to issue a DAS 140, Labor Code section 1777.5, subdivision (c) states in part:

Prior to commencing work on a contract for public works, every contractor shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the public work.

The governing regulation for issuing DAS 140s is section 230, subdivision (a). Section 230, subdivision (a) specifies the requirement for contractors who are already approved to train by an apprenticeship program sponsor in the apprenticeable craft or trade, and the requirement for those contractors who are not so approved. Section 230, subdivision (a) states:

(a) Contractors shall provide contract award information to the apprenticeship committee for each applicable apprenticeable craft or trade in the area of the site of the public works project that has approved the contractor to train apprentices. Contractors who are not already approved to train by an apprenticeship program sponsor shall provide contract award information to all of the applicable apprenticeship committees whose geographic area of operation includes the area of the public works project. This contract award information shall be in writing and may be a DAS Form 140, Public Works Contract Award Information. The information shall be provided to the applicable apprenticeship committee within ten (10) days of the date of the execution of the prime contract or subcontract, but in no event later than the first day in which the contractor has workers employed upon the public work.... The DAS Form 140 or written notice shall include the following information, but shall not require information not enumerated in Section 230:

- (1) the contractor's name, address, telephone number and state license number;
- (2) full name and address of the public work awarding body;
- (3) the exact location of the public work site;
- (4) date of the contract award;
- (5) expected start date of the work;
- (6) estimated journeyman hours;
- (7) number of apprentices to be employed;
- (8) Approximate dates apprentices will be employed.

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<sup>2</sup> All further regulatory references are to California Code of Regulations, title 8.

Section 1777.5 and the applicable regulations require the hiring of apprentices to perform one hour of work for every five hours of work performed by journeymen in the applicable craft or trade (unless the contractor is exempt, which is inapplicable to the facts of this case). In this regard, section 1777.5, subdivision (g) provides:

The ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates where the contractor agrees to be bound by those standards, but, except as otherwise provided in this section, in no case shall the ratio be less than one hour of apprentice work for every five hours of journeyman work.

The governing regulation as to this 1:5 ratio of apprentice hours to journeyman hours is section 230.1, subdivision (a), which states:

Contractors, as defined in Section 228 to include general, prime, specialty or subcontractor, shall employ registered apprentice(s), as defined by Labor Code Section 3077, during the performance of a public work project in accordance with the required 1 hour of work performed by an apprentice for every five hours of labor performed by a journeyman, unless covered by one of the exemptions enumerated in Labor Code Section 1777.5 or this subchapter. Unless an exemption has been granted, the contractor shall employ apprentices for the number of hours computed above before the end of the contract.

However, a contractor shall not be considered in violation of the regulation if it has properly requested the dispatch of apprentices and no apprenticeship committee in the geographic area of the public works project dispatches apprentices during the pendency of the project, provided the contractor made the request in enough time to meet the required ratio. (§ 230.1, subd. (a).)

According to the regulation, a contractor properly requests the dispatch of apprentices by doing the following:

Request the dispatch of required apprentices from the apprenticeship committees providing training in the applicable craft or trade and whose geographic area of operation includes the site of the public work by giving the committee written notice of at least 72 hours (excluding Saturdays, Sundays, and holidays) before

the date on which one or more apprentices are required. If the apprenticeship committee from which apprentice dispatch(es) are requested does not dispatch apprentices as requested, the contractor must request apprentice dispatch(es) from another committee providing training in the applicable craft or trade in the geographic area of the site of the public work, and must request apprentice dispatch(es) from each such committee, either consecutively or simultaneously, until the contractor has requested apprentice dispatches from each such committee in the geographic area. All requests for dispatch of apprentices shall be in writing, sent by first class mail, facsimile or email.

DAS has prepared a form (DAS 142) that a contractor may use to request dispatch of apprentices from apprenticeship committees.

When DLSE determines that a violation of the apprenticeship laws has occurred, a written Determination of Civil Penalty is issued pursuant to section 1777.7. In the review of a determination as to the 1:5 ratio requirement, "... the affected contractor, subcontractor, or responsible officer shall have the burden of providing evidence of compliance with Section 1777.5." (§ 1777.7, subd. (c)(2)(B).)

GFRCO Failed To Employ Laborer Apprentices and Operating Engineer Apprentices.

"Laborer" and "operating engineer" were the crafts at issue in the Determination. With respect to the 1:5 ratio of apprentice hours to journeyman hours, GFRCO employed neither laborer apprentices nor operating engineer apprentices on the Project. Accordingly, the record establishes that GFRCO violated Labor Code section 1777.5 and section 230.1.

There Was One Applicable Committee in the Geographic Area for Operating Engineer and Two Applicable Committees in the Geographic Area for Laborer.

Section 230, subdivision (n) defines "Geographic Areas of Operations" of an apprenticeship program to mean "the geographic area in which the program regularly operates and trains apprentices." Under Labor Code section 1777.7, subdivision(c)(2)(B) in effect at the time the Determination was issued by DLSE, the affected contractor shall have the burden of providing evidence of compliance with section 1777.5. Section 232.50 titled "Burdens of Proof on Wages and Penalties" provides:

(a) The Chief DAS has the burden of coming forward with evidence that the Affected Contractor, Subcontractor, or Responsible Officer (1) was served with a Determination of civil penalty or debarment in accordance with Rule 20 [Section 232.20]; (2) was provided a reasonable opportunity to review evidence to be utilized at the hearing in accordance with Rule 24 [Section 232.24]; (3) that such evidence provides prima facie support for the Determination of civil penalty or debarment; (4) where the civil penalty is set above zero, that the Chief DAS has considered all of the circumstances listed in Labor Code section 1777.7(f); (5) where debarment is sought, that the violation is serious, and that the Chief DAS has considered all of the circumstances listed in Labor Code section 1777.7(f); and, (6) where a Determination has issued against a prime contractor for the violations of a subcontractor, that the evidence provides prima facie support to show knowledge of the prime contractor or failure by the prime contractor to comply with requirements as listed under Labor Code section 1777.7(d).

(b) If the Chief DAS meets its initial burden under subpart (a), the Affected Contractor, Subcontractor, or Responsible Officer has the burden of producing evidence to disprove a knowing violation of Labor Code section 1777.5, to disprove the circumstances relied on by the Chief DAS under Labor Code section 1777.7(f), and to disprove knowledge of the prime contractor or failure of the prime contractor to comply with the requirements as listed under Labor Code section 1777.7(d).

As to the trade or craft of operating engineer, DLSE acknowledged that the only applicable committee in the geographic area of operation for the Project was the SCOE. As to the craft of laborer, DLSE contends that there were two applicable committees in the geographic area of the Project, the LSC JAC and the AGC-San Diego, while GRFCO argues that the LSC JAC was the only applicable committee. The dispute between the parties is over whether the AGC-San Diego was an applicable committee for laborer apprentices.

It is well established in public works that a contractor can determine which apprenticeship programs are approved in specific geographic location by searching the DIR's interactive database or contact the DAS District Office whose assigned geographic areas of responsibility cover the county or counties in which the public works project is located. GRFCO merely claims that it did not believe that the AGC-San Diego was an applicable committee in the Project's geographic area of operation. However, GRFCO offered no testimony or evidence that



it could not have determined the appropriate applicable apprenticeship committees in the geographic area of the Project using either the DIR's interactive website or contacting the appropriate DAS office. In fact, GFRCO's Exhibit B, a printout from the DIR's interactive website showing that the AGC-San Diego was one of the applicable committees in the trade or craft of laborer, actually undercut GRFCO's argument that the AGC-San Diego was not in the geographic area of operation where the Project was located.

GRFCO further argued that the AGC-San Diego was not an applicable committee that provided training in the trade or craft of laborer. Specifically, it relied on Exhibit E, which is a printout from the AGC-San Diego's own website.<sup>3</sup> Among other things, Exhibit E indicates that the AGC-San Diego "is approved for the following occupations: carpenter, cement, mason, drywall finisher, drywall lather, heavy equipment operator, heavy equipment mechanic, painter, tile finisher, and tile setter." Laborer was not listed as an approved occupation. However, other exhibits, including GRFCO's own Exhibit B, do show that the AGC-San Diego was approved for laborer, at least before the commencement of work on the Project. While the parties could have obtained more persuasive evidence from DAS regarding the status of the AGC-San Diego in training apprentices in the trade or craft of laborer before the commencement of work on this Project, this was not done. The Hearing Officer, therefore, must weigh and determine, based on the evidence before him, which one is the most persuasive on this issue. While there is conflicting evidence as to whether the AGC-San Diego provided training in the trade or craft of laborer during the applicable period, the printout from DIR's interactive website indicating that the AGC-San Diego was an applicable program in the trade or craft of laborer as of September 24, 2013, is more persuasive than the AGC-San Diego's own private website.

GRFCO Failed To Properly Issue A Notice of Contract Award Information and Request The Dispatch Of Laborer Apprentices.

GRFOC acknowledged that it failed to provide a DAS 140 and a DAS 142 to the AGC-San Diego for the trade or craft of laborer. As to the LSC JAC for laborer, DLSE acknowledged

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<sup>3</sup> Jackson was unable to testify as to the date that Exhibit E was printed and the printing date at the right bottom corner of Exhibit is illegible. The content of the web page, however, indicates that it was from 2014.

that GRFCO's DAS 140 was timely sent but that GRFCO's DAS 142 was deficient because it listed the reporting date of an apprentice as July 27, 2014, which was after the Project had been completed. Likewise, as to the SCOE for the trade or craft of operating engineer, DLSE acknowledged that GRFCO's DAS 140 was timely sent but that its DAS 142 was also deficient because the listed reporting date for an apprentice was also July 27, 2014. Jackson testified that both the listed dates of July 27, 2014, were probably clerical errors and he attributed them to his assistant.

Section 230.1 requires that a request for dispatch of apprentices be made "at least 72 hours (excluding Saturdays, Sundays and holidays) before the date on which one or more apprentices are required." Here, other than attributing the erroneous reporting date for each trade or craft to clerical errors made by his assistant, GRFCO did not provide any justification for the mistake. Requesting dispatch of apprentices after the Project has been completed renders such request meaningless and illusory because no apprentices could have reported to work. As such, GRFCO failed to properly request apprentices from the applicable committees in each trade or craft.

The Penalty for Noncompliance.

If a contractor "knowingly violated Section 1777.5" a civil penalty is imposed under section 1777.7. Here, DLSE assessed a penalty against GRFCO under the following portion of section 1777.7, subdivision (a)(1):

A contractor or subcontractor that is determined by the Labor Commissioner to have knowingly violated Section 1777.5 shall forfeit as a civil penalty an amount not exceeding one hundred dollars (\$100) for each full calendar day of noncompliance. The amount of this penalty may be reduced by the Labor Commissioner if the amount of the penalty would be disproportionate to the severity of the violation.

The phrase quoted above -- "knowingly violated Section 1777.5" -- is defined by regulation 231, subdivision (h) as follows:

For purposes of Labor Code Section 1777.7, a contractor knowingly violates Labor Code Section 1777.5 if the contractor knew or should have known of the

requirements of that Section and fails to comply, unless the failure to comply was due to circumstances beyond the contractor's control.

GRFCO “knowingly violated” the requirement of a 1:5 ratio of apprentice hours to journeyman hours for laborer apprentices, and the record establishes that this violation was “knowingly committed.” Jackson testified that he was familiar with the requirement for use of apprentices on the Project, and familiar with the need to send contract award information, and to contact apprentice committees and request the dispatch of apprentices. Jackson also testified that regardless of GRFCO’s prior requests for apprentices, none was ever sent because GRFCO was not a “union shop” and that none of the applicable programs would send apprentices to a non-union contractor.

GRFCO failed to meet its burden of proof by providing evidence of compliance with section 1777.5. In order to show that its failure to employ apprentices was due to circumstances beyond its control, GRFCO had to demonstrate that it properly provided contact award information and properly requested the dispatch of laborer apprentices from the two applicable committees in the trade or craft of laborer and from the one applicable committee in the trade or craft of operating engineer and that no apprentices were dispatched. Here, Jackson acknowledged in his testimony that GRFCO’s DAS 142s sent to the applicable committees listed erroneous reporting dates. He also acknowledged that neither a DAS 140 nor a 142 was sent to the AGC-San Diego because GRFCO did not think the AGC-San Diego was in the Project’s geographic area of operation for laborer apprentices. In fact, Jackson failed to offer any credible explanation for why GRFCO could not have determined that the AGC-San Diego was an applicable apprentice committee for the craft of laborers in the geographic area of the Project when its own Exhibit B demonstrated otherwise. Accordingly, GRFCO knowingly violated the law and a penalty should be imposed under section 1777.7.

DLSE imposed a penalty upon GRFCO on December 29, 2014. GRFCO sought review of that penalty on or about February 28, 2015. Under the version of section 1777.7, in effect at the time of the imposition of the penalty, subdivision (f)(2) requires the Director to decide the

appropriate amount of the penalty de novo.<sup>4</sup> In making this decision, the Director is to consider the factors stated in section 1777.7, subdivision (f)(1), stated as follows:

- (A) Whether the violation was intentional.
- (B) Whether the party has committed other violations of Section 1777.5.
- (C) Whether, upon notice of the violation, the party took steps to voluntarily remedy the violation.
- (D) Whether, and to what extent, the violation resulted in lost training opportunities for apprentices.
- (E) Whether, and to what extent, the violation otherwise harmed apprentices or apprenticeship programs.

Here, the factors favor a lower penalty. Under factor "A," the evidence establishes that the violations were intentional for the reasons discussed above. However, it is noted that GRFCO did make efforts to comply with the requirement to employ laborer apprentices by sending a DAS 140 and requesting dispatch of an apprentice from the LSC JAC, albeit its DAS 142 listed an erroneous reporting date for the requested apprentice. Likewise, GRFCO also made effort to employ an operating engineer apprentice by sending a DAS 140 and requesting dispatch of apprentices from the SCOE but its DAS 142 also listed the erroneous reporting date. GRFCO, however, did not send a DAS 140 and DAS 142 to the AGC-San Diego because it believed that the AGC-San Diego was not in the Project area of operation and whose program was not approved for training in the trade or craft of laborer and there is some evidence to support that assertion.

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<sup>4</sup> There is no express declaration that the amendments to section 1777.7 that went into effect on January 1, 2015, apply to pending cases. Statutes apply prospectively unless there is a clearly expressed statutory intent otherwise. (*Elsner v. Uveges* (2004) 34 Cal.4th 915, 936.) In this matter, application of the amendments to section 1777.7 changes the legal consequences to the affected contractor in that it precludes the affected contractor from a new review of the alleged conduct to determine whether a penalty is appropriate at all or whether it should be ordered to provide apprenticeship employment equivalent or whether the penalty should be less than that imposed. It alters the affected contractor's burden on the issue of penalty by making the affected contractor establish that the Labor Commissioner abused her discretion where no such burden existed before. (*Id.*, at p. 938.)

Under factor "B" there is some evidence that GRFCO committed other violations of section 1777.5, as Anderson testified that GRFCO had other violations with investigation pending. However, Anderson did not explain the nature of the previous violations or how it was resolved. DLSE's own penalty review listed seven violations. Of the seven violations, four of them were under investigation, two were closed with no violations found, and one was closed for expiration of the statute of limitations.

With respect to the violations on this Project, GRFCO was not informed of the violations until after the Project was complete. There is some evidence of lost training opportunities for apprentices under factor "D" as journeymen laborers and operating engineer worked on the Project, therefore, there should have been hours of apprentice work. However, with respect to factors "D" and "E" there was evidence that one of the two applicable apprenticeship committees, the LSC JAC, would not have dispatched laborer apprentices in response to GRFCO's request even if GRFOC had listed correct reporting date. Additionally, there was evidence that the other committee, the AGC-San Diego would not have dispatched apprentices to GRFCO, a non-member contractor. So even if GRFCO had sent the DAS 140 and the DAS 142 to the AGC-San Diego, there is no evidence that it would have dispatched apprentices. Likewise, with respect to the SCOE, there was evidence that it would not have dispatched operating engineer apprentices in response to GRFCO's request even if GRFOC had listed the correct reporting date.

In applying these factors, the Director concludes that a daily penalty of \$60.00 is the appropriate penalty under Labor Code section 1777.7.

### **FINDINGS**

1. There were two applicable apprenticeship committees in the geographic area of the Project in the craft of laborer: (1) the Laborers Southern California Joint Apprenticeship Committee; and, (2) the Associated General Contractors of America, San Diego Chapter.
2. There was one applicable apprenticeship committee in the geographic area of the


Project in the craft of operating engineer: the Southern California Operating Engineers J.A.C.

3. GRFCO failed to properly submit contract award information to one of the applicable apprenticeship committees and failed to properly request dispatch of apprentices from two applicable apprenticeship committees in the geographic area of operation of the Project for the craft or trade of laborer, so it was not excused from the requirement to employ apprentices under Labor Code section 1777.7.
4. GRFCO failed to properly request dispatch of apprentices from one applicable apprenticeship committee in the geographic area of operation of the Project for the craft or trade of operating engineer, so it was not excused from the requirement to employ apprentices under Labor Code section 1777.7.
5. GRFCO failed to employ both laborer apprentices and operating engineer apprentices on the Project in the minimum ration required by Labor Code section 1777.5 (20% of the journeyman hours employed).
6. Under Labor Code section 1777.7, a penalty is assessed upon affected contractor GRFCO, Inc. in the amount of \$60.00, computed as \$60.00 per day for the 143 days that journeymen laborers and journeymen operating engineer worked on the Project for a total of \$8,580.00.

#### ORDER

The Determination of Civil Penalty is affirmed and modified as set forth in the above Findings. The Hearing Officer shall issue a Notice of Findings and appeal rights which shall be served with this Decision on the parties.

Dated: 3/22/14

  
Christine Baker  
Director of Industrial Relations