

## N E W S   R E L E A S E

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### **Labor Commissioner Collects Over \$8 Million in Wages for Public Works Job at Hilton Hotel in San Diego**

**San Francisco** –California Labor Commissioner Julie A. Su has collected \$8,072,273 in unpaid prevailing wages on behalf of 2,051 workers who built the Hilton San Diego Bayfront Hotel from 2006 to 2008.

The workers, employed by prime contractor Hensel Phelps Construction Company and 172 subcontractors during construction of the 1,190-room hotel, will receive the full prevailing wages they earned on the public works project.

“The Labor Commissioner’s office has made a commitment to enforcing public works laws so that workers and legitimate businesses can thrive,” said Christine Baker, Director of the Department of Industrial Relations (DIR). The Labor Commissioner’s office, also known as the Division of Labor Standards Enforcement (DLSE), is a division of DIR.

The Director determined that the project was a public work as it was paid for out of public funds due to a \$46.5 million rent credit provided by the San Diego Port District, which leased the land to the hotel owner.

“This office will vigorously enforce prevailing wage law to collect all of the wages owed to workers,” said Labor Commissioner Julie A. Su. “Prevailing wage laws help ensure that public dollars are used to fund quality construction and good jobs that can support families in California.”

The San Diego Superior Court issued a writ of mandate on February 3, 2010 reversing the determination of the Director and finding the project was not a public work. The California Court of Appeal for the Fourth Appellate District, Division One reversed the trial court and affirmed the decision of the Director on July 26, 2011.

Hensel Phelps Construction Company and the Labor Commissioner then negotiated the amount of wages due to the workers. All 2,051 workers will receive the full prevailing wages they earned on this project. They performed every aspect of construction, from foundation drilling to concrete pouring to steel erection to landscaping.

Hensel Phelps Construction Company will pay a third party administrator to process payments to the workers. The prime contractor will also pay an additional \$400,000.00 to the Labor Commissioner as reimbursement for investigative costs.

In a recent report entitled "[State of the Division of Labor Standards Enforcement](#)," released in May 2013, the Labor Commissioner's office reported that 2012 saw the highest amount of wages and penalties assessed on public works jobs by the Division since 2002.

Among its wide-ranging enforcement responsibilities, the Labor Commissioner's office adjudicates wage claims, inspects workplaces for wage and hour violations, enforces prevailing wage rates and apprenticeship standards in public works projects, investigates retaliation complaints, issues licenses and registrations for various businesses and educates the public on labor laws. Additional information on labor laws and work-related topics are available on our [website](#) as well as on [Facebook](#) and [Twitter](#).

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