

## N E W S   R E L E A S E

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### **Investigation Uncovers \$60,000 in Unpaid Wages, Lack of Workers' Compensation Insurance at Berkeley Housing Development**

**Oakland**—California Labor Commissioner Julie A. Su has filed a mechanic's lien against Varsity Berkeley, a new 79-unit housing development, to recover nearly \$60,000 in unpaid wages for 21 construction workers. In addition, the Labor Commissioner's Office has cited Donohue Construction of Citrus Heights \$25,500 for failing to carry workers' compensation insurance for the employees.

A collaborative inspection by the Labor Enforcement Task Force (LETF) and Joint Enforcement Strike Force (JESF) in July revealed that Donohue Construction, a drywall subcontractor, failed to pay the 21 employees who worked on the apartment building at 2024 Durant Ave. in Berkeley between March and July of this year. LETF and JESF are coalitions of California State and local enforcement agencies that work to combat the underground economy.

"New development can boost California's economy, but we need to ensure workers' rights aren't torn down as new structures go up," said Christine Baker, Director of the Department of Industrial Relations (DIR). "DIR remains committed to ensuring that all workers in California are protected, both financially and physically." LETF operates under the direction of DIR.

A mechanic's lien is placed on a property to secure wages owed for work performed there.

"The mechanic's lien is a significant tool that we can use to recover workers' rightful pay because it puts a hold on the property in the amount owed to the workers," said Labor Commissioner Su.

The wage theft investigation further revealed that some employees were paid with checks that were returned for insufficient funds.

Drywall-Lathers Local 9068 of the United Brotherhood of Carpenters filed a report with LETF after several of the Varsity Berkeley workers came forward with complaints about not being paid. When LETF's investigation discovered that Donohue Construction did not carry a valid workers' compensation insurance policy, the Labor Commissioner's

Office placed a stop order on the company's work and issued a \$25,500 penalty assessment for employing workers on the site without coverage.

"LETF is grateful that its community partners – including Drywall-Lathers Local 9068 – report workplace labor violations and help level the playing field for honest businesses," said Dominic Forrest, Chief of the Labor Enforcement Task Force.

Multi-agency joint enforcement produces significant results, as detailed in a 2015 [report](#) to the legislature. With a commitment to ensuring California's workers receive their fair wages, LETF has assessed \$4.2 million in wages due to workers since its inception in 2012.

LETF focuses on high-risk industries known to frequently abuse the rights of low wage workers such as car wash, restaurant, manufacturing, roofing, construction, agricultural and auto repair businesses. For a complete list of LETF partner agencies, and to learn more about the underground economy please visit the [LETF home page](#).

Leads on underground employers and reports of labor law violations can be submitted online through [LETF's Online Referral Form](#), by emailing the information to [LETF@dir.ca.gov](mailto:LETF@dir.ca.gov), or by calling LETF toll-free at 1-855-297-5322. [LETF labor law publications](#) for both workers and employers are also available for free, online.

Employees with work-related questions or complaints may contact DIR's Call Center in English or Spanish at 844-LABOR-DIR (844-522-6734). The California Workers' Information line at 866-924-9757 also offers recorded information in English and Spanish on a variety of work-related topics.

Members of the press may contact Erika Monterroza or Peter Melton at (510) 286-1161, and are encouraged to [subscribe to get email alerts](#) on DIR's press releases or other departmental updates.

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The [California Department of Industrial Relations](#), established in 1927, protects and improves the health, safety, and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR is housed within the [Labor & Workforce Development Agency](#). For general inquiries, contact DIR's Communications Call Center at 844-LABOR-DIR (844-522-6734) for help in locating the appropriate [division or program](#) in our department