



N E W S R E L E A S E

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California Labor Commissioner Fines Construction Contractors over \$300,000 for Public Works Violations on State Highway Expansion Project in Kerman

Fresno—California Labor Commissioner Julie A. Su fined seven construction contractors \$313,705 for failing to pay prevailing wages on a state highway expansion project in Kerman designed to allow for increased traffic in the vicinity.

“Developers and contractors in California should be aware that public works laws may be triggered when a project requires work on state roads or highways as a condition of the project’s construction approval,” said Christine Baker, director of the Department of Industrial Relations (DIR). The California Labor Commissioner’s office, also known as the Division of Labor Standards Enforcement (DLSE), is a division of DIR.

Labor Commissioner Julie A. Su stated, “If a project with private funding requires a Caltrans encroachment permit, the private funding cannot be used to avoid public works laws and the requirement to pay workers prevailing wages.”

Valley Vanguard Properties, Inc. (Valley Vanguard), a general construction contractor based in Fresno, was selected to build a new Wal-Mart in Kerman for Pinedale developer East Kerman Development, Inc. Because an increase in traffic was expected, the City of Kerman made a condition that Highway 180 would have to expand to four lanes.

The California Labor Commissioner received a complaint alleging public works violations on the project in February 2012. Valley Vanguard and East Kerman Development have since acknowledged that the privately funded highway expansion project fell within the public works requirements.

Valley Vanguard and the six subcontractors it selected to perform the work on the highway expansion project have been ordered to pay wage and penalty assessments including \$263,670 in wages, \$4,289 in training fund contributions and \$45,745 in penalties as a result of the labor law violations. The subcontractors include Fresno-based companies Barracuda Construction, Inc., Prestige Electric Corporation and Safety Network, Inc.; Clovis-based contractor Davis & Roberts Construction, Inc.; Kerman Telephone Co. based in Kerman and R & L Gibbs Construction based in Squaw Valley. Valley Vanguard is jointly and severally liable for all assessments issued against the six subcontractors.

“Valley Vanguard, as the prime contractor for the highway expansion project, is responsible for ensuring that all workers performing construction work on a public works project are paid the correct prevailing wage rates,” said Commissioner Su.

Streets and Highways Code Section 670.1 mandates the payment of prevailing wages for road and highway work requiring a Caltrans encroachment permit as a condition for residential and commercial construction. Two coverage determinations have been issued by the Department of Industrial Relations providing notice that this type of work is subject to prevailing wages. The earliest coverage determination was issued in 2003.

The Labor Commissioner's office, also known as the Division of Labor Standards Enforcement, adjudicates wage claims, investigates discrimination and public works complaints and enforces state labor law. Additional information on labor laws and work-related topics are available on our [website](#) as well as on [Facebook](#) and [Twitter](#).

Employees with work-related questions or complaints may call the California Workers' Information Hotline at (866) 924-9757 for recorded information on a variety of work related topics.

For media inquiries contact Erika Monterroza at (510) 286-1164 or Peter Melton at (510) 286-7046.

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