

H.C.

U. S. DEPARTMENT OF LABOR
Office of the Assistant Secretary
Washington

Memorandum

February 8, 1954

To: All Federal Agencies

From: Harrison C. Hobart *Harrison C. Hobart.*
Assistant Secretary of Labor

Subject: Notice to employees of wages withheld by Agencies from contractors because of labor standards violations.

Reference is made to Section 5.7 of Regulations, Part 5, issued by the Department of Labor pursuant to Reorganization Plan No. 14 of 1950 (29 CFR, subtitle A). Section 5.7 of Regulations, Part 5, states that the procedure to be followed in withholding funds from contractors found to be in violation of the labor standards provisions of the Davis-Bacon Act, as amended, shall be in accordance with the Comptroller General's letter of February 28, 1936, A. 34106, (appended to the Regulations).

It has been brought to my attention that Federal Agencies in following the procedure outlined in the Comptroller General's letter of February 28, 1936, do not uniformly notify the employees involved that money has been withheld for their benefit and that they should file a claim with the Comptroller General for the amount due. As the matter now stands, the Comptroller General assumes that the contracting agencies have notified the workers to whom money is due of their obligation to file a claim with him. The Comptroller General does not send out such notices.

As part of the withholding procedure required by Regulations, Part 5, all Agencies primarily responsible for enforcement of the labor standards provisions shall notify the affected employees as soon as possible of the withholding action taken. The Agencies should, where possible, secure the claims from employees and file with Comptroller General's Form 1093; otherwise the employee should be informed that he should file his claim with the Comptroller General. The claims of the employees may be in the form of a letter to the Comptroller General (Claims Division), Washington 25, D. C., setting forth the employees name, address, classification, name of employer and a statement identifying the project upon which he worked.

Agencies whose contracts are not covered by the Davis-Bacon Act but are subject to the withholding procedures outlined in Regulations, Part 5, should notify workers of amounts withheld, and of the method to be followed by the workers in securing reimbursement.