



Breach of Contract: How Federal Contractors Fail American Workers on the Taxpayer's Dime



Prepared by the Office of Senator Elizabeth Warren

Executive Summary

The United States government spends hundreds of billions of taxpayer dollars every year paying contractors that do everything from designing and manufacturing military aircraft, to conducting research on the cutting edge of biomedicine, to serving food and drinks in our national parks. Tens of millions of Americans—around 22% of the workforce—are employed by companies that have at least one federal contract.¹ To ensure that the men and women who work for federal contractors get fair wages and work in safe, healthy, and non-discriminatory work environments, Congress passed laws designed to protect these workers.

Because federal contractors are paid using federal tax dollars, taxpayers have the right to expect that in exchange for their federal contracts, these companies follow the nation's laws—including those designed to protect workers. President Obama put in place several executive orders to provide additional protections for these workers and to strengthen their enforcement. House Republicans have already voted on a resolution to overturn some of this progress.² Soon, the Senate will likely take up that same resolution.

To determine if our federal contractors were following the laws already on the books, Senator Warren requested that her staff examine federal contractors' compliance with worker protection laws. This report finds that:

- ♦ **Federal contractors have frequently been caught illegally underpaying their workers and violating wage and hour laws.** More than 300,000 workers have been the victims of wage-related labor violations while working under federal contracts in the last decade. These men and women work for nearly 12,000 different companies that receive federal contracts.³ Contractors violating these laws have robbed hardworking Americans of hundreds of millions of dollars; the companies that have been caught have been forced to pay the workers they have cheated more than half a billion dollars in back wages.
- ♦ **Federal contractors are repeat – and significant – violators of federal labor laws.** 692 companies have been caught violating wage-related contractor labor laws multiple times (with some cases affecting several thousand workers). Many of these repeat offenders continued to receive millions of

dollars in contracts funded by taxpayer dollars. Abuses by contractors also included violations of safety and health standards that were willful and repeated. They caused a wide range of physical harm to workers: dozens of workers have died, and even more have been exposed to chemicals likely to cause lifelong health problems, because the contractors they worked for took shortcuts on health and safety standards.

- ♦ **The Obama administration extended additional protections to contractors' employees to ensure that they are paid fairly, work in a workplace that is free from discrimination, and can take sick leave without worrying about keeping the lights on or putting food on the table.** President Obama signed several executive orders that helped resolve problems with contractor compliance and worker protection, including establishing a minimum wage of \$10.10 for contractors, guaranteeing paid sick leave, prohibiting discrimination on the basis of sexual orientation and gender identity, and requiring companies to disclose past violations of labor laws so that contracting officers can make informed decisions about which firms are likely to use taxpayer dollars responsibly.
- ♦ **President Trump has promised to revoke some of President Obama's protections, and Congressional Republicans are preparing to do so, hurting workers and taxpayers.** President Obama's executive orders protecting workers are still in effect. But if President Trump and Congressional Republicans carry out their threats to roll back these worker protections and fail to enforce labor laws, they will endanger the lives of workers and the financial security of middle-class families. And they will let down taxpayers, who deserve to know that the government will not spend their money on companies that will use it to break the law and cheat their workers out of pay.

This report's findings that major federal contractors regularly engage in illegal practices that harm workers financially and endanger their health and safety are deeply disturbing. President Obama took important steps to protect workers and prevent these abuses—but House Republicans have already begun dismantling these protections. President Trump and Senate Republicans should stop any further rollbacks and stand up for the tens of millions of Americans who work for

federal contractors and for the American taxpayers who foot the bill.

Introduction

In August 2015, an employee at Goodyear Tire & Rubber Company's plant in Danville, Virginia was killed on the job.⁴ 56-year-old Jeanie Strader was conducting a routine inspection of the factory's industrial equipment when a coworker "activated the machine," leaving Strader "caught between the machine's roller and frame."⁵ Strader was not the only Goodyear employee who died at the factory that year. In 2015 and 2016, three other employees were killed in the same Danville plant in separate accidents. In October 2016, the Virginia Occupational Safety and Health program issued more than \$1 million in penalties to Goodyear, noting that "very serious problems appear to have existed for an extended period of time at the plant."⁶ Yet in 2016, as many of these tragedies took place, Goodyear received \$8.3 million in taxpayer-funded federal contracts.⁷

Unfortunately, Goodyear is not the only federal contractor to be rewarded with taxpayer dollars while violating the law. Each year, the federal government spends around \$500 billion on contractors. Though there is no official count of the number of contracted workers, the Department of Labor in 2002 estimated that there are around 26 million employees of federal contractors or subcontractors—nearly a quarter of the entire American workforce.⁸

While many contractors offer good, well-paying jobs and safe working conditions, this is not always the case. Too often, these billions of taxpayer dollars fund abuses that endanger workers' incomes and lives.⁹

Data collected by the Department of Labor (DOL) show that many of the federal government's largest contractors repeatedly violate landmark federal labor laws designed to ensure that workers are paid a decent wage and can do their work in a safe environment. In some cases, companies repeatedly violate labor laws and continue receiving millions, even billions, of taxpayer dollars, even though contractor-related federal labor laws specifically provide for the exclusion of contractors who violate wage requirements, and contracting regulations require the exclusion of companies that behave irresponsibly, such as with "offenses indicating a lack of business integrity."¹⁰ Instead, some companies caught in the most extensive abuses of their workers continue to show up on lists of the federal government's top contractors.

The Department of Labor enforces more than 180 federal labor laws, which in total cover around 10 million employers and 125 million workers.¹¹ Federal contractors must follow labor laws that apply to all employers, plus several that apply specifically to contractors.¹² Some of the most notable include:

- **Wage protections:** Contractors, like almost all companies, must follow the Fair Labor Standards Act, which establishes the federal minimum wage and overtime protections. The Service Contract Act (SCA) and the Davis-Bacon and Related Acts, which apply specifically to companies with federal contracts worth more than \$2,500 or \$2,000, respectively, ensure that workers receive pay and benefits generally in line with what workers in the same community receive, or what a predecessor contractor's collective bargaining agreement established, commonly known as the "prevailing wage."¹³
- **Health and safety standards:** The Occupational Safety and Health Act of 1970 established workers' right to a safe workplace and health and safety standards enforced by the Occupational Safety and Health Administration (OSHA). OSHA conducts inspections of workplaces, and, in the case of violations, determines monetary penalties for companies that violate the law. In the 40 years following the creation of OSHA in 1970, the rate at which workers have been killed on the job has dropped more than threefold.¹⁴

The Federal Acquisition Regulation (FAR), a set of rules that includes the procedures for selecting the government's contractors, states that "no purchase or award shall be made unless the contracting officer makes an affirmative determination of responsibility," meaning that the company has a "satisfactory record of integrity and business ethics," and a record of satisfactory performance.¹⁵ The Davis-Bacon, Service Contract, and Walsh-Healey Acts, which also require "prevailing wages" for different types of employees of contractors, all contain sections that require a three-year debarment of contractors that violate those wage requirements.¹⁶ The FAR also authorizes agencies to exclude contractors on grounds that affect contractors' "responsibility," but those decisions are largely up to the discretion of agency officials.¹⁷

This report finds that the existence of these laws and regulations has not been enough to protect the

employees of federal contractors and taxpayers from rehiring repeat violators of labor laws. Fortunately, the Obama administration took important strides by issuing four executive orders to strengthen protections for the employees of contractors.

- **The Fair Pay and Safe Workplaces Executive Order** standardized acquisition regulations across agencies, allowing contracting officers to assess companies' three-year labor violation record.¹⁸ This allows contracting officers to take a look at a company's history of labor violations before deciding whether or not to award it a contract, making it easier for responsible companies to do business with the government. It does not require the exclusion of any company, even if they do have a history of violations. It even allows contractors to enter into compliance agreements when they are found to have a particularly concerning record.¹⁹
- **The Establishing Paid Sick Leave for Federal Contractors Executive Order** provided up to seven paid sick days to an additional 1.15 million contractor employees.²⁰
- **The Prohibiting Discrimination Based on Sexual Orientation and Gender Identity by Contractors and Subcontractors Executive Order** expanded a ban on sex discrimination to protect workers from discrimination related to gender identity, sexual orientation, and pregnancy and childbirth.²¹
- **The Establishing a Minimum Wage for Contractors Executive Order** gave raises to around 200,000 workers by ensuring that all contractor employees earn at least \$10.10 per hour.²²

These executive orders are still in effect. Each represents a step toward rectifying the deeply troubling and pervasive abuses of workers by contractors detailed in this report, and brings us closer to an America where every worker is paid fairly, protected from unfair discrimination, and can do his or her work in a safe environment

Though President Trump said during his campaign that he wanted to “massively increase jobs, wages, incomes, and opportunities for the people of our country,” he has also said he will try to revoke many of President Obama's executive orders and other Obama administration regulations.²³ During his campaign, President Trump said that he would be “cutting the regulation at a

tremendous clip. I would say 70 percent of regulations can go.”²⁴ One of his top advisers said that President Trump will “repeal a lot” of Obama-era regulations as soon as he becomes president.²⁵ If President Trump and Congressional Republicans roll back basic protections for the employees of federal contractors, some of which apply to more than a fifth of the American workforce, the consequences will be dire—for workers' paychecks and health and physical safety and for taxpayers, who, if current patterns continue, will be sending billions of dollars to companies that skirt wage requirements and cut corners on workers' safety.

Methodology

This report's findings are based on data published by the Department of Labor on the results of inspections conducted by DOL inspectors at workplaces around the country. It is important to note that the data presented in this report include only the results of DOL's inspections and thus cannot account for the total prevalence of labor law violations. While most employers follow the law, some break it and are never caught. A 2009 report by the Government Accountability Office found that DOL officials do not investigate all complaints, either because of ineffective intake and investigation procedures or because of a lack of funding. These problems result in a backlog of cases, which sometimes pushes investigations past the 2-year statute of limitations.²⁶ Those violations are entirely absent from this data, and this report makes no attempt to estimate the number of violations not discovered and reported by DOL inspectors.

Wage and Hour Data

The Department's Wage and Hour Division, which is tasked with enforcing laws relating to the minimum wage, overtime pay, and child labor, as well as several laws that specifically address federal contractors, such as the Davis-Bacon Act and Service Contract Act, has published a database comprising the Division's compliance actions that have concluded since fiscal year 2005.²⁷ That database includes, for each case, a company's trade and legal name, other identifying information for the company, and, for each law that falls under the Division's jurisdiction, the number of violations of that law, the number of employees involved, and, where applicable, the amount of back wages that the company has agreed to pay related to their violations, and the amount of civil money penalties that the Division has assessed.²⁸ In total, this database contains records of more than 233,000 cases.

The total number of violations and back wages that this report attributes to contractors includes all violations and back wage penalties in the database for the company and, where identifiable, its subsidiaries.²⁹

Because of data entry errors and inconsistencies, particularly with regard to the names of companies, our estimates of the number of violations, employees affected, or back wages may be too low. This is because the names of companies listed multiple times in the database are often spelled in many different ways. While these inconsistencies were corrected to the extent possible, it is likely that some entries in the data were not included in a particular company's total number of violations or back wages because the database did not allow us to correctly identify the company. Inconsistencies in whether a parent or subsidiary company's name was listed presented a similar problem. While subsidiary and parent company figures were aggregated in several cases, they were likely not counted together in all cases, and should likewise be considered a conservative estimate of the number of violations or back wages attributable to a particular company.

Safety and Health Data

This report's findings related to violations of workplace health and safety laws are based on a database of "Enforcement Cases with Initial Penalties Above \$40,000" provided online by OSHA.³⁰ The database includes 1,254 records, representing all citations resulting in penalties more than \$40,000 issued on or after January 1, 2015. The list of companies with the largest penalties in this database was cross-referenced with the database of contractors at USASpending.gov to present information on which federal contractors were assessed the largest recent OSHA penalties. Those data are supplemented with news reports that provide details about the context of those penalties.

Findings

1. Federal contractors frequently violate labor laws while receiving billions of dollars in taxpayer-funded federal contracts

Large federal contractors have a history of violating federal labor laws while receiving valuable contracts. A 2010 report by the Government Accountability Office (GAO) found that half of the 50 largest wage assessments were made against 20 companies that received federal

contracts in 2009.³¹ A 2013 report by the majority staff of the Senate Health, Education, Labor, and Pensions Committee produced similar findings regarding both wage- and safety-related violations. Half of all fines assessed for safety and health violations between 2007 and 2012 were assessed to companies holding federal contracts. In that same period, 42 American workers died due to safety and health violations by federal contractors.³²

Those findings, along with the new findings of this report, all support the same conclusion: the violation of labor laws and abuse of workers by federal contractors is common, repetitive, and dangerous. And in recent years, these disturbing patterns have continued.

A. Large Federal Contractors Frequently Violate Federal Wage and Hour Laws

DOL's Wage and Hour Division has recorded nearly 500,000 separate violations of labor laws that specifically apply to companies fulfilling federal contracts. This includes nearly 281,000 violations of the Service Contract Act and 116,000 violations of the Davis-Bacon Act.

When a Department of Labor investigation discovers a violation of wage and hour laws, the violator and DOL often enter into an agreement that includes back wages for the relevant workers. Since 2005, employers have agreed to pay more than \$500 million in back wages as a result of violating contractor-specific wage and hour laws.

Overall, of the federal government's 100 largest contractors, which, combined, received nearly \$240 billion in taxpayer payments in 2015, 66 have been caught breaking federal labor laws. Every one of the top ten contractors have been cited for federal labor law violations; Lockheed Martin, the top federal contractor, has nearly 3,000 violations and has agreed to pay its workers almost \$3.5 million in back wages. Table 1 lists the 10 companies that have most often violated labor laws that apply specifically to federal contracts, such as the Davis-Bacon and Service Contract Acts.

Table 1: Top 10 Violators of Wage Laws Specific to Federal Contracts¹

Company Name	FY2015 Contract Dollars Awarded (\$ Million) ²	Total Wage and Hour Violations	Total Back Wages Paid in Penalty
ManpowerGroup	\$5.6	19,838	\$4,910,000
USProtect Corporation	None ³	7,263	\$7,851,000
Management & Training Corporation	\$498.7	5,519	\$23,736,000
Convergys Government Solutions	\$7.7	5,435	\$1,277,000
Language Line, LLC	\$4.0	4,856	\$968,000
KBR Inc.	None	3,817	\$1,499,000
L3 Technologies	\$5,450.8	3,815	\$4,106,000
AECOM	\$2,642.9	2,857	\$6,849,000
Greet America, Incorporated	None	1,994	\$1,833,000
IAP World Services, Inc.	\$69.0	1,975	\$2,190,000
Total	\$8,678.7	64,590	\$64,380,000

- 1 These are the companies that have racked up the most violations of laws that specifically govern the treatment of employees working under federal contracts, such as the Davis-Bacon and Related Acts and the Service Contract Act, since 2005. They may be contractors of any size, and may have received more contracting dollars earlier in the relevant period of time (such as pre-2010) than they have in the past few years.
- 2 Contract dollar amounts in this table come from the FPDS "Top 100 Contractors Report" if the relevant company is a top 100 contractor. Contract figures for other companies come from USASpending.gov.
- 3 While several companies in this table did not receive contracts in FY2015, they all received contracts in at least one year since 2005.

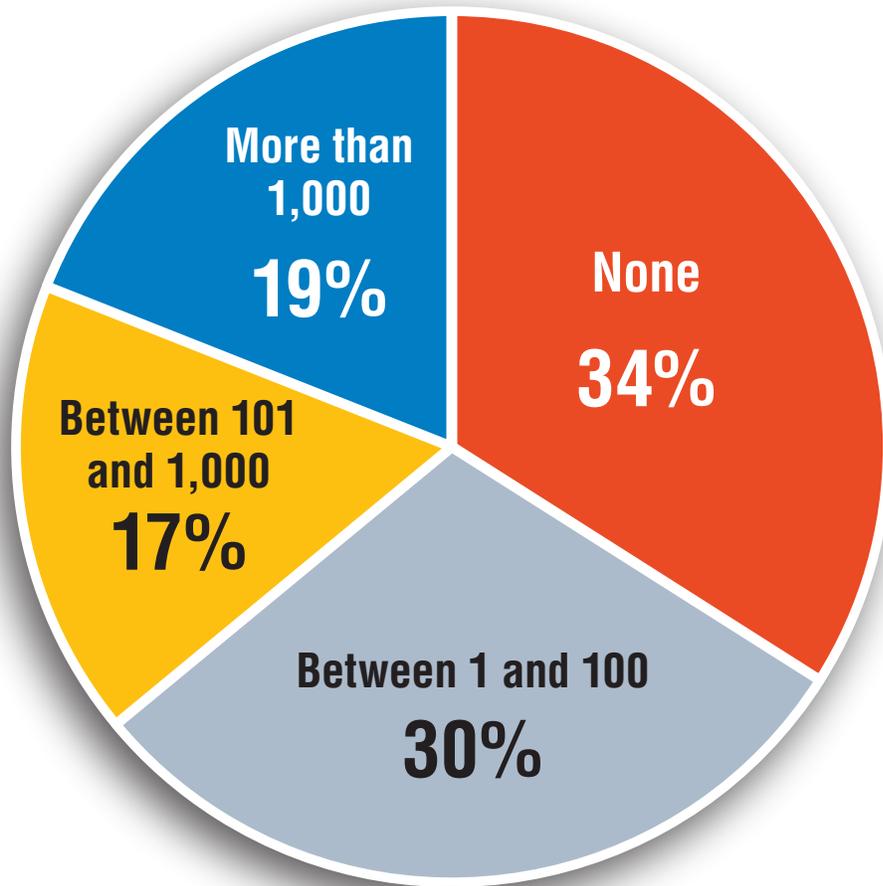
Often, the wage theft committed by large contractors is not limited to just a few paychecks or even a few employees, but extends to thousands. Among the top 100 largest contractors, AT&T has the most federal labor law violations, with nearly 30,000 violations of wage and hour laws. Other frequent violators among the top 100 contractors include United Technologies Corporation, AECOM Technology Corporation, and Lockheed Martin Corporation, all of which have racked up thousands of labor violations while receiving billions of dollars every year from the federal government.

There are numerous examples of federal contractors with terrible labor records. For example, the Corrections Corporation of America, which recently changed its name to CoreCivic, has racked up more than 21,000 wage and hour violations while receiving almost a billion taxpayer dollars in 2015 alone. CCA's website boasts of its role as the nation's leading private prison company and guiding principles of "tight accountability,

stringent guidelines, strong oversight and high standards of government partners."³³ But the nearly \$12 million dollars it has agreed to pay its employees in back wages tell a different story. After a single investigation ending in 2013, for example, CCA paid more than \$7 million in back wages to 350 employees for violations of the Service Contract Act.

HP Enterprise Services, a subsidiary of Hewlett Packard Enterprise formerly known as Electronic Data Systems (EDS), is an information technology company that agreed to pay its workers millions of dollars in back wages due to repeated violations of the FLSA during the mid-2000s. Nevertheless, it continued receiving increasingly valuable federal contracts every year, reaching a peak of \$2.6 billion in 2013. Just one investigation in 2007 found that EDS had violated the FLSA protections of 1,134 workers, resulting in \$5,365,981 in back wages. In the very next fiscal year, 2008, EDS was awarded \$2.1 billion in federal contracts.

Number of Wage and Hour Violations by the Top 100 Contractors



B. Major Federal Contractors Are Putting Their Workers in Serious Danger

While underpaying workers has serious consequences for families' ability to put food on the table, failing to provide a safe workplace can, and all too often does, result in terrible tragedies, including death. A review of data obtained from OSHA indicates that, too often, valuable federal contracts are awarded to companies that put workers in serious danger.

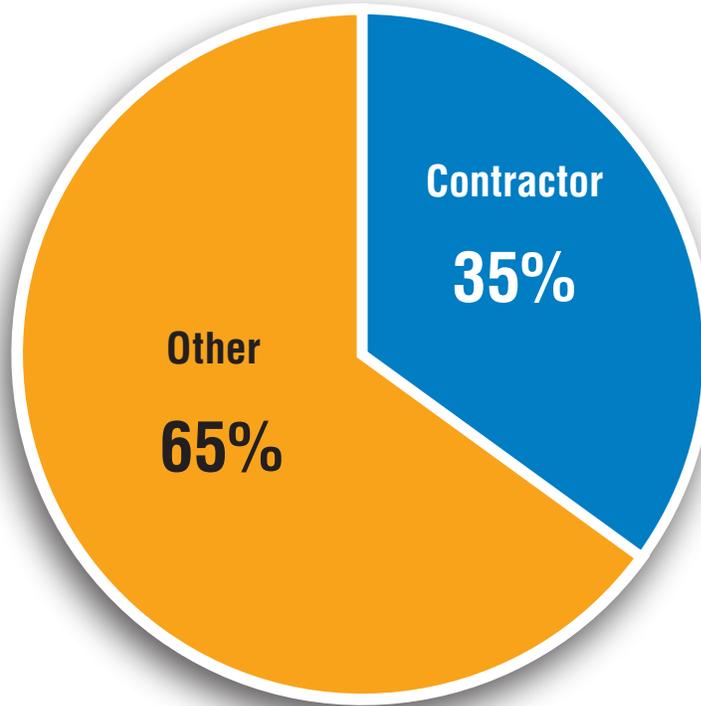
Of the 100 largest penalties imposed by OSHA since January 1, 2015, more than a third were issued to companies that have held federal contracts within the last decade, and 12 applied to companies that received contracts worth at least \$100,000 from the federal government in 2016. Each of these penalties, which range from \$150,000 to \$1.4 million, resulted from serious, willful, or repeat violations.

Table 2: Largest OSHA Penalties Assessed to Federal Contractors

Company Name	OSHA Penalty	FY2016 Awards
Fraser Shipyards, Inc.	\$1,395,000	\$2,620,308
The Goodyear Tire & Rubber Company*	\$847,200	\$8,319,875
Alfa Laval, Inc.	\$307,900	\$3,076,596
Birdsboro Kosher Farms Corp.	\$249,418	\$194,000
Bridgestone Americas Tire Operations	\$232,000	\$620,640
Basic Marine, Inc.	\$216,980	\$163,372
International Paper Company	\$211,000	\$822,873
United States Steel Corporation	\$170,000	\$750,000
Alfa Laval, Inc.	\$170,000	\$3,076,596
The Goodyear Tire & Rubber Company*	\$165,200	\$8,319,875
The Goodyear Tire & Rubber Company*	\$152,600	\$8,319,875
Quest Diagnostics Corporation	\$152,435	\$76,305,577

*Goodyear appears on the list three times because of several citations resulting in large penalties that were issued simultaneously. Those three citations were respectively connected to a health inspection, a safety inspection, and an employee death. Light, S. "OSHA to issue 4 new citations against Goodyear Friday." *Chatham Star Tribune*: Chatham, VA (October 6, 2016). Online at: http://www.chathamstartribune.com/news/article_52df04b4-8c00-11e6-a716-eb2c5d293715.html.

100 Largest OSHA Penalties, 2015-2016



In some cases, those violations were lethal, like the four deaths in a single year at Goodyear. In other cases, they were not lethal, but resulted in serious harm. Fraser Shipyards, Inc., a company that received \$2.6 million in federal contracts in 2016, was hit with the fourth largest OSHA penalty in 2015-2016, at \$1.4 million. OSHA found that Fraser overexposed its workers to lead after willfully failing to conduct lead monitoring, implement a lead compliance program, or provide training on lead and other hazardous chemicals. Fraser management sent its workers into the engine room of a ship that it knew contained lead and asbestos, and 75% of the more than 100 workers that OSHA tested had elevated lead levels, in addition to being exposed to several other dangerous materials, as a result.³⁴

2. Obama administration policies helped protect employees of federal contractors

The Obama administration took important steps to keep taxpayer dollars from rewarding companies that abuse or

endanger their workers, and put in place new policies to increase their wages and benefits.

A. The Fair Pay and Safe Workplaces Executive Order makes it easier for contracting officers to choose companies that will protect workers and use taxpayer money responsibly

President Obama's Fair Pay and Safe Workplaces Executive Order, which went into effect on July 31, 2014, standardized the process by which contracting officers in different agencies consider violations of labor laws when making contracting decisions. For federal contracts worth more than \$500,000, prospective contractors must disclose as part of the procurement process any labor violations they committed within the previous three years.³⁵

In addition to requiring prospective contractors to disclose violations, the executive order provided guidance

on how agencies could consider violations in procurement decisions, such as how they might decide whether violations were “serious, repeated, willful, or pervasive,” and how they figure into an agency’s determination of responsibility or indicate a lack of integrity or business ethics, which determine whether a company should be excluded from contracting. The order did not prevent companies with recent violations from receiving contracts—it merely ensured that contracting officers have the information and guidance they need to choose contractors that will handle taxpayers’ money and deliver goods and services with integrity and effectiveness.³⁶

The order also noted that factoring labor law compliance into procurement decisions leads to a more efficient use of taxpayers’ money, because contractor adherence to labor laws can “enhance productivity and increase the likelihood of timely, predictable, and satisfactory delivery of goods and services to the federal government,” not to mention reduce the delays and distractions that arise from violations.³⁷

B. Other basic protections put in place by President Obama help ensure that employees of contractors and their families can be financially secure

President Obama issued several other executive orders that provide basic protections to the employees of contractors that receive contracts from the federal government. These executive orders:

- **Established paid sick leave for federal contractors**, which went into effect on September 30, 2016, requires contractors to provide their employees with up to 7 sick days of paid sick leave each year, providing sick leave to an additional 1.15 million workers.³⁸
- **Prohibited discrimination based on sexual orientation and gender identity by contractors and subcontractors**, which went into effect on April 8, 2015, updated a decades-old prohibition of sex discrimination in contracting to include prohibitions on discrimination based on gender identity and sexual orientation and protections related to pregnancy and childbirth, considering that 2 million federal contractor employees give birth ever year.^{39,40}
- **Established a minimum wage for contractors**, which went into effect on January 1, 2015, sets

the lowest hourly rate that contractors can pay their employees at \$10.10, giving a raise to around 200,000 workers.⁴¹

While the poor treatment of workers by some federal contractors is still cause for serious concern, President Obama took meaningful steps toward protecting and guaranteeing fair pay for the tens of millions of American workers who work for these contractors.

3. Congress and the Trump administration will decide whether to stand with workers and use taxpayer money responsibly

The Obama Administration’s progress in implementing protections for the workers of federal contractors is in serious danger. President Trump has threatened to repeal many of the Obama administration’s regulations and executive orders.⁴² A former DOL associate solicitor said after the election that “under the dead category, you can put Fair Pay [and] Safe Workplaces,” referring to the Obama rule that requires prospective contractors to disclose records of labor violations.⁴³ And a prominent workplace law firm’s assessment of President Trump cites the Fair Pay and Safe Workplaces Executive Order as “chief among” several employment-related requirements for government contractors that he is interested in rescinding.⁴⁴ Congressional Republicans appear eager to help President Trump turn his back on workers and taxpayers by killing the Fair Pay and Safe Workplaces Executive Order, an effort that, if successful, will make it harder for agencies to become aware of bad actors and award contracts to companies that treat their workers well.

If the Trump administration and Republicans in Congress choose to revoke recent policies that solidify protections for employees of federal contractors, the findings of this investigation make clear what will happen. Billions of dollars in taxpayer money will go to companies that do not pay their workers even the bare minimum required by law or that put them in danger on the job.

Conclusion

More than one in five U.S. workers is employed by a federal contractor, and these contractors receive around \$500 billion in taxpayer funds each year. These contractors do important work, from building and protecting the government’s information technology

systems to securing nuclear waste. But this analysis finds that they frequently underpay workers or illegally put their health and safety at risk. In an effort to improve conditions for these workers, President Obama put new protections in place, guaranteeing that contracting officers would have the information they need to assess whether a contractor has violated the law in the past, and ensuring that the employees of contractors earn a living wage, can take sick days without losing their job, and can work in an environment free from discrimination on the basis of sexual orientation or gender identity. These changes have made a significant difference, giving many workers raises and many more the peace of mind that getting sick, or facing discrimination in the workplace, can no longer put their livelihoods at risk. But now President Trump and Republicans in Congress are threatening to revoke these protections. Doing so will harm millions of American workers.

Footnotes

- 1 O’Leary, A. “Making Government Work for Families: The federal government’s role as employer and contractor in improving family-friendly policies.” *Center for American Progress & UC Berkeley School of Law* (July 2009). Online at: [https://ncar.ucar.edu/sites/default/files/images/Making Govt Work for Families%20Article.pdf](https://ncar.ucar.edu/sites/default/files/images/Making_Govt_Work_for_Families%20Article.pdf).
- 2 Wheeler, L. “House votes to repeal Obama ‘blacklisting’ rule.” *The Hill* (February 2, 2017). Online at: <http://thehill.com/regulation/legislation/317638-house-votes-to-repeal-obama-blacklisting-rule>.
- 3 The count of violations “while under federal contracts” is based on the number of times companies have violated wage-and-hour laws specific to contractors, such as Davis-Bacon and the Service Contract Act, as well as the number of employees and back wages associated with those violations in the DOL’s Wage and Hour enforcement database.
- 4 Jenna Zibton, “Danville Goodyear plant issued dozens of violations, fined more than \$1 million,” *NBC WLSL10* (October 13, 2016) (online at <http://wsls.com/2016/10/13/danville-goodyear-plant-issued-dozens-of-violations-fined-more-than-1-million/>).
- 5 Virginia Department of Labor and Industry VOSH Compliance, “Citation and Notification of Penalty, #1089281,” to Goodyear Tire & Rubber Company (issued February 25, 2016) (online at https://mgtvwsls.files.wordpress.com/2016/10/inspection_1089281.pdf), p. 4.
- 6 Jenna Zibton, “Danville Goodyear plant issued dozens of violations, fined more than \$1 million,” *NBC WLSL10* (October 13, 2016) (online at <http://wsls.com/2016/10/13/danville-goodyear-plant-issued-dozens-of-violations-fined-more-than-1-million/>).
- 7 All contract award amounts for individual companies are taken from USASpending.gov. In some cases, a single company is listed multiple times, with different DUNS numbers. In those cases, this report uses the listing that includes the largest number of transactions, which is likely to come closest to representing a company’s total awards figures.
- 8 O’Leary, A. “Making Government Work for Families: The federal government’s role as employer and contractor in improving family-friendly policies.” *Center for American Progress & UC Berkeley School of Law* (July 2009). Online at: [https://ncar.ucar.edu/sites/default/files/images/Making Govt Work for Families%20Article.pdf](https://ncar.ucar.edu/sites/default/files/images/Making_Govt_Work_for_Families%20Article.pdf).
- 9 “Overview of Awards by Fiscal Year.” *USASpending.gov* (2016). Online at: <https://www.usaspending.gov/transparency/Pages/OverviewOfAwards.aspx>.
- 10 Manuel, K. “Procurement Debarment and Suspension of Government Contractors: Legal Overview.” *Congressional Research Service* (May 27, 2015). Online at: <http://www.crs.gov/Reports/RL34753>.
- 11 “Summary of the Major Laws of the Department of Labor.” *United States Department of Labor*. Online at: <https://www.dol.gov/general/aboutdol/majorlaws>.
- 12 “Paid Sick Leave.” *Wage and Hour Division, U.S. Department of Labor* (Sept. 2016). Online at: <https://www.dol.gov/whd/govcontracts/eo13706/HowDoIKnow.pdf>.
- 13 “McNamara-O’Hara Service Contract Act (SCA).” *Wage and Hour Division, United States Department of Labor*. Online at: <https://www.dol.gov/whd/govcontracts/sca.htm>. The main difference between those two laws is that the SCA applies to service workers, and Davis-Bacon applies to construction workers and mechanics; “Davis-Bacon and Related Acts.” *Wage and Hour Division, United States Department of Labor*. Online at: <https://www.dol.gov/whd/govcontracts/dbra.htm>.; Several other laws, including the Walsh-Healey Public Contracts Act and the Copeland Anti-Kickback Act contain additional provisions specific to contractors, but violations of these laws are far less common than of the SCA and Davis-Bacon, and the protections they provide, at least with regard to workers, do not add substantially to the provisions in the FLSA, SCA, Davis-Bacon, or OSHA.

- 14 “All About OSHA.” Occupational Safety and Health Administration. U.S. Department of Labor (2016). Online at: https://www.osha.gov/Publications/all_about_OSHA.pdf.
- 15 Manuel, K. “Responsibility Determinations Under the Federal Acquisition Regulation: Legal Standards and Procedures.” *Congressional Research Service* (January 4, 2013). Online at: <https://fas.org/sgp/crs/misc/R40633.pdf>; 48 CFR 9.104. Online at: <https://www.law.cornell.edu/cfr/text/48/9.104-1>.
- 16 41 U.S.C. §6706; 41 U.S.C. §6504; 41 U.S.C. §3144
- 17 Manuel, K. “Procurement Debarment and Suspension of Government Contractors: Legal Overview.” *Congressional Research Service* (May 27, 2015). Online at: <http://www.crs.gov/Reports/RL34753>.
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