

Inspections of Public Works Projects Increase

CONSTRUCTION COMPANIES and contractors that work on publicly funded projects in California can expect increased enforcement activity from a new task force that will target businesses that fail to comply with labor and workers' compensation laws.

The main focus of the Labor Enforcement Task Force is public works contractors, which the Department of Industrial Relations defines as prime contractors and subcontractors that work or bid on public works projects.

Targeting wrongdoers

The task force, which has been funded with \$30 million thanks to legislation passed in 2021, includes representatives from a number of agencies under the DIR, which are pooling their resources and sharing information to ferret out employers that fail to:

- **Carry workers' compensation insurance.** All California employers are required to carry workers' comp insurance to cover their employees in case they are injured on the job.
- **Comply with Cal/OSHA standards.**
- **Comply with apprenticeship rules.** All public works contracts valued at \$30,000 or more carry an obligation to hire apprentices, unless the craft or trade does not require the use of them, as indicated in the corresponding prevailing wage determination. You can check the prevailing wages for apprenticeships by county and job description [here](#).
- **Comply with wage and hour laws and prevailing wage laws for public works projects.** Employers must pay all workers employed on qualifying public works projects the prevailing wage for their lines of work. Those prevailing wages are determined by the DIR according to the type of work performed and the location of the property.
- **Comply with skilled and trained workforce regulations for public works projects.**

Employers that fail to comply with public workers requirements can face civil penalties as well as criminal charges. The same goes for employers that don't carry workers' compensation coverage or underreport the number of workers they have in order to reduce the premium they pay.

And employers that fail to comply with Cal/OSHA safety requirements can be cited and fined for those infractions.

The Labor Enforcement Task Force, which operates under the direction of the DIR, is a coalition of enforcement agencies, including: Cal/OSHA, the Labor Commissioner's Office, and the Contractors State License Board and local agencies.

The stated goal of the task force is to combat the underground economy, which refers to any business which operates without following public work requirements, creates unsafe work conditions or attempts to gain an unfair economic advantage by skirting the law.

What you should do

Firms working on public works projects in California should take extra care to ensure they are complying with all applicable public works, workers' compensation and workplace safety laws.

Documentation is key to handling any audit that you are faced with. Keep good records of your safety efforts as well as your payroll and insurance. ❖

