

United States Senate

HEALTH, EDUCATION, LABOR, AND PENSIONS COMMITTEE

Tom Harkin, Chairman

**Acting Responsibly?
Federal Contractors Frequently Put
Workers' Lives and Livelihoods at Risk**



Majority Committee Staff Report

December 11, 2013

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Executive Summary

Each year, the United States pays out over \$500 billion in taxpayer dollars to private companies for goods and services, much of which is used to pay the salaries of millions of workers. Taken together, companies that receive government contracts employ an estimated 22 percent of the American workforce, approximately 26 million workers.

In recent years, the federal government has increasingly used the contracting process to procure employee-based service work such as cleaning, security, and construction. However, a new analysis shows that taxpayer dollars are routinely being paid to companies that are putting the livelihoods and the lives of workers at risk. Many of the most flagrant violators of federal workplace safety and wage laws are also recipients of large federal contracts.

Some of the nation's largest federal contractors fail to pay their workers the wages they have earned or provide their employees with safe and healthy working conditions. The analysis found that almost 30 percent of the top violators of federal wage and safety laws are also current federal contractors.

Almost half of the total initial penalty dollars assessed for OSHA violations were against companies holding current federal contracts.

Specifically:

- Eighteen federal contractors were recipients of one of the largest 100 penalties issued by the Occupational Safety and Health Administration (OSHA) of the Department of Labor between 2007 and 2012. Almost half of the total initial penalty dollars assessed for OSHA violations were against companies holding federal contracts in 2012.
- Forty-two American workers died during this period as a result of OSHA violations by companies holding federal contracts in 2012.
- Thirty-two federal contractors received back wage assessments among the largest 100 issued by the Wage and Hour Division of the Department of Labor between 2007 and 2012.
- Thirty-five of these companies violated *both* wage and safety laws.
- Overall, the 49 federal contractors responsible for large violations of federal labor laws were cited for 1,776 separate violations of these laws and paid \$196 million in penalties and assessments. In fiscal year 2012, these same companies were awarded \$81 billion in taxpayer dollars.

Federal law is intended to prevent taxpayer dollars from increasing the profits of companies with a record of violating federal law in two ways: by requiring contracting officers to assess a prospective contractor's responsible compliance with federal law prior to awarding a contract, and by allowing agencies to suspend or debar contractors for certain behavior, including violations of federal law, in order to protect the integrity of taxpayer dollars.

Unfortunately, this report demonstrates that the officials responsible for determining if a prospective contractor is a responsible entity prior to awarding a contract lack access to information on labor violations and lack the tools to evaluate the severity or repeated nature of these types of violations.

This is true even though the Clean Contracting Act of 2008 specifically required that a database be established to help agencies evaluate violations of federal law in making a responsibility determination. Some of the many incidents of misconduct that are not currently available to contracting officers in this database include:

- The death of a 46-year-old father of four, who was working as a washroom operator at a Cintas Corporation facility in Tulsa, Oklahoma. He was killed after being swept into an industrial dryer when he attempted to dislodge a clothes jam. The dryer continued to spin with him inside for 20 minutes at over 300 degrees. Cintas received \$3.4 million in federal contracts in fiscal year 2012.
- The death of two employees of a Mississippi shipbuilding and ship repair company owned by ST Engineering Limited, who were killed when highly flammable materials being used to prepare a tugboat for painting ignited, leading to an explosion and fire. Findings of the investigation included failure to properly ventilate a confined space and lack of a rescue service available for a confined space. ST Engineering received \$1.9 million in federal contracts in fiscal year 2012.
- The deaths of seven workers at an Anacortes, Washington refinery owned by Texas based Tesoro Corporation, who were killed when a heat exchanger ruptured and spewed vapor and liquid that exploded. The workers who died were standing near the area of the rupture specifically to attempt to stop leaks of the volatile, flammable gases in the facility which had not been inspected for 12 years prior to the rupture. Tesoro received \$463 million in federal contracts in fiscal year 2012.

These breakdowns in the ability to access and evaluate information in the contracting process effectively ensure that even repeated and serious violations of federal labor laws, like those described above, do not factor into contracting decisions.

The federal government is not required to contract with the private sector. Indeed, many of the functions that private contractors carry out for the government could be done equally well or better by government employees. But, when the government does solicit work from the private sector, it should use taxpayer dollars in a way that promotes compliance with federal law and improves the quality of life for working Americans.

Ensuring that the government contracts with actors who do not engage in serious or repeated violations of federal labor law is one important step to further that goal. Recommendations that will better protect taxpayer dollars and promote compliance with laws that protect the lives and livelihoods of American workers by those who receive taxpayer money include:

- Improvements in the quality and transparency of Department of Labor information regarding violations of federal law.
- Publication of an annual list of federal contractors that were assessed penalties or other sanctions, and as well as additional information concerning contractor compliance with labor law by the Department of Labor.

- Improvement of contracting databases administered by the General Services Administration including increasing public transparency and expanding the amount of misconduct information included in those databases.
- Issuance of an Executive Order requiring contracting officers to consult with, and obtain recommendations from, a designated official at the Department of Labor about violations of federal labor law when making responsibility determinations.
- Issuance of an Executive Order to establish additional tools – beyond the existing responsibility determination and suspension and debarment process – that contracting officers, in consultation with the Department of Labor, can use to ensure that contractors comply with federal labor law.

Introduction

While much attention is given to the role of the federal government as a direct employer of millions of Americans, few consider the impact the federal government has on the labor market as a purchaser of goods and services from the private sector. Each year, the federal government purchases more than \$500 billion in goods and services from the private sector, and according to some estimates, firms that contract with the federal government employ approximately 22 percent of the entire workforce.¹

The amount of taxpayer dollars spent on contracts has more than doubled since 2000, with most of the growth occurring in the area of contracts for services. In fiscal year 2000, contracts for services totaled \$99 billion while contracts for goods totaled \$167 billion. By fiscal year 2012, contracts for services totaled \$307 billion and contracts for goods totaled \$210 billion.² Services purchased include weapons development and assembly, human resource services, health care, information technology systems development and implementation, and a wide range of service-employment such as janitorial services, call centers and security services.

Ensuring compliance with federal labor laws in order to protect and improve the welfare and working conditions of all Americans is an issue of ongoing concern to the HELP Committee and to Chairman Harkin. The tremendous growth of service-based contracts, in which taxpayer dollars pay the salaries of an increasing number of private sector employees, makes it especially critical that the federal government have sound mechanisms in place to ensure that taxpayer dollars are supporting workplaces that are in compliance with federal labor laws. Absent those mechanisms, taxpayer dollars may increasingly be provided to companies that fail to pay their workers what they have earned or subject those workers to potentially unsafe working conditions.

An investigation by HELP Committee majority staff found that the federal government currently lacks effective mechanisms to prevent agencies from entering into contracts with companies that violate federal labor laws. An analysis of largely public information demonstrates that almost thirty percent of the companies that received the largest penalties and/or back pay awards for violating laws enforced by the Wage and Hour Division (WHD) and the Occupational Health and Safety Administration (OSHA), over a six-year period, are also simultaneously recipients of billions of dollars of federal contracts.

Granting private companies the ability to enter into contracts with the United States gives the government the opportunity to promote and expand policies that it supports. For example, as early as 1943, more than 20 years before passage of the Civil Right Act, President Roosevelt issued an Executive Order that required all federal contractors to include a non-discrimination clause on the basis of race, color, creed, and national origin, an effort that was built upon by each future Administration and which helped to increase the speed with which businesses took steps to address discrimination and ensure equal

¹ ANN O'LEARY, CTR. FOR AM.PROGRESS & UC BERKELEY SCHOOL OF LAW, MAKING GOVERNMENT WORK FOR FAMILIES, (July 2009), http://www.law.berkeley.edu/files/Making_Govt_Work_for_Families_-_Final-1.pdf.

² PROJECT ON GOVERNMENT OVERSIGHT, "Testimony of POGO's Scott Amey on Using the Suspension and Debarment System Effectively to Avoid Risky Contractors," June 12, 2013, <http://www.pogo.org/our-work/testimony/2013/testimony-of-pogos-scott-amey-on-suspension-debarment.html#en4> (citing <http://www.USAspending.gov>).

employment opportunities for all Americans.³ Since issuance of Executive Order 11246 in 1965 banning discrimination by federal contractors it has been clear that requirements do not just protect against discrimination in the workplace for those who work on federal contracts, it requires non-discrimination even when the employee's work does not involve a federal contract. In doing so, these requirements helped to set standards across the economy, including at firms that had no direct business relationships with the federal government.⁴

Similarly, by requiring that companies seeking contracts with the government have demonstrable records of compliance with laws that promote safe and fair workplaces, the government can raise standards across the economy and better ensure that companies wishing to receive contracts have high quality employment policies for all of their employees, not just those working directly on a contract.

As an initial matter, the rapid growth in service contracts raises the question of whether the federal government is contracting out services that would be better handled by federal employees. One of the best ways to ensure that work is done in compliance with federal law is to require the work be performed by federal employees, who have established mechanisms in place to address workplace concerns. But when the government decides it is best served by contracting out particular services, the best way to protect that investment of taxpayer dollars is to ensure that contracts are awarded to firms committed to abiding by the law. Yet this report finds that, contrary to this basic principal, the federal government continues to purchase goods and services from companies that are among the worst and most frequent violators of federal labor law.

³ Office of Federal Contract Compliance Programs, "Facts on Executive Order 11246," http://www.dol.gov/ofccp/about/History_EO11246.htm

⁴ Office of Federal Contract Compliance Programs, "History of Executive Order 11246," <http://www.dol.gov/ofccp/regs/compliance/aa.htm>; http://www.dol.gov/ofccp/about/History_EO11246.htm

The Problem: The Federal Government Frequently Contracts with Companies that Violate Federal Labor Laws

The Contracting Process

As a general matter, in order to ensure that taxpayer dollars are used wisely, the federal government awards contracts to the lowest-priced or best value qualified bidder. However, the Federal Acquisition Regulation (FAR) stipulates that “no purchase or award shall be made unless the contracting officer makes an affirmative determination of responsibility.” Thus, while price/value is one attribute of a bid, responsibility is a separately required attribute of the firm that submits the bid, and a contractor found to be non-responsible is ineligible to receive the proposed contract.⁵

The contracting officer at the relevant agency is the individual tasked with making the determination as to whether a firm submitting a bid is a responsible party. In doing so, a contracting officer conducts two separate, but similar, evaluations. First, the contracting officer will determine whether or not the prospective contractor is ineligible to receive a contract as a result of an active suspension or debarment. Second, a contracting officer is required to verify that the prospective contractor is responsible, meaning that the prospective contractor demonstrates a “satisfactory record of integrity and business ethics.”⁶

While this term lacks precise definition, in general, to make such a finding of responsibility, a contracting officer may consider convictions or indictments of corporate officers, integrity offenses, violations of state law, or pending debarments in other jurisdictions, among other factors. Traditionally, contracting officers have largely relied upon a prospective contractor’s previous performance in administering prior federal contracts. Contracting officers gain access to this information through a confidential database called the Past Performance Information Retrieval System (PPIRS), currently housed at the General Services Administration (GSA). PPIRS typically contains information about whether previous contracts were completed according the specified time frames and prices, but does not generally contain information regarding legal violations or integrity offenses.⁷

In 2008, the Clean Contracting Act specifically required the creation of an additional database for contracting officers to consult in evaluating a prospective contractor’s compliance with federal law as part of a responsibility determination.⁸ However, as explained in more detail below, five years later, the database fails to provide contracting officers with the information or the tools to properly learn of and evaluate violations of federal labor law.

Additionally, a federal contracting agency may suspend or debar a company during or after completion of a contract based upon evidence that the contractor has committed certain offenses. This is typically a more severe sanction than a finding that a company is not presently responsible. While some federal laws, such as the Service Contract Act and Davis Bacon Act, include provisions that provide agencies

⁵ KATE M. MANUEL, CONG. RESEARCH SERV., RESPONSIBILITY DETERMINATIONS UNDER THE FEDERAL ACQUISITION REGULATION 1 (2013), <http://www.fas.org/sgp/crs/misc/R40633.pdf>.

⁶ 48 C.F.R. § 9.104.

⁷ Committee staff was unable to access PPIRS because it is not publicly available.

⁸ Duncan Hunter National Defense Authorization Act for Fiscal Year 2009, Pub. L. No. 110-417, 122 Stat. 4356 (2008).

with the ability to suspend or debar a contractor for a violation of that statute, agencies also retain discretionary debarment authority. In general, agencies may suspend or debar a contractor for any “offenses indicating a lack of business integrity or business honesty that seriously affect the present responsibility of a contractor.” Debarment may also be imposed when the head of an agency finds, by a preponderance of the evidence, that there exists “any other cause of so serious or compelling a nature that it affects the present responsibility of a contractor.”⁹

However, because a contractor that has been suspended or debarred is prohibited from receiving contracts during the period for which they are suspended or debarred, and because the process is cumbersome and subject to challenge, such remedies are rarely employed. In fact, unless the Department of Labor has debarred or suspended a contractor as a result of its statutory authority under the Service Contract Act or Davis Bacon Act, it does not appear that the Department of Labor has ever suspended or debarred a contractor as a result of a discretionary finding that a federal contractor has a record of non-compliance with wage or safety and health laws.¹⁰

These two mechanisms, the pre-award responsibility determinations and the presentation of evidence of offenses leading to suspension or debarment, are the principal methods that the federal government uses to ensure the companies with whom it contracts will be good stewards of taxpayer dollars. Unfortunately, both processes suffer from flaws that allow taxpayer dollars to be awarded to companies that do not abide by federal labor law.

Large-Scale Violations of Federal Labor Laws by Companies Holding High-Value Federal Contracts

Over the last two decades, a number of studies have revealed that the federal government has entered into contracts with companies that had previously been cited for violations of federal labor laws. As early as 1995, a Government Accountability Office (GAO) study found that 80 companies that had received \$23 billion in federal contracts, about 13 percent of the contracts awarded in fiscal year 1993, had also violated the National Labor Relations Act.¹¹ In 2010, the GAO determined that the federal government routinely enters into contracts with companies that had previously been cited for violating federal labor laws, including wage and hour laws and occupational safety and health laws.¹² That report determined that 25 of the top 50 back pay awards assessed between 2005 and 2009 were assessed against federal contractors, while 8 of the top 50 health and safety penalties were similarly assessed against companies holding federal contracts.

Because of these findings, HELP Committee staff sought to better understand the frequency with which contracts are entered into with companies with a public record of federal labor law violations, and to understand the seriousness of those violations. To do so, Committee staff analyzed penalties assessed by the Department of Labor for violations of the health and safety standards of the Occupational Safety and

⁹ 48 C.F.R. §9.406-2(c).

¹⁰ The Department of labor does debar companies who violate the Service Contract Act or the Davis Bacon Act. See Alan Berman Trucking; USprotect; Cal Construction.

¹¹ U.S. GEN. ACCOUNTING OFFICE, FEDERAL CONTRACTORS AND VIOLATIONS OF LABOR LAW GAO/HEHS-96-8 5 (1995), <http://www.gao.gov/assets/230/221816.pdf>.

¹² U.S. GOV. ACCOUNTABILITY OFFICE, ASSESSMENTS AND CITATIONS OF FEDERAL LABOR LAW VIOLATIONS BY SELECTED FEDERAL CONTRACTORS GAO-10-1033 8 (2010), <http://www.gao.gov/new.items/d101033.pdf>.

Health Act, and failure to pay overtime and other wage violations leading to the award of back pay under the Fair Labor Standards Act and other statutes enforced by the Wage and Hour Division. Companies responsible for any of the 100 largest safety and health related penalties, ordered by the amount of initial penalties assessed, or 100 largest back pay awards, ordered by the amount of back wages the company agreed to pay, over a six-year period from 2007-2012, were then cross referenced to determine if they held significant federal contracts (in excess of \$500,000) in fiscal year 2012.¹³

The Committee staff found that 58 of the 200 largest penalties for violations of the health and safety standards, or the largest back pay awards, were assessed against large government contractors. As a number of companies were responsible for more than one of these violations, this meant that there were a total of 49 companies who were amongst the largest violators of safety and health or wage laws that were also large federal contractors.¹⁴ Furthermore, a number of these companies were responsible for additional violations of federal labor law – though they were not among the 100 largest penalties – including violations of both safety and health and wage laws.

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Overall, when enforcement actions were tracked according to corporate ownership, the 49 federal contractors amassed a startling 1,776 separate enforcement actions in six years. These 49 companies, which received \$81 billion in federal contracts in fiscal year 2012 alone, were assessed a total of \$196 million in penalties for neglecting to pay workers earned wages or failing to uphold safe working conditions.

The fact that a company is among the recipients of one of the largest wage or safety penalties does not suggest that any particular company is not responsible or that a company should have limitations placed on its ability to obtain contracts. Rather, the record of non-compliance laid out below suggests that not enough is being done to ensure that compliance with multiple labor laws is being tracked, considered or evaluated as a part of the contracting practice. While the companies that appear below are those that publicly available enforcement data indicates have some of the worst records of compliance with labor laws, more needs to be done to evaluate the gravity, severity and repeated nature of violations to determine if a particular company is indeed a responsible actor.

Occupational Safety and Health Violations

The Department of Labor investigates violations of the standards governing workplace health and safety and assesses initial penalties. Cases involving violations that are willful or serious result in higher penalties. An analysis of cases that resulted in the highest initial penalties between 2007 and 2012 demonstrates that federal contractors are frequently among the largest violators of federal laws governing workplace health and safety. In fact, 18 companies that received large federal contracts were responsible

¹³ Cases that were analyzed received a final determination (WHD) or an initial penalty assessment (OSHA) between 2007-12. In a number of instances, the conduct leading to the penalty or assessment occurred prior to the six year period analyzed.

¹⁴ Although there were 18 federal contractors responsible for 23 of the largest initial penalties imposed by OSHA, and 32 federal contractors responsible for 35 of the largest back pay awards, General Dynamics appears on both lists, meaning that there were a total of 49 companies who were amongst the largest violators of safety and health or wage laws.

for 23 of the 100 largest initial penalties imposed by OSHA -- penalties totaling \$87.7 million during that time.¹⁵ The 18 companies responsible for these violations received approximately \$22.8 billion in federal contracts in 2012.

Table A: Largest Safety and Health Initial Penalties Assessed Against 18 Companies Receiving Federal Contracts, 2007-2012¹⁶			
Parent Company (Entity named in OSHA Enforcement Action)	Initial Penalties	Final Penalties	Federal Contracts 2012
BP PLC (BP Products North America, Inc.)	\$30.7 million	Open	\$1,962.1 million
BP PLC (BP Products North America, Inc.)	\$21.1 million	\$21.2 million	\$1,962.1 million
Louis Dreyfus Group (Imperial Sugar Company; Imperial-Savannah, LP)	\$5.1 million	\$4.2 million	\$94.8 million
Louis Dreyfus Group (Imperial Sugar Company; Imperial-Savannah, LP)	\$3.7 million	\$2.0 million	\$94.8 million
Tyson Foods, Inc. (Tyson Meats, Inc.)	\$3.1 million	\$0.5 million	\$555.5 million
BP PLC (BP Prod. N. America Inc.&BP-Husky Refining LLC)	\$3.0 million	Open	\$1,962.1 million
Cintas Corporation	\$2.8 million	\$2.5 million	\$3.4 million
General Motors Company (CPCG Oklahoma City Plant-General Motors Corp)	\$2.8 million	\$2.8 million	\$393.8 million
BP PLC (BP Products North America Inc.)	\$2.5 million	\$2.4 million	\$1,962.1 million
Tesoro Corporation (Shell Anacortes Refining)	\$2.4 million	Open	\$463.0 million
Chrysler Group LLC (Daimler Chrysler Corporation)	\$1.3 million	Open	\$191.2 million
ST Engineering Ltd (VT Halter Marine, Inc.)	\$1.3 million	\$1.3 million	\$1.9 million
Daikin Industries, Ltd. (Goodman Manufacturing Company, L.P.)	\$1.2 million	Open	\$1.7 million
Beef Products, Inc.	\$1.1 million	\$0.6 million	\$3.6 million
Maxwell Farms and Seaboard Corporation (Butterball Turkey Company)	\$1.0 million	Open	\$17.4 million
Aegion Corporation (Insituform Technologies USA, Inc.)	\$0.8 million	\$0.7 million	\$10.0 million

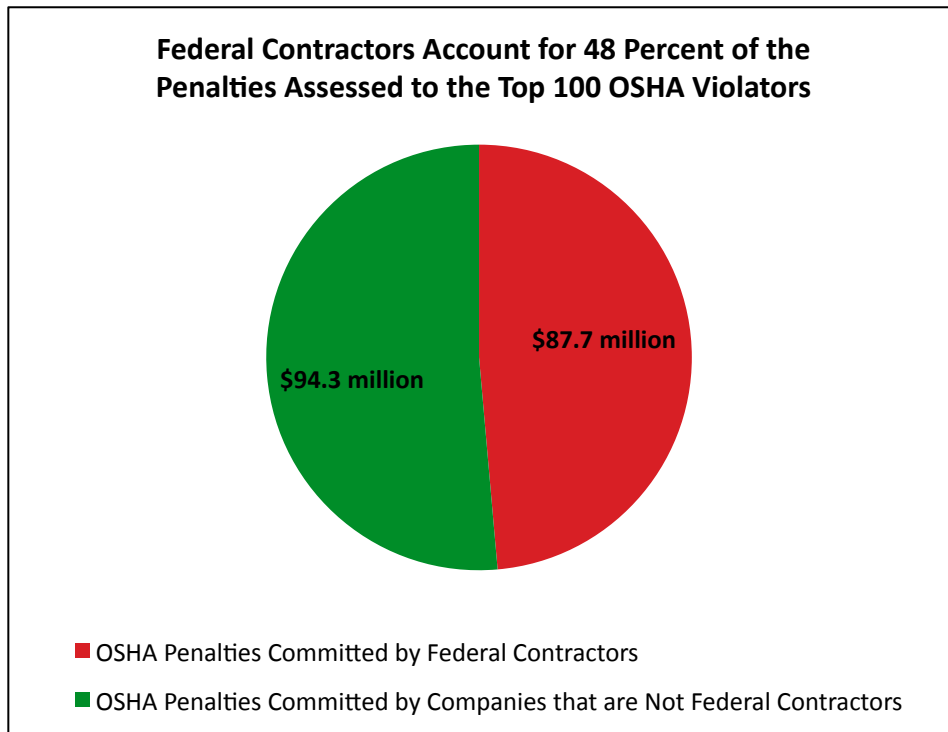
¹⁵ The top 100 OSHA penalties represent 8.3 percent of the total OSHA penalties assessed during this time frame.

¹⁶ In at least three instances Committee staff found discrepancies between the information contained in the Department of Labor database and the Department of Labor's public statements on the enforcement action which contained the more correct figures.

Table A: Largest Safety and Health Initial Penalties Assessed Against 18 Companies Receiving Federal Contracts, 2007-2012¹⁶

Parent Company (Entity named in OSHA Enforcement Action)	Initial Penalties	Final Penalties	Federal Contracts 2012
Americold (Americold Logistics LLC)	\$0.7 million	Open	\$8.1 million
Huntington Ingalls Industries, Inc. (Avondale Industries Inc., Steel Sales Div.)	\$0.7 million	Open	\$4,115.1 million
The Toro Company	\$0.5 million	<\$0.1 million	\$2.9 million
Parker-Hannifin Corporation (Parker Hannifin Corporation)	\$0.5 million	\$0.3 million	\$4.1 million
Total S.A. (Bostik, Inc.)	\$0.5 million	Open	\$418.3 million
General Dynamics Corporation (Bath Iron Works)	\$0.4 million	\$324,000	\$14,577.1 million
Total S.A. (Bostik, Inc.)	\$0.4 million	Open	\$418.3 million
Total	\$88 million	\$39 million	\$22,825 million

Three companies, BP PLC (BP), Louis Dreyfus Group (Imperial Sugar), and Total S.A., committed multiple large violations of OSHA requirements. In total, almost half of the total initial penalty dollars assessed for OSHA violations were against companies holding current federal contracts.



In many cases, violations of workplace safety laws by federal contractors had severe consequences for American families. Altogether, as the direct result of the failure to provide their employees with safe working conditions, eight of the federal contractors above, were found to be responsible for the deaths of forty-two American workers, and the severe injuries of many others in the six year period examined. Despite these tragic incidents, taxpayers provided \$3.4 billion in contracts to these companies in 2012.

Although eight of the 18 contractors above were involved in workplace fatalities, BP is the *only* contractor to be suspended or debarred. Moreover, while BP was suspended for a period of at least 18 months beginning in November 2012, the suspension was the result of the catastrophic environmental damage caused by the Deep Water Horizon explosion and leak.¹⁷ Indeed, OSHA lacked jurisdiction over the 11 offshore deaths and many injuries that resulted from the Deep Water Horizon explosion.¹⁸ Although the suspension does not affect current contracts held by BP, in August 2013, BP nonetheless filed suit contesting the suspension from new contracts, in part claiming that other subsidiaries of BP that were not involved in the Deep Water Horizon incident should continue to be eligible to receive federal contracts.¹⁹

BP appears to have faced no limitations on its ability to obtain future contracts as a result of the 15 deaths and 170 injuries caused by a 2005 Texas City, Texas refinery explosion. Re-inspection in 2009 found that the company failed to correct potential hazards faced by employees.

Similarly, BP appears to have faced no limitations on its ability to obtain future contracts following the 15 deaths and 170 injuries caused by a 2005 Texas City, Texas refinery explosion.²⁰ Although the OSHA investigation of the Texas City Refinery explosion led to an agreement with BP to pay a \$21.3 million penalty and undertake a number of corrective actions designed to make the refinery safer, re-inspection in 2009 found that the company failed to correct potential hazards faced by employees. OSHA then imposed a new fine of \$87 million, which included \$30.7 million as a result of 439 new willful violations.²¹ Additionally, in two separate inspections in 2006 and 2009, OSHA imposed fines of \$2.4 million and \$3 million on an Ohio based refinery owned by BP as a result of similarly unsafe conditions to those found in Texas City.²²

In the case of clothing manufacturer Cintas, Eleazar Torres Gomez, a 46-year-old father of four, was working as a washroom operator at a facility in Tulsa, Oklahoma, when he noticed a clothes jam on the conveyor that feeds clothing into the dryer. Attempting to dislodge the jam, he climbed onto the conveyor belt and jumped on top of the clothes. He was then swept into the dryer, which continued to spin for 20

¹⁷ Additionally, in February of 2013 the EPA took further action under the Clean Water Act to issue a “mandatory debarment” against BP Exploration and Production, Inc.,

¹⁸ Jurisdiction over the Deep Water Horizon explosion rested with the Coast Guard and the Bureau of Ocean Energy Management, Regulation and Enforcement.

¹⁹ *BP Sues US Over Contract Suspensions*, N.Y. TIMES, August 14, 2013,

<http://www.nytimes.com/2013/08/15/business/global/bp-sues-us-over-contract-suspensions.html>.

²⁰ Additionally, BP entered into a \$4 billion criminal settlement in January 2013 and ongoing litigation determining damages under the Clean Water Act.

²¹ These 439 violations were attributed to one enforcement action.

²² Since 2008 this refinery has been 50 percent owned by BP and Husky Energy.

minutes at over 300 degrees before a supervisor heard a noise and opened the dryer to investigate. Emergency responders pronounced him dead at the location.

OSHA found 46 violations at the plant, among them, failure to protect employees from being pinned by the conveyer belt, failure to have a proper procedure to shut down equipment when clearing jammed clothing, and failure to train workers on how to clear jams.²³ Edwin G. Foulke Jr., the Assistant Secretary of Labor in charge of OSHA at the time of the settlement stated, "Plant management at the Cintas Tulsa laundry facility ignored safety and health rules that could have prevented the death of this employee."

In 2010, seven workers were killed at an Anacortes, Washington refinery owned by Texas based Tesoro Corporation when a heat exchanger ruptured and spewed vapor and liquid that exploded. Inspectors determined the accident was caused when a 40-year-old steel heat exchanger, which had not been properly inspected since 1998, ruptured and spewed vapor and liquid that immediately exploded. All seven workers who died were standing near the exchangers specifically to attempt to stop leaks of the volatile, flammable gases.

In another instance, in late 2009, two employees of Mississippi shipbuilding and ship repair company VT Halter, a subsidiary of VT Systems that is owned by ST Engineering Limited, were cleaning the hull of a tugboat in preparation for painting. The highly flammable materials ignited, leading to an explosion and fire killing Dwight Monroe, 52, and Alex Caballera, 25. The subsequent OSHA investigation found 17 willful violations and 11 serious safety violations by VT Halter, leading to a \$1.3 million fine. Willful violations included failure to inspect and test the confined space prior to entry, failure to prevent entry into confined spaces where concentration of flammable vapors exceed the prescribed limits, and failure to use explosion-proof lighting in a hazardous location. The serious violations included a lack of machine guarding, allowing the use of defective electrical equipment, failing to use approved containers for disposing flammable liquids, the lack of a rescue service available for a confined space entry, failure to properly ventilate a confined space, and missing or incomplete guardrails. According to then-Labor Secretary Hilda Solis, "This was a horrific and preventable situation. The employer was aware of the hazards and knowingly and willfully sent workers into a confined space with an explosive and toxic atmosphere."

Eleazar Torres Gomez ... was then swept into the dryer, which then continued to spin for 20 minutes at over 300 degrees before a supervisor heard a noise and opened the dryer to investigate.

Tyson Foods, Inc., a company that holds federal contracts to provide poultry, beef and other products to the United States Department of Agriculture and to the Department of Defense, was also responsible for the death of eleven American workers in the period examined. In addition, the company has a troubling record of repeat OSHA violations, including multiple incidents involving additional fatalities. Those violations include:

- July 1999: Two employees died in a raw meat waste bin. The first worker fell in while attempting to retrieve a container, and the second worker fell while attempting to rescue him. Both employees were asphyxiated.

²³ These 46 violations were attributed to one enforcement action.

- October 2003: An employee was repairing a leak on a machine that cooks down poultry feathers, a process that creates hydrogen sulfide gas. The worker was killed from exposure to the gas while another employee and two paramedics were treated for exposure.
- October 2004: An employee slipped and fell into a waste water pit he had been clearing of poultry grease and debris. The worker was fatally asphyxiated when debris lodged in his throat.
- September 2009: An employee was cleaning grain build up when the ladder he was using slipped and fell from beneath him. The smooth metal floor of the grain bin was covered in grain dust and debris. The worker fell to his death.
- December 2010: An employee was killed when a full corn silo collapsed, engulfing him in 9.2 million pounds of corn. No safety inspection of the silo had been conducted in the previous 10 years.

There is no evidence that any of these incidents were considered by contracting officers, who have subsequently awarded Tyson Foods with \$4.2 billion in federal contracts since 2000.

Severe Violator Enforcement Program

In June 2010, OSHA took a positive step forward by initiating a new program to identify companies that have repeated serious violations of health and safety standards. The OSHA Severe Violator Enforcement Program (SVEP) list includes any companies “who have demonstrated recalcitrance or indifference to their Occupational Safety and Health Act obligations by committing willful, repeated, or failure-to-abate violations in one or more of the following circumstances: (1) a fatality or catastrophe situation; (2) in industry operations or processes that expose employees to the most severe occupational hazards and those identified as "High-Emphasis Hazards," (3) exposing employees to hazards related to the potential release of a highly hazardous chemical; or (4) all egregious enforcement actions.”²⁴ Because the program has only been in effect for the previous two years, it does not currently provide a comprehensive list of severe violators of workplace health and safety laws. However, eight of the 321 entries that appear on the list involved violations by federal contractors that received almost \$637 million in federal contracts in 2012.

Table B: Federal Contractors That Are “Severe Violators” of Health and Safety Standards, 2007-2012			
Company	Penalty	Reason	Federal Contracts 2012
Bridgford Foods Corp	\$184,000	Willful and Repeated	\$0.9 million
Bridgford Foods Corp	\$212,000	Willful and Repeated	\$0.9 million
CHS Inc. (Cenex Harvest States)	\$229,000	Willful and Repeated	\$31.0 million
Johnson Controls, Inc.	\$188,600	Willful and Repeated	\$162.1 million
Tyson Foods	\$104,200	Willful	\$555.5 million

²⁴ U.S. DEP’T OF LABOR, *OSHA Trade News Release: OSHA’s Severe Violator Enforcement Directive Effective June 18* (June 18, 2010), https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=NEWS_RELEASES&p_id=17886.

**Table B: Federal Contractors That Are “Severe Violators”
of Health and Safety Standards, 2007-2012**

Company	Penalty	Reason	Federal Contracts 2012
Verizon Communications, Inc.	\$140,000	Repeated	\$487.8 million
Bartlett and Company	\$406,000	Willful	\$16.3 million
Blackstone Group LP (Sea World of Florida)	\$75,000	Willful	\$80.3 million
Total	\$1,538,800		\$1,333.8 million

Despite the fact that some of the largest penalties, including willful and serious violations that resulted in a large number of worker fatalities, have been assessed against federal contractors, it is unclear that any of this information is currently being considered in ongoing bids for federal contracts by these companies. There is no evidence that any agency has acted to make a determination that a specific contractor is not a responsible entity or to suspend or debar any of these firms as a result of their status as a severe violator of workplace health and safety laws.

Wage and Hour Back Pay Awards

In addition to ensuring compliance with safety and health standards, the Department of Labor is also responsible for ensuring that employees are paid appropriate wages and overtime as well as required benefits under the Fair Labor Standards Act, the Davis-Bacon Act, and the Service Contract Act. The Wage and Hour Division of the Department of Labor investigates claims that employees are being improperly compensated and engages in discussions with company representatives leading to settlement or litigation, either of which can result in a back pay award. A review of the most significant back pay awards reveals a troubling overlap between companies that receive large federal contracts and companies that fail to properly compensate their employees.

Of the 100 largest back pay awards during the period examined, 35 awards were assessed against companies that held federal contracts. Moreover, more than 40 percent of the total amount of unpaid back wages can be attributed to 32 companies receiving federal contracts.²⁵

Three companies, URS Corporation, Nestlé S. A., and Lockheed Martin Corporation, received two *separate* back pay assessments that were among the highest issued during the six year period examined. UnitedHealth Group and C&S Wholesale Grocers were similarly assessed large back pay awards as well as civil monetary penalties.

²⁵ The top 100 WHD penalties represent 15 percent of total WHD penalties during this period.

Table C: Largest Back Wage Assessments Against 32 Companies Receiving Federal Contracts, 2007-2012²⁶		
Parent Company (and Company Responsible for Violation) ^{*27}	Back Wages Assessed	Federal Contracts 2012
Management and Training Corporation (Management & Training Corp.)*	\$20,998,873	\$347.8 million
Hewlett-Packard Company (Electronic Data Systems, Inc.)	\$5,365,982	\$2,814.4 million
ManpowerGroup Inc. (Manpower, Inc.)*	\$4,886,877	\$3.9 million
AT&T Inc. (Cingular Wireless, LLC)	\$4,711,767	\$620.6 million
URS Corporation (Washington Demilitarization Company LLC)	\$4,268,624	\$4,138.2 million
General Dynamics Corporation (Vangent, Inc.)*	\$2,976,667	\$14,577.1 million
Telos Corporation**	\$2,880,033	\$172.7 million
Nestlé S.A. (Nestle USA)	\$2,750,840	\$231.7 million
G4S PLC (Wackenhut Services Incorporated)*	\$2,541,364	\$551.6 million
Lockheed Martin Corporation (Sandia Corporation)	\$2,023,671	\$35,812.7 million
CVR Energy, Inc. (CVR Energy, Incorporated)	\$1,792,837	\$243.5 million
Cerberus Capital Management, L.P. (I.A.P. World Services, Inc.)*	\$1,788,002	\$365.7 million
Nestlé S.A. (Nestle USA, Inc.)	\$1,750,840	\$231.7 million
Dismas Charities, Inc.	\$1,687,882	\$28.8 million
Delta-21 Resources, Inc.*	\$1,674,340	\$0.8 million
URS Corporation	\$1,580,037	\$4,138.2 million

²⁶ Public entities that were assessed large backpay awards were not included in the analysis but can be found in Appendix 2. Those entities included the Puerto Rico Department of Corrections and the Puerto Rico Police.

²⁷ Back pay assessments against companies noted with an * above indicate instances where the contracting agency failed to include the required Service Contract Act language in the contract or failed to provide accurate guidance with regard to the requirements of the Service Contract Act, and as a result may have reimbursed the contracting company for the back wage assessment. Back pay assessments against companies noted with an ** above indicate instances where the contracting agency failed to include the required Davis-Bacon Act language in the contract or failed to provide accurate guidance with regard to the requirements of the Davis-Bacon Act.

**Table C: Largest Back Wage Assessments Against 32 Companies
Receiving Federal Contracts, 2007-2012²⁶**

Parent Company (and Company Responsible for Violation)*²⁷	Back Wages Assessed	Federal Contracts 2012
Serco Group PLC (S.I. International, Inc.)	\$1,559,978	\$573.1 million
Computer Sciences Corporation	\$1,448,506	\$3,862.0 million
CGI Group Inc. (Stanley Associates, Inc.)*	\$1,359,888	\$562.8 million
Danaher Corporation (Beckman Coulter, Inc.)	\$1,114,492	\$141.3 million
Warburg Pincus, LLC (Rural/Metro Corporation) ²⁸	\$1,109,697	\$4.1 million
JBS S.A. (Pilgrim's Pride Corporation)	\$1,001,438	\$59.9 million
Ball Corporation (Ball Aerospace and Technologies Corp)	\$976,327	\$336.3 million
Husky Energy Inc. (Husky Energy, Inc./Lima Refining Company)	\$969,182	\$109.8 million
Olympus Corporation (Olympus Corporation of the Americas)	\$956,773	\$71.3 million
UnitedHealth Group Incorporated (United HealthCare Services, Inc.)	\$934,551	\$276.5 million
The Home Depot, Inc. (THD At-Home Services, Inc.)	\$920,939	\$1.0 million
Vanderbilt University (Vanderbilt Police Department)	\$845,705	\$30.8 million
Southwest Research Institute	\$843,965	\$163.1 million
Kinder Morgan (Kinder Morgan, Inc.)	\$754,829	\$3.8 million
Reynolds Group Holdings Limited (Pactiv Corporation)	\$753,836	\$37.2 million
Teltara LLC²⁹	\$731,161	\$3.6 million
Lockheed Martin Corporation (Lockheed Martin Operations Support, Inc.)	\$723,685	\$35,812.7 million
C&S Wholesale Grocers, Inc.	\$714,564	\$1.7 million
L-3 Communications Holdings, Inc. (L-3 Communications Vortex Aerospace, LLC)	\$713,947	\$6,970.7 million
Total	\$82.1 million	\$73,118.6 million

²⁸ In August 2013, Rural/Metro filed for Chapter 11 reorganization.

²⁹ In November 2012, Teltara was debarred for 3 years.

Several companies that received large back pay assessments as a result of violations of the Service Contract Act or the Davis Bacon Act are not included because they did not have at least \$500,000 of federal contracts in fiscal year 2012 or did not receive federal contracts at all in fiscal year 2012. In at least two instances, prior violations of the Service Contract Act or Davis Bacon Act resulted in the company being debarred by the Department of Labor.³⁰ In the cases in which a company was debarred, the Department of Labor made that determination based on its statutory authority stemming from provisions in the Service Contract Act or Davis Bacon Act. It does not appear that the Department has ever exercised discretionary debarment authority with regard to any violation of either occupational safety and health laws or other statutes enforced by the WHD.

The companies that received the largest back pay assessments include some of the nation's largest federal contractors, and together these companies held \$73.1 billion in federal contracts in 2012. For example, HP Enterprises, the consulting arm of Hewlett-Packard Company (which acquired Electronic Data Systems in 2008), holds more than \$2 billion in federal contracts and operates call centers, insurance claims processing, payroll operations, and large scale technology upgrades work on behalf of the Navy, the Department of Veterans Affairs and other agencies. URS Corporation has more than 50,000 employees, many of whom work on federal contracts including nuclear and other weapons clean-up, national lab management, federal construction projects, and base related construction and maintenance. G4S (parent of G4S Secure Solutions, formerly Wackenhut) is possibly the largest private security provider in the world.³¹ Cerberus Capital Management, L.P., the owners of IAP Worldwide Services, provides operations support for the Naval Academy, power and operations to U.S. bases and detention centers in Guantanamo Bay, Cuba, and Kandahar, Afghanistan, as well as disaster services relief for FEMA and the Army Corps of Engineers. Together these companies employ millions of American workers who are indirectly paid by taxpayers, yet these companies received some of the largest fines for failure to compensate their employees in accordance with federal wage laws.

Violations leading to the back pay awards sometimes impacted thousands of employees. The Department of Labor's investigation of Cingular Wireless, LLC, documented practices at numerous call centers across the country where more than 1,400 employees were required to perform significant work functions both before and after the period for which they were being paid, leading to \$4.7 million in back wages. Dismas Charities, Inc., a contractor of the Federal Bureau of Prisons that provides halfway houses for recently released prisoners, failed properly to classify *all* of its case managers, counselors, social service coordinators and employment specialists, leading to \$1.7 million in back pay. In two separate instances, URS Corporation was required to pay large back wage awards for failure to pay employees for time spent donning protective gear. URS also appears to have been repeatedly investigated for violations of both the Fair Labor Standards Act and the Service Contract Act. In fact, just in the five years examined, URS and its subsidiaries have been required to pay back wages in 18 separate instances totaling \$6 million in back wages for 1,299 workers.

While most wage and hour law violations result in assessments of back pay to the impacted workers, in cases of serious or willful conduct, the Department will issue civil monetary penalties. During the period

³⁰ Alan Berman Trucking was debarred following a Service Contract Act violation of \$824,000; USprotect was recommended for debarment following Service Contract Act violations of \$758,000 and \$709,000 but declared bankruptcy; Cal Construction was debarred following a Davis-Bacon violations of \$1.3 million.

³¹ G4S is the British-based owner of Wackenhut which as of 2010 became known as G4S Secure Solutions (USA).

at issue, penalties were assessed against six separate companies that received federal contracts in fiscal year 2012, all of which engaged in either repeated or willful violations.

Table D: Federal Contractors Assessed Civil Penalties for Severe and Repeated Violations of Wage Laws, 2007-2012			
Company	Civil Penalty	Reason	Federal Contracts 2012
Sprint Nextel Corp	\$222,860	Repeated	\$131.9 million
UnitedHealth Group, Inc.	\$104,280	Repeated	\$276.5 million
Marriott International, Inc.	\$69,540	H2B Visa Violations	\$7.8 million
C&S Wholesale Grocers, Inc. (Piggly Wiggly) ³²	\$68,970	Child Labor Violations	\$1.7 million
C&S Wholesale Grocers, Inc.	\$65,340	Repeated	\$1.7 million
Acosta, Inc.	\$58,960	Repeated	\$44.6 million
University of Pittsburgh Medical Center	\$50,435	Repeated	\$8.0 million
Total	\$640,385		\$470.5 million

While the number of federal contractors among the top recipients of civil penalties is considerably lower than the number of contractors among the recipients of the largest back pay awards, it is cause for concern that even among companies that are repeat or willful violators of wage laws, there is no evidence that their record of federal wage law violations is being considered during the contracting process.

Federal Contractors with Multiple Labor Law Violations

While a review of the largest penalties and assessments persuasively demonstrates that federal contractors are among the largest scale federal labor law violators, it nonetheless provides an incomplete picture of the scope of enforcement actions taken against the various companies. Because the Department of Labor does not currently track enforcement actions across parent companies and their subsidiaries, and because the Department does not integrate or aggregate the enforcement data collected by any of the agencies within the Department, such as OSHA and the Wage and Hour Division (WHD) enforcement actions, it is difficult to analyze the number of times that any single entity, at the parent company level, has been the subject of an enforcement action pertaining to federal labor law.

However, of the 49 federal contractors responsible for the largest wage or health and safety assessments or penalties, 35 were cited for failure to comply with *both* federal wage laws and federal health and safety laws. When all WHD back wage assessments and OSHA initial penalties by a company and its affiliates and subsidiaries are analyzed, the 35 companies amassed a staggering 1,598 separate OSHA penalties or WHD back pay awards in just six years:

³² Each Piggly Wiggly is independently owned and operated.

**Table E: 35 Federal Contractors with Violations of
Both Wage and Safety Laws, 2007-2012**

Company	Number of Violations			Total Penalties and Assessments	Federal Contracts in 2012
	WHD	OSHA	Total		
Home Depot	7	241	248	\$2,606,861	\$1.0 million
Tyson	1	161	162	\$7,195,014	\$555.5 million
AT&T	10	122	132	\$5,667,174	\$620.6 million
JBS	10	84	94	\$2,352,144	\$59.9 million
Nestle	22	68	90	\$6,853,295	\$231.7 million
General Dynamics	6	79	85	\$4,849,075	\$14,557.1 million
Americold	1	73	74	\$1,876,807	\$8.1 million
Reynolds Group	5	57	62	\$1,553,253	\$37.2 million
Cintas	2	59	61	\$3,393,370	\$3.4 million
General Motors	4	51	55	\$3,066,978	\$393.8 million
C&S Wholesale Grocers	3	43	46	\$1,303,131	\$1.7 million
G4S	31	13	44	\$3,377,008	\$551.6 million
Manpower	9	29	38	\$5,166,441	\$3.8 million
URS	10	28	38	\$6,313,710	\$4,138.2 million
Lockheed Martin	20	18	38	\$3,229,543	\$35,812.7 million
Kinder Morgan	13	24	37	\$1,154,295	\$3.8 million
Chrysler Group	1	36	37	\$1,543,714	\$191,159 million
Danaher	2	33	35	\$1,614,701	\$141.3 million
Tesoro Corporation	2	24	26	\$2,775,730	\$463.0 million
Ball Corp	1	23	24	\$1,116,083	\$336.3 million
Daikin Industries	1	22	23	\$1,446,985	\$1.7 million
L-3 Communications	11	11	22	\$1,499,992	\$6,970.7 million
Computer Sciences Corp	8	12	20	\$2,057,436	\$3,862.0 million
Management and Training Corp	10	5	15	\$21,538,030	\$347.8 million
CGI	4	9	13	\$1,708,397	\$562.8 million
Serco	7	5	12	\$1,807,281	\$573.1 million
Hewlett-Packard	5	6	11	\$5,851,070	\$2,814.4 million
Huntington Ingalls	1	9	10	\$924,458	\$4,115.1 million
CVR Energy	1	9	10	\$2,615,987	\$243.5 million

Table E: 35 Federal Contractors with Violations of Both Wage and Safety Laws, 2007-2012

Company	Number of Violations			Total Penalties and Assessments	Federal Contracts in 2012
	WHD	OSHA	Total		
Warburg Pincus	6	3	9	\$1,240,760	\$4.1 million
UnitedHealth Group	8	1	9	\$1,029,514	\$276.5 million
Cerberus Capital Management	5	2	7	\$1,863,607	\$365.7 million
Husky Energy	1	4	5	\$4,102,807	\$109.8 million
Vanderbilt University	2	2	4	\$867,846	\$30.8 million
Olympus Corp	1	1	2	\$975,194	\$71.3 million
Total	231	1367	1598	\$116,538,199	\$78,018.6 million

Over 79,000 workers were awarded back wages as a result of these 231 violations, including more than 12,000 workers employed by Nestlé and its subsidiaries, more than 7,700 employees of Manpower Inc., and more than 4,000 employees of Warburg Pincus owned Rural/Metro Corporation. Three federal contractors were assessed penalties or back wages over 100 times in the six years, including 248 separate violations by Home Depot. In total, \$78 billion in federal contracts were held in 2012 by the 35 companies that have collectively been penalized for 1,598 separate incidents of noncompliance with federal labor law in just six years.

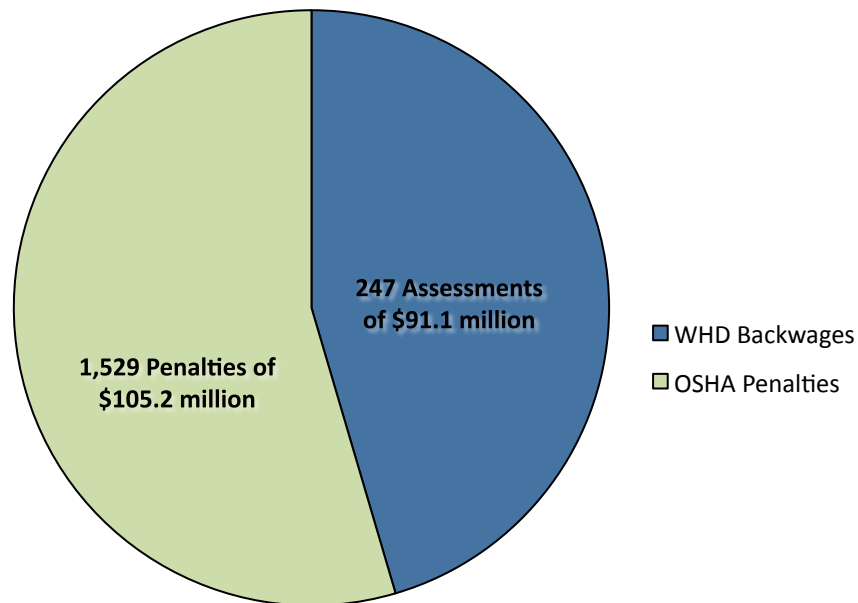
When franchises and dealerships are factored in, a pattern of thousands of additional violations can be seen.

Table F: Wage and Safety Violations by Franchises and Dealers of Federal Contractors, 2007-2012

Federal Contractor	Number of Violations			Total Penalties	Parent Company Federal Contracts 2012
	WHD	OSHA	Total		
BP Franchises	125	8	133	\$1,362,498	\$1,962.1 million
Tesoro Corporation	14	7	21	\$75,535	\$463.0 million
General Motors Dealers	80	228	308	\$1,523,370	\$30.4 million
Chrysler Group Dealers	53	96	149	\$778,576	\$1.3 million
Total	411	390	801	\$4,533,510	\$3,010.1 million

Overall, the 49 federal contractors responsible for large violations of federal labor laws were cited for 1,776 separate violations of these laws and paid \$196 million in penalties and assessments. In fiscal year 2012, these same companies were awarded \$81 billion in taxpayer dollars.

Conduct By 49 Federal Contractors Led to 1,776 Separate Enforcement Actions Between 2007 and 2012



These Companies Held \$81 Billion in Federal Contracts in 2012

It is deeply concerning that companies with such a pattern of noncompliance with multiple federal labor laws are nevertheless recipients of such a significant amount of federal contracts and taxpayer dollars. As the above findings demonstrate, too often, federal contractors are both repeated and significant violators of federal labor law, as measured by the size, frequency, and severity with which they appear in the Department of Labor's enforcement database. The actual labor records of these companies suggest that a clear system needs to be put in place to evaluate how non-compliance with federal labor laws should factor into the requirement that the federal government only contract with firms that can demonstrate a satisfactory record of integrity and business ethics.

Violations Beyond Labor Law

While the violations detailed above all concern federal labor law, in some instances, contractors receiving the largest labor law assessments and penalties have committed multiple other violations of federal law without facing any limitations on the ability to receive federal contracts. Looking beyond labor law violations further reveals systemic breakdowns in the responsibility determination process. Indeed, it is not only violations of federal labor laws that are not being considered by contracting officers seeking to determine whether or not a prospective contractor has a satisfactory record of compliance with federal law.

As one example, United Kingdom-based G4S (formerly known as Group 4 Securicor) and its U.S. subsidiary G4S Secure Solutions (formerly Wackenhut) received \$523.1 million in federal contracts in fiscal year 2012, primarily for providing security guards and security systems to the Departments of Energy, Defense, Homeland Security, and State. Yet as detailed above, in 2007, a \$2.5 million award for

back pay was assessed against Wackenhut after the Department of Labor determined that 280 current and former fire and security contract workers at the Holston Army Ammunition Plant in Kingsport, Tennessee, were not paid required compensation under the Service Contract Act.³³ During this same time period, G4S and its other subsidiaries were responsible for a total of 13 additional OSHA violations and 31 additional WHD back pay assessments for a total of \$3.4 million in penalties.

But in addition to these violations, according the Project on Government Oversight, G4S is responsible for 21 separate instances of misconduct for a total dollar amount of \$23.5 million over a 22-year period.³⁴

These include a 2010 consent decree between Wackenhut and the Department of Labor's Office of Federal Contract Compliance Programs to resolve allegations that the company had engaged in racially discriminatory hiring practices. The consent decree required the company to provide \$290,000 in back pay and interest on behalf to 446 African-Americans who had been rejected from positions as security officers at the company's Aurora, Colorado facility.³⁵ In 2010, Wackenhut additionally agreed to pay the \$650,000 to resolve False Claims Act allegations that the company had submitted hundreds of thousands of dollars in unallowable expenses (including a charter boat cruise and a Polynesian drum show) to the Department of Energy in connection with security services at the Savannah River Site and other facilities.³⁶ Additionally, in 2010, Wackenhut settled a False Claims Act case with Miami-Dade County, after an audit found that Wackenhut billed Miami-Dade Transit over \$6 million for work that its security guards did not perform.³⁷ In 2009, Wackenhut owned ArmorGroup North America (AGNA) paid \$7.5 million to resolve allegations that a former employee was fired after exposing deficiencies and illegalities relating to AGNA's contracts to provide security at the U.S. Embassy in Kabul, Afghanistan, and at the U.S. Naval base in Bahrain.³⁸ Allegations included that AGNA personnel visited brothels in Kabul with the knowledge of management, and the company misrepresented the prior work experience of Embassy security guards.³⁹

Yet although G4S received more than \$500 million in taxpayer dollars in fiscal 2012 alone, the primary database that is the main resource for contracting officers making a determination based upon misconduct has no record of any of these incidents.

³³ However, because SCA wage determinations had not been interested in the contract, at the time of the decision it was disputed as to who would be responsible for paying the back pay award. The Army stated the back pay award would ultimately be Wackenhut's responsibility, while Wackenhut claimed that federal procurement regulation allowed it to bill the Army for the back pay.

³⁴ G4S announced its intent to sell G4S Secure Solutions (USA) in March 2013 but appears to still currently own the former Wackenhut.

³⁵ PROJECT ON GOVERNMENT OVERSIGHT, *Federal Contractor Misconduct Database*, <http://www.contractormisconduct.org/>.

³⁶ *Id.*

³⁷ *Id.*

³⁸ *Id.*

³⁹ A September 2010 report by the State Department Office of Inspector General further documented numerous problems with the agency's contract with ArmorGroup. The deficiencies identified by the OIG include ArmorGroup hiring guards without verifiable experience, training, or background checks, not being able to account for 101 government-furnished weapons that had been missing since 2007, and allowing individuals who were not properly screened to have unescorted access to government facilities containing sensitive materials.

The Causes: Poor Data, Lack of Effective Information-Sharing, Inadequate Expertise, and Inflexible Penalties

Given the scale of the findings above, it is clear that violations of labor laws are not being adequately considered or analyzed in the contractor responsibility determination process. Even though the above analysis is based almost exclusively on publicly available data, it is information that unfortunately is virtually never available to the contracting officer in a form that would allow that official to use the information to make a determination of whether a company is in fact a responsible actor.

A more detailed understanding of the weaknesses of the existing contract process is necessary to understand why this is the case, and to begin assessing steps that can be taken to better ensure that companies seeking government contracts have safe and fair working conditions.

Contracting Officers Lack Accurate Data

Databases

In order to determine the responsibility of a prospective contractor, contracting officers primarily utilize three databases housed at the General Services Administration. The Excluded Parties List System (EPLS) is used to inform contracting officers whether or not a prospective contractor has been suspended or debarred and is therefore ineligible to receive a contract. The Past Performance Information Retrieval System (PPIRS) contains information on the past performance of a contractor, including a written narrative describing the contractor's performance on a specific contract. Finally, in 2008, the Clean Contracting Act led to the creation of the Federal Awardee Performance & Integrity Information System (FAPIIS), which is intended to help a contracting officer determine whether or not a bidder has any civil, criminal, or administrative proceedings involving federal contracts that resulted in a conviction or finding of fault in the last five years.⁴⁰ Contracting officers may consider additional information, but they are not affirmatively required to do so. Thus, as a practical matter, if information is not included in one of the three primary databases available to contracting officers, it is generally not evaluated as part of the responsibility determination process.

Unfortunately, common flaws and limitations in the three data systems significantly weaken the responsibility determination process, and specifically inhibit the ability of contracting officers to accurately evaluating a prospective contractor's compliance with federal labor law prior to awarding a contract.

For example, in 2005, data in EPLS was found insufficient to enable agencies to determine if a potential contractor was excluded.⁴¹ Despite subsequent modifications, excluded firms continue to receive contracts due to "ineffective management of the EPLS database or to control weaknesses at both excluding and

⁴⁰ In addition, FAPIIS also requires government agencies to report non-responsibility determinations, contract terminations for default or cause, agency defective pricing determinations, and administrative agreements entered into following a resolution of a suspension or debarment.

⁴¹ U.S. GOV. ACCOUNTABILITY OFFICE, FEDERAL PROCUREMENT: ADDITIONAL DATA REPORTING COULD IMPROVE THE SUSPENSION AND DEBARMENT PROCESS (2005).

procuring agencies.”⁴² Excluded businesses that have continued to receive federal contracts include a company that was debarred after attempting to ship nuclear bomb making materials to North Korea, yet subsequently received over \$4 million from the Army.⁴³ A second company was debarred after pleading guilty to attempting to defraud the Department of Defense through falsified cost claims and money laundering, but was subsequently awarded \$230,000 because the contracting officer used an incorrect business name to search EPLS.⁴⁴ Specifically, GAO recently found that incorrectly punctuated or spelled company names, missing unique identifying numbers, or changes to business names leave holes in the EPLS data, which hinder a contracting officer’s ability to determine the eligibility of prospective contractors.

The FAPIIS database suffers not only from the types of problems that plague EPLS, but also from statutory and regulatory limitations that prevent it from accomplishing its intended goal. As a result of these limitations, only one of the 49 contractors that appear in the tables above has entered any instances of misconduct in FAPIIS and it is unclear what violation (or violations) that company, Lockheed Martin, is referring to in the FAPIIS entry.⁴⁵

As an initial matter, the information that is required to appear in FAPIIS pertaining to whether or not a contractor has, in the previous five years, been the subject of any criminal, civil, and/or administrative proceeding at the federal or state level in connection with a federal award that resulted in a conviction or finding of fault or liability, is self-reported by individual federal contractors and is not currently subject to any type of audit. Further, contractors are only required to submit information to FAPIIS about violations of the law if that violation occurred in the performance of a state or federal contract, and only when the conduct resulted in a formal finding of fault. So, as an example, while G4S and its subsidiaries have a lengthy history of lawsuits, including multiple instances of fraud in the performance of a contract as described above, G4S has no misconduct entries in FAPIIS.⁴⁶ Because many of the suits filed against G4S and its subsidiaries led to settlements, it is possible the company has determined they are not required to include these incidents in FAPIIS. Additionally, reporting is only required for companies with more than \$10 million in total federal contracts, *and* only when the violation of law occurs on an individual contract worth more than \$500,000. Teltara, one of the companies debarred during the period for a violation of the Service Contract Act, is one of 13 companies that fail to meet the \$10 million FAPIIS contract threshold and has no misconduct listed in FAPIIS. Home Depot, which was cited for 7 violations of wage and hour laws and 241 separate violations of safety and health laws between 2007 and

⁴² U.S. GOV. ACCOUNTABILITY OFFICE, EXCLUDED PARTIES LIST SYSTEM: SUSPENDED AND DEBARRED BUSINESSES AND INDIVIDUALS IMPROPERLY RECEIVE FEDERAL FUNDS 4 (2009).

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ The affirmative entry in FAPPIS appears as follows: Question: Within the last five years, has your business or organization (represented by the DUNS number on this specific Entity Management section of SAM record) and/or any of its principals, in connection with the award to or performance by your business or organization of a Federal contract or grant, been the subject of a Federal or State (1) criminal proceeding resulting in a conviction or other acknowledgment of fault; (2) civil proceeding resulting in a finding of fault with a monetary fine, penalty, reimbursement, restitution, and/or damages greater than \$5,000, or other acknowledgment of fault; and/or (3) administrative proceeding resulting in a finding of fault with either a monetary fine or penalty greater than \$5,000 or reimbursement, restitution, or damages greater than \$100,000, or other acknowledgment of fault?

***Contractor Response: **Yes**

⁴⁶ G4S appears to have as many as 86 potential different entities each with their own unique DUNS number. None of these entities appear in FAPIIS in either the government entered data or the vendor reported data.

2012 – more than any other firm named in this report -- received only \$1 million in contracts and therefore has no entry in FAPIIS.⁴⁷ Finally, reporting is only required for violations that occurred in the past five years.⁴⁸

In perhaps the most astonishing example of the failures of FAPIIS, BP, despite the deaths, injuries, and massive environmental damage, as well as the billion dollar settlements resulting from the Deep Water Horizon incident, and despite the deaths, injuries and fines resulting from the Texas City refinery explosion, and despite holding \$2 billion in contracts in 2012, has no misconduct entries in FAPIIS.

While contractors are expected to enter qualifying misconduct decisions into FAPIIS, agencies also have authority to enter additional information into FAPIIS although this appears to be largely limited to information pertaining to performance on a contract, not to violations of the law. Thus, none of the companies above, including those with repeat and willful violations appear to have any FAPIIS misconduct entries.⁴⁹ The result is that contracting officers have no easy access to publicly available information on failure to comply with labor laws.

Contracting officers do not generally seek information outside of FAPIIS and the other databases in evaluating a prospective contractor's compliance with federal law. For that reason, the limitations of FAPIIS, along with the failure of contractors to report violations, means that a significant amount of information about a prospective contractor's record of compliance with the law is not considered by contracting officers when making responsibility determinations. As a result, FAPIIS does not provide contracting officers with even a minimal picture of a prospective contractor's record of compliance with federal law, and in particular federal labor law. Consequently, the one database that it supposed to provide contracting officers with a limited look at whether or not a prospective contractor has a sufficient record of integrity is not accomplishing its intended purpose.

Data Deficiencies

Moreover, none of the contracting databases appear to track information in a way that accurately reflects the conduct of the corporate entity as a whole, including conduct by parent and subsidiary companies. This failure leaves contracting officers without a complete record of a prospective contractor's integrity and business ethics. Federal contractors in all three systems, EPLS, PPIRS, and FAPIIS, are tracked primarily by the Dun and Bradstreet Data Universal Number System (DUNS). However, many corporate entities have multiple DUNS numbers that are used by subsidiaries and affiliates controlled by the same parent company. For example, according to the Project on Government Oversight, Lockheed Martin has over 200 DUNS numbers among its corporate affiliates.⁵⁰ Because the DUNS system fails to provide

⁴⁷ For a good discussion of the shortcomings of FAPIIS, *see* Letter from David Madland, Director, American Worker Project, Center for American Progress Action Fund to Hada Flowers, General Services Administration (Nov. 4, 2009) (available at http://www.americanprogressaction.org/wp-content/uploads/issues/2009/11/pdf/ndaa_letter.pdf).

⁴⁸ *Id.*

⁴⁹ Kinder Morgan (administrative agreement), United Health Care (termination for cause), Cintas (termination for cause).

⁵⁰ Neil Gordon, *POGO Suggests Way to Improve Federal Contractor Accountability Database*, PROJECT ON GOVERNMENT OVERSIGHT, (2012), <http://www.pogo.org/our-work/letters/2012/20120917-pogo-suggests-way-to-improve-federal-contractor-accountability.html>.

contracting officers with a way to understand an entity's corporate structure, the full scope of misconduct is not immediately ascertainable.

As the analysis above demonstrates, when violations by parent companies, subsidiaries and affiliates are assessed and attributed up the corporate hierarchy to a single parent company, a dramatically different picture of noncompliance emerges. This is significant because even though suspensions or debarments may be applied across multiple parts of a corporate entity, the current system appears to lack the ability to accurately assess repeated violations by a parent company and subsidiaries when multiple subsidiaries hold significant contracts. Both the GAO and the Project on Government Oversight have highlighted how this inability has led to the government contracting with companies that should have been excluded from receiving contracts.⁵¹

Department of Labor

Even if all of the deficiencies in FAPIIS were addressed, it would still be extremely difficult to ensure that a contracting officer could fully consider a prospective contractor's record of compliance with federal labor law because of deficiencies in the publicly available enforcement data published by the Department of Labor. Resource constraints and human error at the Department of Labor result in substantial errors in the databases that track violations of occupational safety and health laws and wage and hour laws. As a result, without improvement, these databases cannot be effectively consulted by contracting officers, either independently or through FAPIIS.

The principal issue with these databases is that they fail to accurately identify the name of the company responsible for the violation. Neither WHD nor OSHA enforcement data include any unique identifiers, such as a DUNS number, or any information regarding whether or not the company is an affiliate, subsidiary, or parent company. Complicating matters further, firms appear under multiple names in both the OSHA and WHD data. For example, Pilgrim's Pride Corporation, a subsidiary of Brazilian company JBS S.A., appears in the OSHA database under at least eight different names.⁵² Similarly, Manpower Group is listed in at least thirteen different forms in the WHD data.⁵³

It is unlikely that the Department of Labor could make needed improvements to the existing data in the absence of additional resources. Yet, without improvements, even if these datasets were consulted as part of a pre-award responsibility determination, the data would prove of little use to the contracting officer. Without unique identification information that provides the ability to compare violations entity by entity,

⁵¹ See: Neil Gordon, *POGO Suggests Way to Improve Federal Contractor Accountability Database*, PROJECT ON GOVERNMENT OVERSIGHT, (2012), <http://www.pogo.org/our-work/letters/2012/20120917-pogo-suggests-way-to-improve-federal-contractor-accountability.html>; William Woods, *Government is Analyzing Alternatives for Contractor Identification Numbers*, U.S. GOV. ACCOUNTABILITY OFFICE (2012), <http://www.gao.gov/assets/600/591551.pdf>; U.S. GOV. ACCOUNTABILITY OFFICE, EXCLUDED PARTIES LIST SYSTEM: SUSPENDED AND DEBARRED BUSINESSES AND INDIVIDUALS IMPROPERLY RECEIVE FEDERAL FUNDS 4 (2009).

⁵² Pilgrim's Pride; Pilgrim Foods Co.; Pilgrim's Corporation; Pilgrim Pride; Pilgrim's Pride; Pilgrim's Pride Corp.; Pilgrim's Pride Corp; Pilgrim's Pride Corporation.

⁵³ Manpower; Manpower Inc.; Manpower International, Inc.; Manpower International, Inc.; Manpower Now; Manpower of Kent County, Inc.; Manpower of Lansing, MI, Inc.; Manpower, Inc.; Manpower Manpower/Magna Donnelly; Manpower Temporary Services/Interbake Foods; Cablevision/ Manpower; Manpower Temporary Services of New Mexico; Manpower West Tennessee;

or aggregate violations among corporate affiliates, it is very difficult to determine the extent to which a prospective contractor has a record of compliance with federal labor laws. Similarly, the failure to even properly enter the names of the firms in the system adds complexity and makes it likely that a contracting officer could miss an important piece of information when undertaking a responsibility determination.⁵⁴

Additionally, many labor law violations can take a lengthy period of time to bring to conclusion including appeals and negotiations, and as a result the Department's database does not provide contracting officers with the most current information regarding a prospective contractor's compliance with law.

Similarly, violations of labor law on state or local contracts, for example G4S' settlement of allegations that the company billed Miami Dade transit \$6 million for work not performed, are not currently tracked or available to contracting officers or the Department of Labor. To the extent that allegations of state-based labor violations are settled in private litigation, neither the contracting databases nor the Department of Labor have any record of the misconduct, although such information could nevertheless help inform a contracting officer as to whether or not a prospective contractor is a responsible actor.

Although the Department of Labor is the entity most able to accurately identify, aggregate, and compare violations of labor laws, the current data systems lack of unique identifiers and human error in inputting information into the databases can result in the same firm appearing under multiple names, making it very difficult to provide a full and accurate picture of labor law violations by federal contractors. In the absence of a uniform database system that clearly identifies corporate entities and subsidiaries that are investigated and penalized for any type of violation of federal labor laws, it is difficult to determine which federal contractors are responsible for large labor law violations. Moreover, additional information regarding potential violations of labor law from state governments, workers, worker representatives, or employers is not currently being tracked or collected by any government entity.

Contracting Officers Lack the Tools to Evaluate Violations of Labor Law

Critically, even if data concerning labor law violations does come to the attention of a contracting officer – from either Department of Labor databases or other sources – the contracting officers, most of whom lack expertise in labor law, face serious challenges in how to evaluate that information. For instance, what does it mean if a company has multiple violations? How large are the largest penalties? Are the violations repeated or willful? Does the firm appear in both the OSHA and WHD enforcement data but only for very small violations? These questions are both essential for a contracting officer to consider in making a pre-award responsibility determination but are outside of his or her expertise without additional criteria or guidance.

The Federal Acquisition Regulations (FAR), the regulations that dictate how contracting officers are to make responsibility determinations, fails to provide contracting officers with adequate guidance as to how to answer these questions. As was stated clearly in 2000 by the Federal Acquisition Regulatory Council:

“the FAR has not elaborated upon what it means to have ‘a satisfactory record of integrity and business ethics’ nor has the FAR provided contracting officers with a framework to

⁵⁴ For example, one of the 100 largest back wage assessments was against Cerberus Capital Management owned “IAP Worldwide Services.” However, the company appears in the WHD enforcement data as “I.A.P. World Services, Inc.” meaning that a search for “IAP” would have missed this enforcement action.

guide their analysis and assist them in making this statutorily required determination. This lack of guidance has an unfortunate consequence: Contracting officers are extremely reluctant, absent clear guidance, to exercise their discretion in making responsibility determinations.”⁵⁵

Even presented with the information contained in this report, a contracting officer would be hard pressed to determine if the conduct of a specific company was sufficiently egregious to warrant suspension or debarment in the absence of additional guidance and factual information.

In this respect, little has changed since 2000. Contracting officers still lack clear standards that would allow them to interpret the meaning of violations of federal labor law, and therefore do not undertake a formal or standardized process in evaluating a prospective contractor’s compliance with federal labor law prior to awarding a contract.

The Debarment Process is Ineffective:

While it may not be the case that the misconduct identified in this report should result in each of the contractors identified becoming ineligible for federal contracts, it is clear that the current system fails to adequately promote compliance with federal law or provide opportunities for companies to demonstrate improvement upon past practices. Indeed, the fact that only one of the 49 companies that received the largest penalties and back wage assessments, BP, has been suspended – for issues unrelated to the company’s treatment of its workers – indicates that that these tools are not widely used to ensure that the federal government enters into contracts with companies that have a proven record of compliance with federal labor laws.

As previously discussed, in order to best protect the public, agency officials have discretion to debar or suspend contractors under a number of circumstances, including when a contractor is convicted of or found civilly liable for a lack of business integrity or for “any other cause of so serious or compelling a nature that it affects the present responsibility of a contractor.”⁵⁶ These provisions of the Federal Acquisition Regulation provide the Department of Labor with authority to suspend or debar a federal contractor that has a record of non-compliance with federal labor law if the Department were to find that this record of non-compliance was so severe as to demonstrate a lack of business integrity that would impact the present responsibility of the contractor. However, while the Department suspends and debars companies using the statutory authority provided by the Service Contract Act and the Davis-Bacon Act, the Department does not appear to have debarred a company as a result of OSHA or other wage-related violations, or attempted to cross reference repeat or willful violators of multiple laws.

Additionally, the suspension and debarment process suffers from a number of more widespread problems, including the lack of standardization across the government. Agencies structure and perform their exclusion functions in very different ways, and this affects the degree to which agencies exclude contractors. Moreover, even when a contractor is debarred or suspended, agencies are authorized to waive a contractor’s exclusion if they determine “there is a compelling reason for such an action.” Some agencies have regulations that define what constitutes a “compelling reason” while others do not. Further, these waivers are agency-specific and are not always communicated to other agencies.

⁵⁵ Federal Acquisition Regulation, 5 Fed. Reg. 80256 (Dec. 20, 2000).

⁵⁶ 48 CFR § 9.406-2.

Ensuring that federal contractors operate safe and fair workplaces in order to be eligible to contract with the government requires that labor law violations by federal contractors be taken into account during the contracting process. Unfortunately, the existing suspension and debarment process is underutilized and inconsistent. At the same time, the debarment process tends to focus directly on conduct related to a specific contract rather than on the overall labor practices of federal contractors. If Federal agencies are given more tools and encouraged to look to solutions short of debarment or suspension, they could more effectively deter companies that fail to comply with federal labor laws from future violations.

Conclusion and Recommendations

It is imperative that violations of federal labor laws be taken seriously and have real repercussions for companies that fail to provide basic workplace protections, including paying fair wages and providing safe workplaces. Yet under the current system, almost 30 percent of the most egregious recent violations of federal wage and hour and safety and health laws -- including violations that have led to death and serious injury -- were committed by companies that were simultaneously receiving lucrative federal contracts paid for by taxpayer dollars. As the findings of this investigation make clear, despite existing requirements that taxpayer dollars only be awarded to responsible contractors that comply with federal law, the contracting process fails to provide a mechanism to consider this information, and at minimum ensure that companies that violate federal labor laws face additional scrutiny.

The most effective way to address this problem is to improve the process for making the determination whether a particular company is a responsible contractor. To accomplish this objective, a workable system must be established that allows contracting officers to fully consider a prospective contractor's compliance with federal labor laws.

First, contracting officers must be able to easily *access* data regarding violations of federal labor law by a corporate entity, including a parent company and all subsidiaries, regardless of whether the violation occurred in performance of a contract. This requires improvements to data systems at the Department of Labor and the General Services Administration, including improvements to data systems so that contracting officers can better understand the relationships between corporate entities. Second, contracting officers need a mechanism for *evaluating* data regarding the seriousness of specific labor law violations so that this information can be properly considered in a responsibility determination. The Department of Labor can assist in providing contracting officers with this type of guidance. Finally, federal agencies need to be given tools less severe than debarment or suspension to more effectively protect taxpayer dollars from supporting companies that lack responsible compliance with labor laws. The current system -- which provides that the primary remedy for violation of federal law is the remote chance of losing eligibility for all future contracts -- provides only a blunt and rarely-utilized tool that fails to protect taxpayer dollars or properly leverage the promise of federal government dollars to ensure that recipients provide workplaces that operate in accordance with the law.

Recommendations

Recommendation #1: The Department of Labor should take steps to improve the quality and transparency of information on workplace safety violations:

As a primary matter, contracting officers need access to accurate data in order to determine whether or not a prospective contractor has a record of compliance with federal labor law. The Department of Labor's enforcement databases were not designed to be used by contracting officers to assist with responsibility determinations, and they suffer from previously described shortcomings, including the failure to provide a standard unique identifier, such as a DUNS number, to corporate entities and subsidiaries that are cited and assessed penalties for violations of federal labor laws. In addition, the databases fail to accurately identify the company that was the subject of the enforcement action. Combined, the lack of unique identifiers and human error in inputting information into the databases result in the same firm appearing

under multiple names, making it very difficult to accurately identify, aggregate, and compare violations in these databases.

While the Department of Labor already makes available a large amount of enforcement data, and has taken recent steps to identify severe violators of health and safety standards, to better inform the public and contracting officials, the Department of Labor should take immediate steps to improve the quality of its data. To provide this information in a clear and transparent manner, the Department needs to develop a uniform database system that clearly identifies corporate entities and subsidiaries that are investigated and penalized for any type of violation of federal labor laws, and doing so may require additional resources. The Department should at a minimum take steps to correct errors in the existing data that make it difficult to identify the precise entity listed in the database.

Recommendation #2: The Department of Labor should annually publish a list of contractors that violate federal labor law:

In addition, the Department should annually prepare and make public a list of the top penalties assessed for each type of labor law violation. The information provided should include the type and amount of the penalty, the number of employees affected, the number of deaths or serious injuries that resulted from the violation, and a short description of the conduct leading to the penalty. Such a list should also indicate whether the corporate entity or a parent company is a federal contractor, the amount of federal contract dollars received in the current fiscal year, and whether the company had previously been penalized. Such a list should be included in all contracting databases and also made publicly available.

Recommendation #3: The Government Services Administration should improve contracting databases by increasing public transparency and expanding the amount of information included in the databases:

Although the purpose of the Federal Awardee Performance Integrity & Information System (FAPIS) is to provide contracting officers with a database of information to evaluate a prospective contractor's compliance with federal law during the pre-award responsibility determination process, it is failing to serve this function. FAPIS is currently the only source that a contracting officer would consult in seeking to determine compliance with federal law during a responsibility determination, but includes almost no information that would help a contracting officer determine whether or not a prospective contractor has a record of compliance with labor laws.⁵⁷

While the Clean Contracting Act places some limits on the type of information that can be put into FAPIS, the Act also authorizes the GSA to include such "other information" as is necessary to carry out the purpose of the Act.⁵⁸ Therefore, the Federal Acquisition Regulations should be amended to expand and improve FAPIS in the following ways, to guarantee the system provides contracting officers with a complete record of a prospective contractor's compliance with labor law:

- FAPIS should be expanded to cover violations of federal labor law even if those violations did not take place in the performance of a federal contract. Without this change, FAPIS will continue to unnecessarily limit the ability of contracting officers to gain a complete understanding of a prospective contractor's compliance with labor law.

⁵⁷ Duncan Hunter National Defense Authorization Act for Fiscal Year 2009, Pub. L. No. 110-417, 122 Stat. 4356 (2008).

⁵⁸ 41 U.S.C.A. § 2313.

- Although the Clean Contracting Act only requires FAPIIS to include incidents that took place in the previous five years, it should be expanded to include violations of labor law that occurred over a longer period.
- Finally, FAPIIS should be expanded to include incidents in which reimbursements, restitutions, or damages were under \$100,000, as many instances of significant labor law violations result in restitution under this \$100,000 threshold.

Recommendation #4: The President should issue an Executive Order to allow the Department of Labor to input additional information into FAPIIS concerning contractor compliance with labor law:

While the previously mentioned reforms to FAPIIS would help to ensure that the system fully includes a prospective contractor's compliance with federal labor law, there are a number of other sources of information that can assist a contracting officer in determining whether or not a prospective contractor has a record of paying its workers fairly and providing those employees with safe working conditions. For instance, many violations of labor law are enforced at the state level, and that information is currently missing from FAPIIS. In addition, because of the time that it can take the Department of Labor to conclude a case and enter it into its enforcement database, FAPIIS may not fully account for all violations of federal labor law that could be relevant to a responsibility determination.

For these reasons, the President should issue an Executive Order to allow disinterested officials at the Department of Labor to enter additional information into FAPIIS that could be pertinent for contracting officers to consider during the responsibility determination process, rather than relying on federal contractors to self-report. The Executive Order should allow outside parties to present evidence to the Department about potential violations of labor law. For instance, state governments could provide the Department with information pertaining to violations of state and local labor laws, while workers, worker representatives, or employers could also present evidence to the Department. In addition, to ensure that FAPIIS includes the most current information possible about the most serious types of violations, the Executive Order should allow the Department to input information once a civil monetary penalty has been assessed by the Wage and Hour Division, or once a citation for a serious, willful, repeated, or failure-to-abate violation has been issued by the Occupational Safety and Health Administration.

Recommendation #5: The President should issue an Executive Order to strengthen the responsibility determination process by establishing clear guidelines for contracting officers to use in determining a prospective contractor's record of integrity and business ethics:

Once contracting officers are made aware of a prospective contractor's record of compliance with federal labor law, those officials need to be able to understand the meaning of that company's record in this area. As contracting officers are not experts in federal labor law, they need clear guidance to aid in their understanding of a prospective contractor's compliance with labor laws. Unfortunately, the Federal Acquisition Regulations fail to provide contracting officers with adequate guidance as to what constitutes a satisfactory record of integrity and business ethics in this regard.

To remedy these shortcomings, the President should issue an Executive Order requiring contracting officers to consult with, and obtain recommendations from, a designated official at the Department of Labor about violations of federal labor law when making responsibility determinations.

Recommendation #6: The President should issue an Executive Order to better safeguard taxpayer dollars by establishing a mechanism that encourages federal contractors to comply with federal labor law beyond the existing responsibility determination and suspension and debarment process:

Currently, contracting agencies do not generally seek to address labor violations with requirements short of suspension and/or debarment. The suspension and debarment process is taken very seriously and each agency has its own official in charge of suspension and debarment procedures. But, it is generally reserved for the most severe circumstances, as once a contractor is suspended or debarred they are ineligible to receive a contract from any federal entity.

For that reason, the President should issue an Executive Order that creates a clear process through which agencies can – in consultation with the Department of Labor – put in place additional requirements to ensure contractors comply with federal labor law in order to continue doing business with the government. For example, the continuation or renewal of a contract could be made contingent upon taking defined steps – including, but not limited to, changing pay practices or safety procedures, paying unpaid penalties or back pay awards, and/or agreeing to voluntary inspections – that are likely to improve the company’s record of compliance with critical labor laws. As part of this Executive Order, the President should encourage agencies to carefully consider whether or not they could better promote compliance with federal law, and better safeguard taxpayer dollars, by having federal employees perform the work in question.

Recommendation #7: The Department of Labor should more fully consider a company’s complete record of compliance with labor law, including that of its subsidiaries and affiliated entities, when ascertaining whether or not a company is presently responsible to receive federal contracts:

As previously detailed, agencies retain the ability to suspend or debar a company if the agency finds that the company has committed certain integrity offenses that impact the present responsibility of the company. However, there is no evidence that the Department of Labor has ever fully considered a company’s complete record of compliance or non-compliance with all of the laws that it enforces when determining the responsibility of a prospective contractor. To better protect taxpayer dollars, the Department of Labor should more fully consider whether or not a company with a substantial record of non-compliance with federal labor law should be eligible to receive federal contracts.

While the recommendations in this report are not unique to federal labor law and could perhaps be applied to other types of violations of law, given the increasing reliance of federal agencies on service contracts, it is imperative that contracting officers adequately consider prospective contractors’ compliance with federal labor law prior to awarding a contract. When the government does solicit work from the private sector, it should use taxpayer dollars in a way that promotes compliance with federal law and improves the quality of life for working Americans. The American taxpayers, many of whom work as contractors or at firms that contract with the government, deserve nothing less.

Appendix I: Methodology and Sources

The following methodology was employed in order to develop the information contained in this report detailing the companies with large violations of federal labor laws that are also prime federal contractors.⁵⁹

In order to determine companies with violations of federal labor laws, Committee staff consulted two enforcement databases maintained by the Department of Labor (DOL). The DOL's Wage and Hour Division (WHD) and Occupational Safety & Health Administration (OSHA) each maintain databases that list the enforcement actions taken by these divisions.

Both sets of enforcement data are publicly available via the Department of Labor's website. In both cases, information included in the data includes the name of the firm charged with the violation, and additional information about the size and severity of the violation, and the dates of action taken by the agency. The Committee staff accessed this data effective January 2013 for WHD and October 2013 for OSHA.

The six years of WHD compliance data primarily covers violations of the Fair Labor Standards Act (FLSA), the Service Contract Act, and Davis-Bacon and Related Acts. The Fair Labor Standards Act provides for a federal minimum wage, overtime pay, and child labor protections. Under Section 7 of the act, employers must pay covered workers at least one-and-a-half times their regular hourly wage for hours worked over 40 hours a week at a given job. While most wage and salary workers are covered by the FLSA, Section 13 of the Act exempts certain employers and employees from either the minimum wage or overtime standards of the Act, or both. The FLSA covers employees and enterprises engaged in interstate commerce.⁶⁰ The Service Contract Act applies to contracts entered into by the United States or the District of Columbia whose principal purpose is to furnish services to the United States through the use of service employees.⁶¹ It requires contractors and subcontractors performing services on covered federal or District of Columbia contracts in excess of \$2,500 to pay service employees no less than the monetary wage rates and fringe benefits found prevailing in the locality, or the rates contained in a preceding contractor's collective bargaining agreement.⁶² Under the statute, violations of the Act can result in violators being debarred, but the Department of Labor retains discretion in enforcing the debarment

⁵⁹ For the purposes of this report, a company was considered a federal contractor if it was a prime federal contractor. Many of the companies listed in top 100 OSHA and WHD violations list could potentially be federal government subcontractors.

⁶⁰ Fair Labor Standards Act, 29 U.S.C. § 201-219. An enterprise is covered if it has annual sales or business done of at least \$500,000. Regardless of the dollar volume of business, the act applies to hospitals; institutions primarily engaged in the care of the sick, aged, mentally ill, or disabled who reside on the premises; schools for children who are mentally or physically disabled or gifted; federal, state, and local governments; and preschools, elementary and secondary schools, and institutions of higher education. Although enterprises that have less than \$500,000 in annual sales or business done are not covered by the FLSA, employees of these enterprises may be covered if they are individually engaged in interstate commerce. These employees may travel to other states for work, make phone calls or send emails to persons in other states, or handle records that are involved in interstate transactions

⁶¹ Service Contract Act, 41 U.S.C. § 351 *et seq.*

⁶² *Id.*

provisions.⁶³ The Davis-Bacon Act, along with related Acts, provides similar prevailing wage requirements on certain types of federal construction projects.⁶⁴

In the case of the WHD data, Committee staff searched all WHD compliance actions for cases in which the “findings end date” occurred between 1/1/2007 and 12/31/2012. The “findings end date” was used because the WHD database does not include a case closed date. As a result, there are instances identified in the report in which the conduct leading to the violation occurred began prior to 1/1/2007. However, in all cases identified, the conduct for which back wages were paid extended into the period between 1/1/2007 and 12/31/2012.

Cases with a “findings end date” during this six year window were then sorted by the amount of “back wages agreed to pay” in order to identify the 100 cases in which the largest amount of back wages were paid. (See Appendix 2). While only one Davis-Bacon Act violation is included in the report, companies that had violations relating to Davis-Bacon Act were identified among the top-100 largest back wage assessments but those companies were not federal contractors in fiscal year 2012.

Committee staff additionally sorted the 100 cases in which the largest amount of civil money penalties were assessed, which included six federal contractors and affiliates. Civil money penalties are typically assessed only in some cases of repeat and/or willful violations of FLSA’s minimum wage or overtime requirements and for child labor violations, but overall those penalties were lower than the back wage assessments on which the majority of the analysis in the report is based. (Table D).

The Occupational Safety and Health Administration is the main federal agency charged with the enforcement of safety and health standards. The agency conducts inspections and assesses fines for regulatory violations of the health and safety standards.

Committee staff similarly searched all OSHA inspection cases in which there was a case closed date or an initial penalty determination made between 1/1/2007 and 12/31/2012. Committee staff aggregated publicly available data regarding individual OSHA inspection and citations to create a total amount of initial penalties assessed for each specific OSHA inspection in which there had been a citation. The case identification number associated with these violations was then matched to company identifying information contained in a separate part of the database.

Those cases were then sorted by the initial penalties assessed in order to identify the 100 cases in which the largest initial penalties were assessed. As noted in the report, initial penalties are frequently negotiated by employers with DOL, and can be reduced in an effort to reach resolution of a case and remediation of unsafe conditions in a timely matter. Because initial penalties more accurately reflect the severity of each particular incident, a determination was made to sort based on the initial penalty determination. However, for those companies listed in the report, the current penalty or an indication that the case remains open is also included. Open cases in which an initial penalty has been assessed are included in the analysis given that the investigation is complete, although the case may remain on appeal. Additionally, as employers are not required to abate potentially dangerous conditions until a case reaches its final disposition, limiting consideration to only cases that have been formally concluded would have

⁶³ *Id.*

⁶⁴ Davis-Bacon Act, 40 U.S.C. § § 3141-48.

potentially inappropriately excluded employers that have violated the law and have not yet remedied the unsafe condition.⁶⁵

As with the WHD actions, this methodology may result in cases in which the misconduct occurred prior to 1/1/2007 being included. In addition, in at least three instances Committee staff found discrepancies between the information contained within the publicly available enforcement database and the Department of Labor's public releases regarding the enforcement action, which were more correct.⁶⁶

Committee staff additionally reviewed companies included in OSHA's Severe Violator Enforcement Program (SVEP). This list includes any companies "who have demonstrated recalcitrance or indifference to their Occupational Safety and Health Act obligations by committing willful, repeated, or failure-to-abate violations in one or more of the following circumstances: (1) a fatality or catastrophe situation; (2) in industry operations or processes that expose employees to the most severe occupational hazards and those identified as "High-Emphasis Hazards," (3) exposing employees to hazards related to the potential release of a highly hazardous chemical; or (4) all egregious enforcement actions."⁶⁷ (Table B)

Parent companies of entities responsible for the 100 largest back wages assessments in the case of WHD, and the 100 largest initial penalty determinations in the case of OSHA, were then cross referenced with USA Spending in order to determine which of the companies identified as responsible for these actions held more than \$500,000 in federal contracts in fiscal year 2012 (i.e. current significant federal contracts).⁶⁸ The list of the 100 top violators for both WHD and OSHA during the relevant period, including companies that did not appear in USA Spending, is included as Appendix 2.

USA Spending (www.usaspending.gov) is a public database that provides access to information about federal spending, including information about the amount, type, and recipient of federal dollars, including grants and contracts. As such, it represents the most comprehensive public data on the contracting activities of the federal government. The summaries section of USA Spending contains a listing of over 144,000 federal contractors, together with the amount of contracts awarded to the company in each fiscal year. Multi-year contracts are counted in the fiscal year awarded, although individual transactions on a contract are also tracked in USA Spending.

Overall, the analysis found that of the largest 100 WHD back pay awards, 35 were assessed against a company or subsidiary where the parent company also held more than \$500,000 in federal contracts in fiscal year 2012. (See Table C.) Thirty-two separate companies were responsible for these 35 back wage assessments. In the case of OSHA, 23 large OSHA violations were assessed against 18 parent companies that also held more than \$500,000 in federal contracts in fiscal year 2012. (See Table A.) In total, 49 separate companies are identified in the report as federal contractors that also received one of the largest WHD or OSHA violations. Basic summaries of the companies contained in the analysis, together with a brief summary of the violation leading to the penalty are available in Appendix 4.

⁶⁵ In some cases companies can expend considerable resources in trying to fend off relatively modest OSHA penalties in order to avoid taking additional safety precautions. See Dave Jamieson, *Walmart Still Hasn't Paid Its \$7,000 Fine For 2008 Black Friday Death* HUFFINGTON POST, (2013), http://www.huffingtonpost.com/2013/11/21/walmart-black-friday-death_n_4312210.html.

⁶⁶ See Appendix 4 for additional information.

⁶⁷ OSHA Instruction, Severe Violators Enforcement Program (SVEP), U.S. Dep't of Labor, Occupational Safety and Health Administration, <https://www.osha.gov/dep/svep-directive.pdf>.

⁶⁸ Public entities, including for example the Puerto Rico Police Department, were excluded from the analysis.

Both the WHD and OSHA databases pose considerable challenges from a research and analysis perspective. Company identifying information, including the corporate name, is often incorrect or listed inconsistently between cases. For example, the WHD data include separate entries for both the Trade Name and Legal Name of the company listed. In some cases, these entities are the same. In others, however, they differ in various ways. In some cases, a comma or apostrophe may be included in the Trade Name field but not the Legal Name field. In others, a company may be listed with the suffix “Co.” in the Trade Name but the suffix “Inc.” in the Legal Name. Finally, not infrequently, the named entities in the Trade Name field and Legal Name field appear to differ vastly. Unlike the WHD data, the OSHA data only includes one field, titled “Establishment Name,” that can be used to identify the name of the entity.

For that reason, for cases in which the company that received the assessment or penalty appeared to be a federal contractor, additional efforts were undertaken to confirm the exact legal identity of the company. To do so, Committee staff used address information and other identifying information to ensure to the maximum extent possible that the company in violation was the same company that held federal contracts.

Neither the WHD nor OSHA enforcement data provide information that allowed Committee staff to identify the corporate structure of the entity listed in the data. In particular, the data does not establish whether or not the listed entity is a parent company, or a subsidiary or affiliate of a parent company. In order to accurately cross reference the name of the entity responsible for the misconduct with USA Spending, and to get a complete understanding of the corporate structure of the company named in the WHD and OSHA data, Committee staff sought to identify further information about the companies named in the database. The companies identified in the report are the ultimate parent company, or in the case of a company owned by a private equity company, the name of the private equity firm.

Correctly identifying the parent company of the firms listed in the data is difficult for a number of reasons. While in some cases, the entity listed is a parent company without subsidiaries, in general the entity in the data is not a parent company. For example, the company identified as responsible for the violation may be a parent company with subsidiaries, a subsidiary of a parent company, or a brand name under which a parent company, or subsidiary of a parent company, operates. Additionally, in some cases, the entity identified in the WHD or OSHA data may no longer exist as a result of a bankruptcy, may have legally change its name, or may have been purchased following the time in which the listed violation occurred. In these cases, Committee staff attributed the violation to the current parent company.

Given these challenges, Committee staff separately researched the corporate structure of entities that received large violations or assessments. For publicly traded companies, SEC reporting information was used to develop a list of jointly owned and affiliated companies. For private companies, information provided on their websites including annual reports and other investor information was consulted. As previously stated, in a number of instances the penalty or assessment was made against a company that has since been purchased or subsumed in a reorganization or bankruptcy. In these instances, the parent company similarly appears in the report, but the company that actually received the violation is also indicated. When a private equity fund is the full owner of a company they have been treated as a parent company.

In order to obtain the full universe of labor violations by the 49 companies identified, Committee staff took the compiled list of parent companies, subsidiaries and affiliates and ran those companies back through both the WHD and OSHA databases in order to determine if other penalties and assessments of

lesser magnitude had been issued against the corporate entity including subsidiaries, affiliates, franchises, dealers and/or retailers by either WHD or OSHA between 2007 and 2012. The results of that can be found in Appendix III.

In some cases, the parent company identified in the report has franchises or dealers listed in the DOL data that are not operated by the parent. For instance, BP PLC has a number of gas stations using the name BP that appear in the data. Similarly, a number of auto dealers use the name GM or Chrysler in their dealership, but are not technically owned by General Motors Corporation or Chrysler Group, LLC. In these cases, staff did not attribute these violations to the parent company for the purpose of evaluating the data in Table E. However, this information is included in Table F. Additionally, a more detailed listing of the number and type of violations, and the subsidiary or parent company against which they were assessed, can be found in Appendix 4. Appendix 5 also contains a detailed list of each violation (including cases that were investigated but in which no assessment or penalty was issued) attributed to the corporate entity.

Committee staff also sought information on the record of the companies that are federal contractors from two additional databases, the Excluded Parties List System (EPLS) and the Federal Awardee Performance Integrity Information System (FAPIS). A third database available to contracting officers, the Past Performance Information Retrieval System (PPIRS), is not publicly accessible and was not consulted. PPIRS contains information on the past performance of a contractor. Under Subpart 42.15 of the FAR, agencies are generally required to evaluate contractors' performance on all contracts valued in excess of \$150,000 when the contract is completed, or in the case of multi-year contracts, on an interim basis.⁶⁹ When evaluating past performance, agencies are required only to evaluate the contractor's performance on and efforts to achieve any small business subcontracting goals, although they are encouraged to consider other factors, such as:

the contractor's record of conforming to contract requirements and to standards of good workmanship; the contractor's record of forecasting and controlling costs; the contractor's adherence to contract schedules, including the administrative aspects of performance; the contractor's history of reasonable and cooperative behavior and commitment to customer satisfaction; the contractor's reporting into databases ...; the contractor's record of integrity and business ethics, and generally, the contractor's business-like concern for the interest of the customer.⁷⁰

The Excluded Parties List System (EPLS), housed in the System for Acquisition Management at the General Services Administration, is used by contracting officers to determine whether or not a bidder has been suspended or debarred and is therefore ineligible to receive a contract. Companies that have been debarred, suspended, proposed for debarment, or otherwise declared ineligible from receiving federal contracts appear in EPLS. If a bidder is suspended or debarred, the contracting officer would not need to evaluate the contents of the bid, as that firm would be unable to receive the contract.⁷¹

FAPIS, created as result of language contained in the fiscal year 2008 Defense Authorization bill, "contains brief descriptions of all civil, criminal, and administrative proceedings involving federal

⁶⁹ 48 C.F.R. §42.1502(b).

⁷⁰ 48 C.F.R. §42.1501.

⁷¹ 48 C.F.R. §9.405.

contracts that resulted in a conviction or finding of fault, as well as all terminations for default, administrative agreements, and non-responsibility determinations relating to federal contracts, within the past five years for all persons holding a federal contract or grant worth \$500,000 or more.”⁷² While FAPIIS has tremendous shortcomings described in the report, *some* federal contractors that have committed clear and unquestionable misconduct are contained in the database, which contracting officers are required to review prior to awarding a contract.⁷³

As a practical matter, contracting officers access FAPIIS via the PPIRS system both of which are now housed at the General Services Administration.

The above explanation illustrates the challenges in using existing tools to clearly answer the question of what federal contractors have broken federal labor laws.

⁷² KATE MANUEL, DEBARMENT AND SUSPENSION OF GOVERNMENT CONTRACTORS: AN OVERVIEW OF THE LAW INCLUDING RECENTLY ENACTED AND PROPOSED AMENDMENTS, CONGRESSIONAL RESEARCH SERVICE, (2011).

⁷³ Duncan Hunter National Defense Reauthorization Act for Fiscal Year 2009, Pub. L. No. 110-417, §872(b)(1) & (c), 122 Stat. 4356 (2008).

Appendix II: Top 100 Penalties and Violations WHD and OSHA 2007-2012 (contractors and non-contractors)

Companies Receiving Top 100 Back Pay Assessments 2007-2012			
Company	Date	Back Pay Assessment	Federal Contractor in 2012
Wal-Mart Stores, Inc.	7/30/2007	\$30,857,205	No
Management & Training Corp	12/31/2009	\$20,998,873	Yes
Puerto Rico Department of Corrections	4/24/2010	\$7,863,202	Yes
Electronic Data Systems, Inc.	11/10/2007	\$5,365,982	Yes
Manpower, Inc.	4/28/2007	\$4,886,877	Yes
Cingular Wireless, LLC	1/19/2007	\$4,711,767	Yes
Wal-Mart Stores, Inc.	3/31/2007	\$4,594,735	No
Puerto Rico Department of Corrections	3/20/2010	\$4,370,413	Yes
Washington Demilitarization Company LLC	2/13/2009	\$4,268,624	Yes
Prince George's County Public Schools	12/31/2010	\$4,222,146	No
Vangent, Inc.	1/31/2009	\$2,976,667	Yes
Telos Corp	12/31/2009	\$2,880,033	Yes
Nestle USA	12/15/2008	\$2,750,840	Yes
Wackenhut Services, Inc.	9/30/2007	\$2,541,364	Yes
Wal-Mart Stores, Inc.	1/31/2007	\$2,478,757	No
Peri & Sons Farms, Inc.	12/31/2009	\$2,338,700	No
Valley Baptist Health Systems	3/9/2011	\$2,090,243	No
Maricopa County	3/4/2009	\$2,082,072	No
Sandia Corp	5/21/2008	\$2,023,671	Yes
S3 LTD	2/5/2007	\$1,960,555	No
Greet America,, Inc.	9/29/2010	\$1,832,518	No
CVR Energy,, Inc.	1/29/2011	\$1,792,837	Yes
I.A.P. World Services, Inc.	9/30/2008	\$1,788,002	Yes
Nestle USA, Inc.	12/15/2008	\$1,752,293	Yes
VMT Long Term Care Management, Inc.	12/31/2008	\$1,715,815	No
TAC Worldwide Consulting Group	10/21/2008	\$1,710,169	No
Dismas Charities, Inc.	9/4/2010	\$1,687,882	Yes
Delta-21 Resources, Inc.	9/29/2010	\$1,674,340	Yes
TPUSA, Inc	4/9/2010	\$1,670,856	No
Wal-Mart Stores, Inc.	1/31/2007	\$1,654,184	No
URS Corp	10/27/2008	\$1,580,037	Yes
S.I. International, Inc.	11/30/2007	\$1,559,978	Yes
Win Wholesale, Inc.	1/7/2011	\$1,557,933	No

Companies Receiving Top 100 Back Pay Assessments 2007-2012

Company	Date	Back Pay Assessment	Federal Contractor in 2012
Puerto Rico Police	3/1/2009	\$1,535,388	Yes
McLane Company, Inc.	8/10/2007	\$1,461,902	No
Computer Sciences Corp	11/30/2007	\$1,448,506	Yes
Total Enterprise, Inc.	11/7/2009	\$1,371,389	No
Stanley Associates, Inc.	2/18/2011	\$1,359,888	Yes
DSM Design Group, LLC	4/18/2008	\$1,340,763	No
GEOPHARMA, Inc.	4/10/2010	\$1,313,870	No
Pace Airlines, Inc.	9/26/2009	\$1,313,611	No
Total Healthcare Staffing of Long Island, Inc	4/1/2008	\$1,304,911	No
CAL Construction Co., Inc	10/30/2010	\$1,300,000	No
Southern California Maids Service Inc	12/19/2009	\$1,214,354	No
CMA Services, Inc.	4/1/2008	\$1,210,012	No
Teachers Insurance Annuity Association	4/15/2007	\$1,171,404	No
Desert Plastering, LLC	3/31/2007	\$1,147,921	No
Beckman Coulter, Inc.	11/27/2009	\$1,114,492	Yes
Rural/Metro Corp	6/24/2011	\$1,109,697	Yes
Apex Systems Inc.	10/31/2011	\$1,095,663	No
ProPetro Services, Inc	8/24/2009	\$1,082,753	No
CDP Corp, Inc	1/6/2008	\$1,046,678	No
Wal-Mart Stores, Inc.	1/31/2007	\$1,035,239	No
Levi Strauss & Company	10/20/2010	\$1,023,989	No
First Republic Bank	4/7/2012	\$1,009,644	No
Pilgrim's Pride Corp	3/4/2010	\$1,001,438	Yes
Ball Aerospace and Technologies Corp	4/7/2007	\$976,328	Yes
Husky Energy, Inc./Lima Refining Company	3/14/2009	\$969,182	Yes
Metropolitan Center for Mental Health	12/31/2011	\$964,939	No
Olympus Corp of the Americas and its	8/16/2008	\$956,774	Yes
Eurofresh, Inc.	12/31/2008	\$937,690	No
United HealthCare Services, Inc.	10/10/2009	\$934,551	Yes
THD At-Home Services, Inc.	1/31/2009	\$920,940	Yes
Apex Systems Inc.	10/31/2011	\$920,225	No
Progressive Technologies, Inc.	12/31/2009	\$888,001	No
Alameda County Medical Center	8/13/2007	\$873,361	No
CFI SALES & MARKETING, LLC	5/7/2009	\$868,444	No
New United Motors Manufacturing Inc	9/30/2007	\$862,285	No
Hawk One Security, Inc.- DC Public Schools	12/17/2009	\$859,784	No

Companies Receiving Top 100 Back Pay Assessments 2007-2012

Company	Date	Back Pay Assessment	Federal Contractor in 2012
Vanderbilt Police Department	6/7/2010	\$845,705	Yes
Southwest Research Institute	2/13/2009	\$843,965	Yes
Pason Systems USA Corp	9/15/2007	\$841,825	No
Gwinnett Sprinkler Company	2/27/2010	\$834,307	No
Alan Berman Trucking, Inc.	2/3/2007	\$825,000	No
General Hospital Corp, The	3/21/2009	\$812,036	No
Big Ridge, Inc.	4/16/2007	\$809,993	No
Manganaro Midatlantic, LLC	4/30/2011	\$795,873	No
Alliance Mechanical Inc	4/16/2011	\$791,210	No
Superior Ambulance Service, Inc.	9/20/2009	\$780,097	No
Sablan Construction Company, Ltd.	6/2/2008	\$760,000	No
USProtect Corp	11/16/2012	\$758,235	No
Kinder Morgan, Inc.	3/12/2010	\$754,830	Yes
Farmer's Group, Inc.	9/17/2010	\$754,148	No
Pactiv Corp	1/2/2011	\$753,837	Yes
Arizona Pipeline Company	11/23/2009	\$749,862	No
Quik Trip Corp	7/29/2008	\$747,729	No
Puerto Rico Department of Justice	8/4/2012	\$741,497	No
Guam Police Department	7/31/2007	\$737,729	No
Morton Buildings, Inc.	10/13/2009	\$731,678	No
Teltara, LLC	12/31/2011	\$731,161	Yes
Flying J, Inc.	12/14/2008	\$723,964	No
Lockheed Martin Operations Support, Inc.	2/13/2009	\$723,686	Yes
Medassurant, Inc.	4/30/2010	\$714,588	No
C & S Wholesale Grocers, Inc.	12/26/2007	\$714,562	Yes
L-3 Communications Vortex Aerospace, LLC	3/5/2012	\$713,947	Yes
US PROTECT Corp	3/14/2008	\$709,147	No
Thomas Computer Solutions, LLC	1/5/2008	\$700,000	No
American Bindery Depot, Inc	3/28/2010	\$690,677	No
The Rochester General Hospital	8/31/2008	\$690,374	No

Companies Receiving Top 100 OSHA Violations 2007-2012

Company	Sum of Initial Penalties	Sum of Current Penalties	Federal Contractor in 2012?
BP Products North America, Inc.	\$30,730,000.00	\$30,730,000.00	Yes
BP Products North America, Inc.	\$21,156,500.00	\$21,156,500.00	Yes
O&G Industries Inc.	\$8,295,000.00	\$8,295,000.00	No
Dayton Tire Company	\$7,490,000.00	\$7,490,000.00	No
Keystone Construction & Maintenance	\$6,636,000.00	\$6,636,000.00	No
Arcadian Corp	\$5,085,000.00	\$5,085,000.00	No
Imperial Sugar Company; Imperial-Savannah, L.P.	\$5,062,000.00	\$4,050,000.00	Yes
E. Smalis Painting Company	\$5,008,500.00	\$1,092,750.00	No
Imperial Sugar Company; Imperial-Savannah, L.P.	\$3,715,500.00	\$2,000,000.00	Yes
Tyson Meats, Inc.	\$3,133,100.00	\$532,030.00	Yes
BP Products N. America, Inc.,&BP-Husky Refining LLC	\$3,042,000.00	\$3,042,000.00	Yes
Cintas Corp	\$2,782,000.00	\$2,494,043.50	Yes
C-P-C-G Oklahoma City Plant-General Motors Corp.	\$2,780,000.00	\$2,780,000.00	Yes
BP Products North America, Inc.	\$2,415,000.00	\$2,415,000.00	Yes
Shell Anacortes Refining	\$2,393,000.00	\$2,393,000.00	Yes
Southern Scrap Materials Company, Inc.	\$2,026,700.00	\$2,026,700.00	No
Whitesell Corp	\$2,017,500.00	\$2,017,500.00	No
Thomas Industrial Coatings, Inc.	\$1,848,000.00	\$1,848,000.00	No
Jindal United Steel	\$1,665,000.00	\$571,150.00	No
South Dakota Wheat Growers Association	\$1,624,000.00	\$1,792,000.00	No
Tempel Grain Elevators, LLP	\$1,592,500.00	\$45,460.00	No
Midwest Steel Inc	\$1,520,000.00	\$140,000.00	No
Eric K Ho Individually And DBA Ho Ho Ho Express	\$1,411,200.00	\$1,411,200.00	No
Manganas Painting Co., Inc.	\$1,319,850.00	\$1,145,890.00	No
Manganas Painting Co., Inc.	\$1,318,500.00	\$334,850.00	No
Daimler Chrysler Corp	\$1,289,200.00	\$1,289,200.00	Yes
VT Halter Marine, Inc.	\$1,286,000.00	\$1,263,000.00	Yes
G.S. Robins & Company D.B.A. Ro-Corp, Inc.	\$1,277,000.00	\$700,000.00	No
Amd Industries, Inc.	\$1,247,400.00	\$1,247,400.00	No
Black Mag LLC, DBA BMI & DBA Black Mag Industries	\$1,232,500.00	\$1,232,500.00	No
AWC Frac Valves Inc	\$1,225,000.00	\$105,000.00	No
Goodman Manufacturing Company, L.P.	\$1,215,000.00	\$550,000.00	Yes
Pretium Packaging L.L.C.	\$1,178,100.00	\$500,000.00	No
Doe Run Company	\$1,167,600.00	\$396,140.00	No

Companies Receiving Top 100 OSHA Violations 2007-2012

Company	Sum of Initial Penalties	Sum of Current Penalties	Federal Contractor in 2012?
Bluewater Energy Solutions, Inc.	\$1,148,000.00	\$686,000.00	No
Milk Specialties Company	\$1,145,200.00	\$1,480,000.00	No
Manganas Painting Co., Inc.	\$1,134,000.00	\$938,100.00	No
Beef Products, Inc.	\$1,102,500.00	\$648,000.00	Yes
Ces Environmental Services, Inc.	\$1,092,000.00	\$1,092,000.00	No
E.N. Range, Inc.	\$1,035,600.00	\$1,035,600.00	No
Allen Family Foods, Inc.	\$1,034,000.00	\$521,000.00	No
Tyler Pipe Company	\$1,015,000.00	\$1,015,000.00	No
Piping Technology & Products, Inc.	\$1,013,000.00	\$1,013,000.00	No
Silver Eagle Refining Inc	\$1,006,400.00	\$1,006,400.00	No
NDK Crystals, Inc.	\$1,000,000.00	\$180,000.00	No
Butterball Turkey Company	\$998,360.00	\$425,000.00	Yes
E.N. Range, Inc.	\$980,000.00	\$980,000.00	No
Whitesell Corp	\$926,000.00	\$798,000.00	No
160 Broadway Corp DBA Broadway Concrete	\$888,000.00	\$738,000.00	No
Cooperative Plus, Inc.	\$861,000.00	\$516,350.00	No
RPI Coating, Inc.	\$845,100.00	\$100,000.00	No
Scott Paper Company, Northeast Div.	\$813,000.00	\$475,000.00	No
PI Trailers Mfg., Co., Inc.; Delco Trailers	\$810,700.00	\$810,700.00	No
Insituform Technologies USA, Inc.	\$808,250.00	\$733,750.00	Yes
John J. Steuby	\$788,000.00	\$176,200.00	No
Wrr Environmental Services Co, Inc.	\$787,000.00	\$340,000.00	No
Americold Logistics LLC	\$740,400.00	\$430,300.00	Yes
Severstal North America, Inc.	\$731,790.00	\$312,196.00	No
Avondale Industries, Inc., Steel Sales Div.	\$717,000.00	\$717,000.00	Yes
Navajo Refining Company, LLC	\$707,000.00	\$400,000.00	No
Tribe Mediterranean Foods, Incorporated	\$702,300.00	\$540,000.00	No
A-1 Excavating, Inc	\$693,000.00	\$360,000.00	No
Jacksonville Shipyard, Inc.	\$692,000.00	\$692,000.00	No
Interstate Brands Corp	\$663,000.00	\$112,500.00	Yes
Lanzo Construction Co	\$657,500.00	\$657,500.00	No
SSAB Iowa, Inc.	\$643,500.00	\$643,500.00	No
Midwest Canvas Corp	\$642,000.00	\$447,000.00	Yes
Mar-Jac Poultry, Inc.	\$627,750.00	\$175,750.00	No
Roanoke Belt, Inc.	\$610,325.00	\$610,325.00	No
Tewksbury Industries, Inc.	\$600,000.00	\$600,000.00	No

Companies Receiving Top 100 OSHA Violations 2007-2012

Company	Sum of Initial Penalties	Sum of Current Penalties	Federal Contractor in 2012?
Interstate Brands Corp	\$600,000.00	\$75,000.00	Yes
Hermes Abrasives, Ltd.	\$567,500.00	\$10,000.00	No
Republic Engineered Products, Inc.	\$563,000.00	\$235,000.00	No
U.S. Postal Service	\$558,000.00	\$558,000.00	Yes
Haasbach, LLC	\$555,000.00	\$200,000.00	No
Kief Industries, Inc. DBA Excelsior Brass Works	\$550,400.00	\$550,400.00	No
C. A. Franc Construction	\$539,000.00	\$539,000.00	No
Saw Pipes USA, Inc.	\$536,000.00	\$300,000.00	No
American Resources Inc	\$515,250.00	\$515,250.00	No
Thomas Industrial Coatings, Inc.	\$514,500.00	\$514,500.00	No
Loren Cook Company	\$511,000.00	\$511,000.00	No
HI Crouse Construction Co.	\$510,750.00	\$510,750.00	No
Western Extrusions Corp	\$504,000.00	\$120,150.00	No
The Massaro Company	\$504,000.00	\$56,000.00	No
The Toro Company	\$490,000.00	\$42,000.00	Yes
Parker Hannifin Corp	\$487,700.00	\$321,920.00	Yes
Quality Stamping Products Co.	\$485,000.00	\$140,600.00	No
Cambria Contracting Incorporated	\$484,000.00	\$29,000.00	No
Welch Group Environmental LLP And Glenn Welch	\$480,000.00	\$480,000.00	No
Midwest Racking Manufacturing, Inc.	\$478,600.00	\$318,600.00	No
Bostik, Inc.	\$476,000.00	\$300,000.00	Yes
Boomerang Tube, LLC	\$468,000.00	\$468,000.00	No
U.S. Minerals, LLC	\$466,400.00	\$466,400.00	No
Southern Pan Services Company	\$460,000.00	\$460,000.00	No
Damalos & Sons, Inc.	\$456,000.00	\$456,000.00	No
Benchmark Construction Co.,Inc.	\$453,000.00	\$318,000.00	No
Pilkington North America Inc	\$453,000.00	\$453,000.00	No
Trinity Industries Caruthersville	\$448,500.00	\$350,500.00	No
Richard E. Fowler, Inc.	\$448,000.00	\$350,000.00	No
Bath Iron Works	\$441,500.00	\$324,000.00	Yes
Bostik, Inc.	\$441,000.00	\$300,000.00	Yes

Appendix III: 49 Federal Contractors with Multiple Violations 2007-2012, Grouped by Subsidiary

Parent Company Subsidiaries	Violations			Penalties
	Wage	OSHA	Total	
Aegion Corp				
Bayou Coating, LLC		1	1	\$700
Brinderson Engineers & Constructors		1	1	\$18,000
Corrpro Companies, Inc.		4	4	\$55,180
Fibrwrap Construction, Inc.		2	2	\$3,700
Insituform Technologies, Inc.		5	5	\$821,500
Total	0	13	13	\$899,080
Americold				
Parent and Similarly Named Entities		5	5	\$20,580
Americold Logistics		50	50	\$1,621,676
Americold Nebraska Leasing, LLC		1	1	\$4,500
Americold Realty Trust		3	3	\$4,625
Atlas Cold Storage	1	3	4	\$37,556
Versacold Logistics		11	11	\$187,870
Total	1	73	74	\$1,876,807
AT&T				
Parent and Similarly Named Entities	6	53	59	\$309,174
Illinois Bell		7	7	\$82,000
AT&T Mobility	2	9	11	\$20,838
Bellsouth		5	5	\$7,588
Pacific Bell		35	35	\$60,035
SBC Communications		13	13	\$78,990
Cingular Wireless	2		2	\$5,108,549
Subtotal	10	122	132	\$5,667,174
AT&T Retailers	8	4	12	\$42,168
Total	18	126	144	\$5,709,342

Parent Company Subsidiaries	Violations			Penalties
	Wage	OSHA	Total	
Ball Corp				
Parent and Similarly Named Entities		12	12	\$89,940
Ball Aerosol And Specialty Container, Inc.		4	4	\$28,125
Ball Aerospace & Technologies Corp	1	1	2	\$978,578
Ball Metal Beverage Container Corp		1	1	\$5,525
Ball Metal Food Container, LLC		1	1	\$1,870
Ball Plastic Container Corp		2	2	\$10,985
Heekin Can, Inc.		2	2	\$1,060
Total	1	23	24	\$1,116,083
Beef Products		8	8	\$1,141,905
BP				
BP Husky Refining, LLC		2	2	\$3,063,000
BP America, Inc. Rig 291		1	1	\$1,275
BP Whiting Business Unit		2	2	\$394,250
BP Arkoma		1	1	\$975
BP Concrete		1	1	\$750
BP Construction, LLC		1	1	\$1,250
BP Exploration Alaska, Inc.		11	11	\$173,925
BP Products North America, Inc.		8	8	\$54,645,500
BP Solar International, Inc.		1	1	\$6,175
BP West Coast Products, LLC		3	3	\$38,460
BP/Arco Petroleum Products Carson		1	1	\$27,500
Alyeska Pipeline Service Company		2	2	\$1,650
Omega Oil & Gas Services, Inc.		1	1	\$2,975
Subtotal		35	35	\$58,357,685
BP Retailers	125	9	133	\$1,382,048
Total	125	44	168	\$59,739,733.07
C&S Wholesale Grocers				
Parent and Similarly Named Entities	3	36	39	\$1,285,331
Erie Logistics, LLC	0	3	3	\$7,600
Piggly Wiggly	0	4	4	\$10,200
Total	3	43	46	\$1,303,131

Parent Company Subsidiaries	Violations			Penalties
	Wage	OSHA	Total	
Cerberus Capital Management				
IAP Worldwide Services Inc	5	2	7	\$1,863,607
Total	5	2	7	\$1,863,607
CGI				
Parent and Similarly Named Entities	0	4	4	\$33,420
CGI International, Inc.	0	1	1	\$9,150
Stanley Associates, Inc.	2	4	6	\$1,531,679
CGI Federal, Inc.	2	0	2	\$134,149
Total	4	9	13	\$1,708,397
Chrysler	0	24	24	\$174,485
Daimler Chrysler Corp	1	10	11	\$1,358,229
Jeep Corp	0	1	1	\$9,200
Mb Tech Autodie LLC	0	1	1	\$1,800
Subtotal	1	36	37	\$1,543,714
Chrysler Autodealers	53	96	149	\$778,576
Total	54	132	186	\$2,322,289
Cintas Corp				
Parent and Similarly Named Entities	2	58	60	\$3,362,170
Millennium Mats	0	1	1	\$31,200
Total	2	59	61	\$3,393,370
Computer Sciences Corp	7	12	19	\$1,788,801
CSC Applied Technologies LLC	1	0	1	\$268,635
Total	8	12	20	\$2,057,436
CVR Energy				
Wynnewood Refining Company	0	5	5	\$607,100
Coffeyville Resources Refining & Marketing LLC	1	2	3	\$1,923,837
Coffeyville Resources Nitrogen Fertilizer LLC	0	2	2	\$85,050
Total	1	9	10	\$2,615,987

Parent Company Subsidiaries	Violations			Penalties
	Wage	OSHA	Total	
Daikin Industries				
Goodman Manufacturing Company	1	11	12	\$1,421,485
Goodman Construction Company LLC	0	1	1	\$3,450
Goodman Company LP	0	3	3	\$5,600
Goodman Air Conditioning & Refrigeration, Inc.	0	1	1	\$1,500
Sauer Danfoss	0	3	3	\$7,450
AAF International	0	3	3	\$16,500
Total	1	22	23	\$1,455,985
Danaher Corp				
Parent and Similarly Named Entities	0	1	1	\$1,950
Danaher Tool Group	0	4	4	\$287,100
Dynapar Corp	0	1	1	\$9,100
Danaher Construction Services	0	1	1	\$4,050
Easco Hand Tools	0	1	1	\$2,615
Danaher Controls	0	1	1	\$1,750
Beckman Coulter	2	2	4	\$1,129,911
American Precision Industries, Inc.	0	2	2	\$1,035
Chemtreat, Inc.	0	1	1	\$4,000
Dental Equipment LLC	0	1	1	\$3,150
Fluke Corp	0	1	1	\$3,150
Hach Company, Inc.	0	1	1	\$2,275
Hennessy Industries, Inc.	0	2	2	\$20,375
Janos Technology, Inc.	0	1	1	\$5,750
Kerr Corp	0	3	3	\$6,600
Kollmorgen Corp	0	1	1	\$1,575
Ormco Corporation	0	2	2	\$23,535
Pacific Scientific Energetic Materials Company	0	5	5	\$99,175
Tektronix, Inc.	0	1	1	\$605
Veeder-Root Company	0	1	1	\$7,000
Total	2	33	35	\$1,614,701
Delta-21	1	0	1	\$1,674,340
Dismas Charities	4	0	4	\$1,750,691

Parent Company Subsidiaries	Violations			Penalties
	Wage	OSHA	Total	
G4 Secure Solutions				
Parent and Similarly Named Entities	9	4	13	\$93,853
G4s Security Services	1	3	4	\$71,585
Wackenhut Corp	20	6	26	\$3,208,064
G4s Youth Services LLC	1	0	1	\$3,516
Total	31	13	44	\$3,377,018
General Dynamics				
Parent and Similarly Named Entities	0	1	1	\$800
Bath Iron Works	0	4	4	\$655,200
General Dynamics Armament And Technical Products	0	4	4	\$59,025
General Dynamics Land Systems	0	7	7	\$74,210
General Dynamics Satcom Technologies	0	2	2	\$25,350
General Dynamics C4 Systems	0	2	2	\$28,000
General Dynamics Ordnance And Tactical Systems	0	2	2	\$24,400
General Dynamics Information Technology	3	2	5	\$278,422
General Dynamics Electric Boat Division	1	1	2	\$10,052
General Dynamics Robotics Systems, Inc.	0	1	1	\$1,500
General Dynamics Advanced Information Systems	0	1	1	\$900
General Dynamics Fort Worth Div	0	1	1	\$350
Axletech International	0	1	1	\$6,000
Electric Boat Corp	0	3	3	\$10,925
Force Protection Industries, Inc.	0	2	2	\$34,875
Earl Industries	0	3	3	\$16,675
Gulfstream Aerospace Corp	0	3	3	\$38,350
Jet Aviation Teterboro, LP	0	2	2	\$21,600
Jet Aviation Of America, Inc.	0	1	1	\$10,000
Metro Machine Corp	0	2	2	\$12,700
Nassco	0	9	9	\$60,390
National Steel And Shipbuilding Company	0	25	25	\$497,400
Vangent, Inc.	2	0	2	\$2,981,950
Total	6	79	85	\$4,849,075

Parent Company Subsidiaries	Violations			Penalties
	Wage	OSHA	Total	
General Motors Corp				
Parent and Similarly Named Entities	3	46	49	\$3,039,178
Proterra Inc	0	1	1	\$3,300
The Nanosteel Company, Inc.	0	2	2	\$5,570
Chevrolet Motor Div Tonawanda	0	1	1	\$300
Avon Automotive Cadillac Operations	0	1	1	\$5,250
GMC Trucking And Excavation, Inc.	1	0	1	\$13,379
Subtotal	4	51	55	\$3,066,978
General Motors Corp Autodealers	80	228	308	\$1,523,370
Total	84	279	363	\$7,657,325
The Home Depot				
Parent and Similarly Named Entities	7	241	248	\$2,606,863
Hewlett Packard				
Parent and Similarly Named Entities	2	3	5	\$54,010
Electronic Data Systems	3	3	6	\$5,797,559
Total	5	6	11	\$5,851,569
Huntigton Ingalls	0	2	2	\$159,300
Amsec LLC	0	2	2	\$9,640
Continental Maritime	0	1	1	\$21,560
Ingalls Shipbuilding	0	1	1	\$7,000
Newport News Shipbuilding And Drydock Company	0	1	1	\$5,000
Avondale Industries, Inc.	0	2	2	\$717,630
Titan II, Inc.	1	0	1	\$4,328
Total	1	9	10	\$924,458
Husky Energy				
Bp - Husky Refining LLC	0	2	2	\$3,063,000
Lima Refining Company	1	2	3	\$1,039,807

Parent Company Subsidiaries	Violations			Penalties
	Wage	OSHA	Total	
JBS	0	6	6	\$68,900
Pilgrim's Pride Corp	3	44	47	\$1,822,936
Swift & Company	4	20	24	\$295,588
JBS Carriers, Inc.	0	1	1	\$1,750
JBS Enterprises, Inc.	0	1	1	\$2,625
JBS Five Rivers Ranch Cattle Feeding LLC	0	4	4	\$33,925
JBS USA LLC	3	8	11	\$126,420
Total	10	84	94	\$2,352,144
Kinder Morgan	3	5	8	\$815,810
Kinder Morgan Energy Partners LP	3	3	6	\$156,750
Kinder Morgan Liquids Terminals LLC	1	5	6	\$66,509
Kinder Morgan Chesapeake Bulk Terminal	0	1	1	\$7,000
Kinder Morgan Arrow Terminals	0	1	1	\$14,000
Kinder Morgan Bulk Terminals, Inc.	0	7	7	\$29,412
Kinder Morgan Terminals	0	1	1	\$4,125
Kinder Morgan Berkeley	0	1	1	\$3,900
Kmgp Services Company, Inc.	4	0	4	\$51,277
Kinder Morgan Petcoke LP	1	0	1	\$4,580
Kinder Morgan Cochin LLC	1	0	1	\$932
Total	13	24	37	\$1,154,295
L-3 Communications				
Parent and Similarly Named Entities	0	5	5	\$18,610
L3 Communications Unidyne	0	1	1	\$10,125
L3 Communications Combat Propulsion Systems	0	1	1	\$8,360
L-3 Communications-Vertex Aerospace	5	2	7	\$707,632
L-3 Communications Electron Technologies, Inc.	0	1	1	\$375
Power Paragon, Inc.	0	1	1	\$420
Microdyne Outsourcing Inc.	1	0	1	\$4,505
Crestview Aerospace	1	0	1	\$399
L-3 Communications Vortex Aerospace LLC	2	0	2	\$719,606
L-3 Services, Inc.	1	0	1	\$26,965
L-3 Communications Aerospace LLC	1	0	1	\$2,995
Total	11	11	22	\$1,499,992

Parent Company Subsidiaries	Violations			Penalties
	Wage	OSHA	Total	
Lockheed Martin				
Parent and Similarly Named Entities	8	7	15	\$215,919
Kelly Aviation Center	0	2	2	\$13,000
Lockheed California Company	0	3	3	\$1,550
Lockheed Martin Aeronautics Company	0	2	2	\$19,500
Lockheed Martin Aspen Systems Corporation	0	1	1	\$15,875
Lockheed Martin, Rts-Medical-Camp Parks, CSTC	0	2	2	\$8,663
Lockheed Space Operations Company	0	1	1	\$660
Lockheed Martin Operations Support, Inc.	1	0	1	\$8,426
Lockheed Martin Informations Technology	1	0	1	\$21,330
Lockheed Martin Services, Inc.	3	0	3	\$56,513
Lockheed Martin Global Training & Logistics	2	0	2	\$6,164
Lockheed Martin Government Services, Inc.	1	0	1	\$24,827
Lockheed Martin Operations Support, Inc.	2	0	2	\$759,868
Sandia National Laboratories	2	0	2	\$2,077,247
Total	20	18	38	\$3,229,543
Louis Dreyfus				
Parent and Similarly Named Entities	0	1	1	\$150
Louis Dreyfus Citrus Inc.	0	2	2	\$11,425
Imperial Sugar Company	0	3	3	\$8,789,500
Ld Commodities	0	1	1	\$3,188
Total	0	7	7	\$8,804,263
Management and Training Corp				
And Similarly Named Entities	7	4	11	\$21,357,490
Hawaii Job Corps Center	0	1	1	\$560
Mtc East Texas Treatment Facility	1	0	1	\$133,238
Management Training Corp Taft Correctional Institution	1	0	1	\$18,107
Keystone Job Corps Center	1	0	1	\$28,634
Total	10	5	15	\$21,538,030

Parent Company Subsidiaries	Violations			Penalties
	Wage	OSHA	Total	
Manpower Group	5	25	30	\$5,099,600
The Greenwood Group	0	1	1	\$8,580
Clmp Limited	0	1	1	\$5,000
Manpower Staffing, Inc.	0	2	2	\$5,750
Experxis US, Inc.	1	0	1	\$41,111
Acz, Inc.	1	0	1	\$4,721
Cpm, LTD	1	0	1	\$1,179
Marvatemp Inc./Interbake Foods LLC	1	0	1	\$500
Total	9	29	38	\$5,166,441
Nestle	0	5	5	\$51,250
Vitality Foodservice, Inc., Dba Nestle Professional	0	1	1	\$1,635
Dreyers	0	11	11	\$84,250
Nestle Prepared Foods Company	11	9	20	\$872,900
Nestle Purina Pet Care Company	0	12	12	\$51,495
Nestle USA	7	15	22	\$5,715,792
Nestle Water North America	1	12	13	\$61,930
Jenny Craig	0	2	2	\$1,120
Gerber Products Company, Inc.	0	1	1	\$3,000
Labor Leaders-Nestle	1	0	1	\$5,961
Nesco-Nestle	1	0	1	\$2,280
Nestle Toll House Cafe	1	0	1	\$1,682
Total	22	68	90	\$6,853,295
Olympus Corp	1	0	1	\$956,774
Olympus Medical Equipment Services America, Inc.	0	1	1	\$18,420
Total	1	1	2	\$975,194
Parker Hannifin	0	49	49	\$758,125
Brown Manufacturing Corporation	0	1	1	\$500
Velcon Filters LLC	0	4	4	\$12,998
Taiyo America, Inc.	0	2	2	\$5,503
Total	0	56	56	\$777,126

Parent Company Subsidiaries	Violations			Penalties
	Wage	OSHA	Total	
Reynolds Group	0	23	23	\$344,709
Pactiv	3	20	23	\$1,106,922
Evergreen Packaging	0	1	1	\$1,000
Dopaco, Inc.	0	2	2	\$7,745
Graham Packaging Company LP	2	11	13	\$92,878
Total	5	57	62	\$1,553,253
Seaboard Corp and Maxwell Farm Joint Venture				
Butterball LLC	0	9	9	\$1,036,535
Jacintoport International	0	2	2	\$14,075
Seaboard Farms, Inc.	0	3	3	\$146,325
Seaboard Foods LP	0	6	6	\$66,625
Seaboard Marine	0	6	6	\$37,725
Total	0	26	26	\$1,301,285
Serco Group				
Serco Construction Group Ltd	4	3	7	\$230,339
Serco Construction Group Ltd	0	1	1	\$7,500
Serco Management Services, Inc.	1	1	2	\$6,834
Serco Dba Comfort Suites	1	0	1	\$2,630
S.I. International, Inc.	1	0	1	\$1,559,978
Total	7	5	12	\$1,807,281
Southwest Research Institute				
	2	0	2	\$1,396,352
ST Engineering				
Vt Halter Marine, Inc.	0	3	3	\$1,322,975
Telos				
	1	0	1	\$2,880,033
Teltara				
	8	0	8	\$1,038,017

Parent Company Subsidiaries	Violations			Penalties
	Wage	OSHA	Total	
Tesoro Corporation				
Tesoro Refining and Marketing Company	0	9	9	\$163,885
Atlantic Richfield Company (ARCO)	0	8	8	\$54,250
Tesoro Hawaii Corp	2	2	4	\$146,294
Tesoro Shell Anacortes	0	2	2	\$2,399,000
Tesoro Alaska Company	0	3	3	\$12,300
Subtotal	2	24	26	\$2,775,730
Tesoro Retailers	14	7	21	\$75,535
Total	16	31	47	\$2,851,265
Toro Company	0	4	4	\$515,350
Total S.A.				
Bostik, Inc	0	6	6	\$944,075
Hutchinson Sealing Systems Inc	0	1	1	\$350
Total Petroleum Puerto Rico Corp.	0	1	1	\$446
Paulstra	0	1	1	\$7,350
Cook Composites and Polymers	0	3	3	\$80,875
Total Petrochemicals USA, Inc.	0	1	1	\$27,425
Total	0	13	13	\$1,060,521
Tyson Foods	1	67	68	\$1,799,738
Tyson Shared Services, Inc.	0	13	13	\$637,525
Tyson Chicken, Inc.	0	8	8	\$434,650
Tyson Fresh Meats, Inc.	0	44	44	\$3,593,450
Tyson Deli, Inc.	0	4	4	\$180,043
Tyson Prepared Foods, Inc.	0	11	11	\$173,025
Tyson Chick N Quick	0	1	1	\$11,000
Tyson Farms, Inc.	0	1	1	\$813
Tyson Sign Company, Inc.	0	3	3	\$1,825
IBP Inc	0	1	1	\$61,500
Madison Food Corporation	0	1	1	\$2,975
The Bruss Company	0	1	1	\$1,350
Zemco Industries, Inc., Del	0	1	1	\$2,295
Carolina Foods, Inc.	0	2	2	\$18,325
Carneco Foods LLC	0	3	3	\$10,500
Total	1	161	162	\$6,929,014

Parent Company Subsidiaries	Violations			Penalties
	Wage	OSHA	Total	
UnitedHealth Group				
Connexions, Inc.	1	1	2	\$1,177
Preferred Care Partners	2	0	2	\$1,696
Inspiris, LLC	1	0	1	\$37,583
Healthpro	1	0	1	\$13,217
Evercare Hospice, Inc.	1	0	1	\$20,472
United Healthcare Services, Inc.	2	0	2	\$955,369
Total	8	1	9	\$1,029,514
URS Corp	3	15	18	\$1,652,933
URS Energy & Construction	0	2	2	\$10,400
Cleveland Wrecking Company	0	3	3	\$4,205
Flint Energy & Services, Inc.	2	8	10	\$298,812
URS Federal Services	4	0	4	\$78,736
EG&G	1	0	1	\$4,268,624
Total	10	28	38	\$6,313,710
Total, All 49 Companies	247	1,529	1,776	\$196,368,683