



Labor Compliance Policy Bulletin

LCPB 22-1 Labor Compliance Restitution at District Level Reporting

References:	<i>California Labor Code</i>	Section 1720 -1815, Public Works Chapter
	<i>California Code of Regulations</i>	16434, Duties of a Labor Compliance Program
		16431, Annual Report
		16432, Investigation Methods for Labor Compliance Program – Definitions and Minimum Requirements, Including Review, Confirmation and Audit of Payroll Records; On-Site Visits; and Early Resolution of Audits
	<i>Standard Specifications</i>	Section 7-1.02K(2), “Wages”
		Section 7-1.02K(3), “Certified Payroll Records (Labor Code Section 1776)”

Effective Date: March 1, 2022

Approved:

A handwritten signature in blue ink, appearing to read 'Timothy Greutert', written over a horizontal line.

TIMOTHY GREUTERT
Acting Chief
Division of Construction

Approval Date: JULY 1, 2022

New Procedure

The Labor Compliance Unit of the Division of Construction is charged with tracking wage violations and the restitution of wage underpayment. Restitution at District Level (RDL) reporting assures that data is collected consistently and accurately. The process meets the requirement of California Labor Code Sections, 1720-1815, Public Works Chapter, and California Code of Regulations, Title 68, Sections 16000-16439.

Once it is determined that violations of prevailing wage laws have resulted in the underpayment of wages, notification must be provided to the contractor and any affected subcontractor of an opportunity to resolve the wage deficiency.

If the underpayment is resolved and restitution has been paid, source document records must be submitted as proof of payment for Labor Compliance staff to verify payment has occurred.

Once restitution payment has been confirmed, Labor Compliance staff will document it on a Restitution at District Level Submission form in the Smartsheet application. A link to the application is on Construction's Labor Compliance Reports intranet page, or can be accessed directly at:

<https://app.smartsheet.com/b/form/5ea8d93f3ed949e3803b72ceb7057518>

and input the following information on the Smartsheet form:

- Input the name of the offending contractor or subcontractor
- Click the button indicating the district number of the contract location
- Input the Caltrans contract number
- Click the button to indicate if the contract includes federal funding
- Click the button to indicate whether an audit was performed
- Input the number of affected employees
- Use the dropdown menus to indicate the type of violation resulting in the underpayment of wages
- Input the restitution payment date
- Input the Labor Compliance staff confirmation of payment date
- Input the total restitution amount confirmed for underpayment of regular and/or overtime wages
- Input the name of the Labor Compliance staff reporting the restitution
- Input the name of the district labor compliance manager
- Input any additional comments
- Click the box indicating a request for a copy of input responses and add email address

Staff must submit the form as soon as restitution has been confirmed to ensure accurate and timely reporting.

In accordance with state regulations for approved Labor Compliance programs, Headquarters Labor Compliance reports all restitution collected for the just completed fiscal year, no later than August 31st each year, to the Department of Industrial Relations.

Definitions:

Proof of Payment – Source documents submitted by a contractor or subcontractor to document that restitution payment has been made to affected workers. May include copies of cancelled checks, front and back, direct deposit transaction confirmations, or bank statements.

Restitution – Payment made to workers for identified underpayments.

Restitution at District Level (RDL) Reporting – Method by which Caltrans District Labor Compliance staff report restitution payments made and confirmed

Underpayment of Wages – Employee paid less than the required prevailing wage rate for the type of work performed and/or hours of work

Background

Caltrans' Labor Compliance Program is delegated by the Department of Industrial Relations. In order to maintain program approval, Caltrans must keep accurate records of all prevailing wage requirements and must report the results annually to the Department of Industrial Relations in order to maintain its program approval.

Previously, RDL was reported monthly no later than day 15 of each month to Headquarters Labor Compliance on an Excel spreadsheet. Caltrans has revised the process to use instantly accessible Smartsheet software.

If you have any questions or comments regarding this bulletin, please contact Lindsey Woolsey, Labor Compliance Branch Chief, at Lindsey.Woolsey@dot.ca.gov or (530) 204-7745.