



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON D.C. 20548

118953

July 13, 1982

B-206031

Mr. William M.H. Scott  
President  
Mahone Harrison Construction  
Company, Inc.  
4423 Somerton Road  
Trevose, Pennsylvania 19047

Dear Mr. Scott:

Enclosed is a copy of our finding of today that Mahone Harrison Construction Company, Inc., and William M.H. Scott, individually, have disregarded obligations to employees within the meaning of the Davis-Bacon Act, 40 U.S.C. § 276a (1976), in the performance of contract No. N62472-90-C-4793 for repairs to Drainage Trench North Hanger 80, Naval Air Station, Willow Grove, Pennsylvania.

Pursuant to the provisions of section 3(a) of the act, the names of the above firm and individual shall be included on our next published debarred bidders list, and no Government contract shall be awarded to either of them or to any firm, corporation, partnership, joint venture, or association in which they or either of them may have an interest until 3 years have elapsed from that date.

Sincerely yours,

*Milton J. Fowler*  
for Comptroller General  
of the United States

*Phillips*

July 13, 1982

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**Finding**

In the matter of Mahone Harrison Construction Company, Inc., and William M. H. Scott, president of said corporation, 4423 Somerton Road, Trevose, Pennsylvania 19047.

Section 1(a) of the Davis-Bacon Act of August 30, 1935, 49 Stat. 1011, 40 U.S.C. § 276a (1976), provides in part as follows:

"The advertised specifications for every contract in excess of \$2,000, to which the United States \* \* \* is a party, for construction, alteration, and/or repair, including painting and decorating, of public buildings or public works of the United States \* \* \* and which requires or involves the employment of mechanics and/or laborers shall contain a provision stating the minimum wages to be paid various classes of laborers and mechanics \* \* \* and every contract based upon these specifications shall contain a stipulation that the contractor or his subcontractor shall pay all mechanics and laborers employed directly upon the site of the work, unconditionally and not less often than once a week and without subsequent deduction or rebate on any account, the full amounts accrued at time of payment, computed at wage rates not less than those stated in the advertised specifications, regardless of any contractual relationship which may be alleged to exist between the contractor or subcontractor and such laborers and mechanics \* \* \*."

Section 3(a) of the act provides that--

"\* \* \* the Comptroller General of the United States is further authorized and is directed to distribute a list to all departments of the

Government giving the names of persons or firms whom he has found to have disregarded their obligations to employees and subcontractors. No contract shall be awarded to the persons or firms appearing on this list or to any firm, corporation, partnership, or association in which such persons or firms have an interest until three years have elapsed from the date of publication of the list containing the names of such persons or firms."

Contract No. N62472-80-C-4793 in excess of \$2,000 for repairs to Drainage Trench North Hanger 80, Naval Air Station Willow Grove, Pennsylvania, was awarded by the Department of the Navy to Mahone Harrison Construction Company, Inc., Trevoise, Pennsylvania. The contract contained the stipulations and representations required by section 1 of the Davis-Bacon Act.

An investigation conducted by the Department of Labor disclosed that the contractor, Mahone Harrison Construction Company, Inc., having full knowledge of its statutory and contractual responsibilities, did nevertheless disregard these obligations as evidenced by the refusal to pay any wages to five persons, and only partial payment to a sixth person, employed by it on the above mentioned project. As a result of this investigation, these six employees were found to have been underpaid a total of \$5,084.45. The record indicates that the contractor did not make restitution and no funds were withheld to cover the underpayments. The record also revealed that the certified payrolls submitted to the contracting agency reflected the payment of wages to these employees when, in fact, these employees were not paid any compensation.

By certified letter dated June 22, 1981, the Deputy Administrator, Wage and Hour Division, Department of Labor, notified the contractor in detail of the nature and extent of the labor standards violations charged against the firm, but no facts in rebuttal or argument against debarment were submitted by the contractor in response to this letter.

It is clear, particularly in light of the falsified payrolls, that good faith was not shown in complying with the act and the contractual provisions. The Department of Labor has recommended imposition of debarment.

We, therefore, find that Mahone Harrison Construction Company, Inc., and William M. H. Scott, individually, have disregarded "obligations to employees" within the meaning of the Davis-Bacon Act. Accordingly, these names will be included on a list for distribution to all agencies of the Government pursuant to statutory requirements and no contract shall be awarded to them or to any firm, corporation, partnership, joint venture or association in which they or either of them have an interest until 3 years have elapsed from the date of publication of such list.

*for* *Milton J. Fowler*  
Comptroller General  
of the United States