



**U.S. Department of Labor**  
**Employment Standards Administration**  
**Wage and Hour Division**

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## News Release

U.S. Department of Labor  
 Wage and Hour Division  
 Release Number: ESA-WH-07-97-DAL

Date: Monday, Jan. 29, 2007  
 Contact: Diana Petterson or Elizabeth Todd  
 Phone: 1-866-4-USWAGE

### **Management and Training Corp. in Raymondville, Texas, Pays \$485,990 in Back Wages to 262 Employees after a U.S. Labor Department Investigation**

**RAYMONDVILLE, Texas** -- Management and Training Corp., headquartered in Centerville, Utah, has paid \$485,990 in back wages to 262 current and former security guards in Raymondville, Texas, after an investigation by the U.S. Department of Labor's Wage and Hour Division found the employees had not been properly paid, as required under the McNamara-O'Hara Service Contract Act (SCA).

"All employees are entitled to be paid the wages they have rightfully earned," said Cynthia Watson, Wage and Hour regional administrator for the Southwest. "The employer failed to pay proper overtime when employees worked beyond their schedules and also failed to pay the correct fringe benefits."

An investigation by the Wage and Hour Division, covering the two-year period Oct. 1, 2003 to Sept. 30, 2005, determined that Management and Training Corp. failed to pay the correct fringe benefits and failed to pay for meal breaks when employees worked beyond their schedule due to briefings. These additional hours resulted in the non-payment of proper overtime. The company's contract, with the U.S. Marshals Service to provide security guards, is subject to the prevailing wage provisions of the SCA and the overtime requirements of the Contract Work Hours and Safety Standards Act (CWHSSA).

Under the SCA, contractors and subcontractors performing on federal services contracts in excess of \$2,500 must pay their service workers no less than the wages and fringe benefits prevailing in the locality. The CWHSSA requires the payment of time-and-one-half the basic rate of pay for all hours worked more than 40 in a workweek. Contractors must ensure that their subcontractors are fully informed of the requirements under federal government contract labor laws. Contractors that fail to properly compensate their workers are subject to federal withholding contract clauses that allow the government to withhold contract payments until all workers are paid the prevailing wages and fringe benefits.

The company has agreed to future compliance and has paid the back wages in full.

The Wage and Hour Division concluded 31,987 compliance actions in fiscal year 2006 and recovered more than \$171 million in back wages for more than 246,000 employees. Back-wage collections last year represent a 30 percent increase over back wages collected in fiscal year 2001. The number of workers receiving back wages has increased by 14 percent since year 2001.

For more information about the SCA and other federal prevailing wage laws, call the U.S. Department of Labor's toll-free help line (866) 4US-WAGE (487-9243) or the San Antonio Wage and Hour District Office at (210) 308-4515. Information is also available on the Internet at [www.wagehour.dol.gov](http://www.wagehour.dol.gov).

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