United States Department of Labor
Wage and Hour Division

Wage and Hour Division (WHD)

Press Releases

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US Department of Labor recovers more than $8M in unpaid wages and benefits for hundreds of California prison employees

Corrections Corp. of America violated federal service contract laws

LOS ANGELES -- Federal prison subcontractor Corrections Corp. of America has paid more than $8 million in back wages and fringe benefits to 362 current and former prison guards, maintenance workers and administrative personnel employed at California City Correctional Center, a federal correctional facility in California City, following an investigation by the U.S. Department of Labor's Wage and Hour Division.

The investigation conducted by the division’s Los Angeles District Office established that Corrections Corp. of America violated the Service Contract Act and the Contract Work Hours and Safety Standards Act by failing to pay proper prevailing wages, health and welfare benefits, overtime and holiday pay. The investigation uncovered record-keeping violations under the Fair Labor Standards Act.

“Many of the workers, some of whom commuted up to two to three hours to keep our communities safe, will receive more than $30,000 in back pay,” said Ruben Rosalez, regional administrator for the division's West region. “This recovery sends a message to the prison industry and others that we are watching for workplace violations.”

The SCA applies to every contract entered into by the United States that has as its principal purpose services furnished by contractors. The SCA requires that contractors and subcontractors performing services on covered federal 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 federal service contracts and federal and federally assisted construction contracts over $100,000 to cover contracts to pay laborers and mechanics one and one-half times their basic rate of pay for all hours worked over 40 in a workweek. This act also prohibits unsanitary, hazardous or dangerous working conditions on federal and federally financed and assisted construction projects.

For more information about these acts and other federal wage laws administered by the Wage and Hour Division, call the agency’s toll-free helpline at 866-4US-WAGE (487-9243). Information is also available at http://www.dol.gov/whd.

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