Lockheed Martin settles wage dispute with US Coast Guard

18 wrongly classified workers receive $201K for wages owed

SAN FRANCISCO -- The U.S. Department of Labor has announced an agreement with Lockheed Martin Corp. to settle allegations that the company violated prevailing wage laws while under contract with the U.S. Coast Guard in Petaluma. Eighteen workers have been paid $201,000 in back wages by Lockheed as a result.

A Wage and Hour Division investigation determined that Lockheed violated the prevailing wage requirements of the Service Contract Act by improperly classifying technical instructors/course developers in job categories that did not reflect the duties they performed. As a result of the improper classification, the company paid incorrect prevailing wages.

“Government contracts specify in detailed language how pay and benefits are to be determined. Employers must follow these rules, so that workers are paid correctly,” said Susana Blanco, district director for the Wage and Hour Division in San Francisco. “Government contractors, large and small, should be aware of their obligations under the law.”

The SCA applies to every contract entered into by the U.S. that has as its principal purpose services furnished by contractors. The law 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. Additional information on labor provisions and enforcement of government contracts is available at http://www.dol.gov/whd/govcontracts/.

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

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