



PRESS RELEASES

Complaints of Systemic Wage Theft at GDIT: CWA Estimates Federal Contractor May Owe \$107 Million in Back Wages

Wednesday, January 31, 2018

The Communications Workers of America is calling on the Department of Labor's Wage and Hour Division (WHD) to investigate systemic and serious wage violations being committed by General Dynamics Information Technology Inc., (GDIT) at its federally contracted call centers.

CWA filed a complaint with the WHD on behalf of GDIT employees providing evidence that GDIT misclassifies its call center agents at a lower prevailing wage rate than their job duties merit.

GDIT workers from call centers in multiple states are meeting today and tomorrow with leading Senators and Members of Congress, including Senator Bernie Sanders (I-Vt.) and Representative Keith Ellison (D-Minn.), and congressional staff about this alleged systemic wage theft. These GDIT employees answer questions, help enroll, and provide other assistance to callers about Medicare programs and the Affordable Care Act under a contract for the Centers for Medicare and Medicaid Services (CMS).

GDIT currently employs about 10,000 workers at 11 call centers under this contract with CMS. These jobs are covered by the Service Contract Act (SCA), a federal law that sets prevailing wage standards for federally contracted service work. But CWA has uncovered an extensive pattern of misclassification of workers under the SCA to avoid paying workers the wages they deserve.

As many as 2,000 workers at the Hattiesburg, Miss., call center, for example, would see their wages increased by \$3,682 to \$6,572 annually if they were classified properly and received the correct pay rate.

The Hattiesburg workers and workers from other GDIT locations have substantiated their claims with the Wage and Hour Division, supplying proof of their misclassification at lower wage grades that have resulted in their underpayment.

Adrian Powe is a durable medical equipment specialist in Hattiesburg, Miss., working with customers and equipment suppliers to make sure the Medicare recipients get the oxygen, wheelchairs, hospital beds and other equipment they need.

“It’s a paradox. I love my job, and love helping customers get the help and peace of mind they need. I talk to as many as 60 callers every day. But the company doesn’t provide us with any peace of mind, because we’re being cheated out of our wages and have no job security.”

“I’ve had two rounds of extensive training to get to my current job. It’s a lot responsibility and a lot of work. But I’m being paid at a much lower rate. I’m being cheated, and the federal government must hold GDIT accountable. GDIT needs to follow the contract it agreed to.”

Powe earns \$9.64 an hour, and drives nearly three hours round trip every day for work. He and his wife have an eight-month-old.

Kathleen Flick is part of the internal support group at the Bogalusa, La., call center. She said that GDIT’s wage theft “makes me feel horrible. Stealing from the working poor is really low.”

“I can’t run my air conditioning in the summer because I can’t afford the electric bills. When I needed a major car repair, I had to take the money out of my 401k retirement plan. I’d like to visit my kids, both of whom are active military, but I can’t afford to do it.”

Like Powe, Flick loves her job. But she doesn’t like being cheated of her rightful wages. “GDIT told us that ‘the federal government sets your wages.’ So we’re calling on the federal government to have real oversight of contractors like my employer so that it stops cheating workers out of their rightful wages. We shouldn’t be treated as cut-rate employees.

“This will be a real test of whether laws that safeguard working people are actually enforced under the Trump administration,” said CWA President Chris Shelton. “We’ve heard a lot of promises from this president about defending American workers. It’s time for action, not rhetoric.”

If WHD agrees that there is widespread misclassification, CWA estimates that tens of thousands of current and former GDIT employees at CMS call centers stand to recover more than \$100 million in back wages since the contract with CMS was signed in 2013. Such a sum would be the largest SCA recovery in history.

“We want the government to enforce the law,” said CWA General Counsel Jody Calemine. “We’re asking the Department of Labor for an enterprise-wide investigation, to make sure all workers are paid what they’re owed at all 11 call centers covered by this contract.”

GDIT and Vangent, a call center company acquired by General Dynamics in 2011 and merged into GDIT, have a history of wage theft and since 2007, have agreed to pay \$4.2 million in back wages based on Wage and Hour Division investigations. GDIT also has been the focus of unfair labor practice charges for illegal threats, surveillance and interrogation of workers seeking to exercise their freedom to join together and negotiate improvements in their wages and working conditions.

PRESS CONTACT:

Candice Johnson

(202) 434-1168

cjohnson@cwa-union.org (mailto:cjohnson@cwa-union.org)

[Read more \(/candice-johnson\)](#)

Beth Allen

(202) 434-1168

ballen@cwa-union.org (<mailto:ballen@cwa-union.org>)

[Read more \(/beth-allen\)](/beth-allen)

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For media inquiries, call CWA Communications at 202-434-1168, or email

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