News Release

LOCKHEED MARTIN CORP. PAYS $327,271 IN BACK WAGES AND DAMAGES TO EMPLOYEES AT FLORIDA WORK SITE AFTER U.S. DEPARTMENT OF LABOR INVESTIGATION

CRESTVIEW, FL – After an investigation by the U.S. Department of Labor's Wage and Hour Division (WHD), Lockheed Martin Corp. has paid $327,271 in back wages and liquidated damages to 20 employees for violating provisions of the Fair Labor Standards Act (FLSA) and the McNamara-O'Hara Service Contract Act (SCA) at a Crestview, Florida, work site.

WHD investigators determined the company erroneously classified some employees as exempt from FLSA overtime requirements, and paid them flat weekly salaries without regard to the number of hours they actually worked. This practice resulted in overtime violations when those employees worked more than 40 hours in a workweek but the employer did not pay them overtime in addition to those salaries. The employer also violated the recordkeeping provision of the FLSA when it failed to keep accurate records of the number of hours worked by some employees.

WHD also found Lockheed Martin Corp. violated the requirements of the SCA when the amounts paid to those salaried workers fell below the hourly rates and fringe benefits required by law for workers on the employer's contract with the U.S. Department of Defense.

"Paying employees a fixed salary does not necessarily mean that they are not entitled to overtime," said Wage and Hour Division District Director Daniel White, in Jacksonville, Florida. "Employers need to understand their responsibilities and ensure their pay practices comply with the law. The Wage and Hour Division works to ensure employees receive the wages they have rightfully earned, and we encourage all employers to reach out to us and use the variety of tools we offer."

The SCA requires contractors and subcontractors performing services on prime contracts in excess of $2,500 to pay service employees in various classes no less than the wage rates and fringe benefits found prevailing in the locality, or the rates, including prospective increases,
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contained in a predecessor contractor's collective bargaining agreement.

For more information about the FLSA, SCA, and other laws enforced by the Wage and Hour Division, contact the toll-free helpline at 866-4US-WAGE (487-9243). Employers who discover FLSA overtime or minimum wage violations may self-report and resolve those violations without litigation through the PAID program. Information is also available at https://www.dol.gov/whd.

WHD's mission is to promote and achieve compliance with labor standards to protect and enhance the welfare of the nation's workforce. WHD enforces federal minimum wage, overtime pay, recordkeeping, and child labor requirements of the Fair Labor Standards Act. WHD also enforces the Migrant and Seasonal Agricultural Worker Protection Act, the Employee Polygraph Protection Act, the Family and Medical Leave Act, wage garnishment provisions of the Consumer Credit Protection Act, and a number of employment standards and worker protections as provided in several immigration related statutes. Additionally, WHD administers and enforces the prevailing wage requirements of the Davis Bacon Act and the Service Contract Act and other statutes applicable to federal contracts for construction and for the provision of goods and services.

The mission of the Department of Labor is to foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights.

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