



The Official Website of the Attorney General of Massachusetts

**Attorney General  
Martha Coakley**in Attorney  
General

SEARCH

[About the Attorney  
General's Office](#)[News and Updates](#)[Consumer  
Resources](#)[Public Safety](#)[Doing Business in  
Massachusetts](#)[Government  
Resources](#)[Bureaus](#)[Home](#) > [News and Updates](#) > [Press Releases](#) > [2012](#) >MARTHA COAKLEY  
ATTORNEY GENERAL**Media Contact**Grant Woodman  
(617) 727-2543

For Immediate release - March 08, 2012

**Three Companies to Pay More Than \$2.8 Million in Restitution, Fines and Penalties for Violating the State Wage and Hour Laws****Companies to Pay More Than \$1.7 Million in Employee Restitution for Prevailing Wage Violations at Public Sites; Workers Misclassified as Independent Contractors**

BOSTON – A settlement has been reached and citations issued against three companies for violations of the state's wage and hour laws resulting in more than \$2.8 million in restitution, fines and penalties, Attorney General Martha Coakley announced today.

The three cases include violations of the state's prevailing wage laws and the state's misclassification law that resulted in workers being underpaid by approximately \$1.7 million. In addition to the restitution owed, the companies were collectively fined more than \$1 million for these violations.

"The prevailing wage laws provide a level playing field for contractors engaged in public work," said AG Coakley. "Our office is committed to holding accountable contractors who skirt the law by cutting corners and misclassifying their workers at the expense of their employees and the taxpayers."

A settlement has been reached and citations issued to the following companies in three separate cases:

[Tri State Drywall Systems](#)

Tri State Drywall Systems, LLC (Tri State), of Nashua, NH, and its owner, Ivelisse Soto, have been cited for violating the state prevailing wage law and the obligation to maintain payroll records with regard to public works projects throughout the Commonwealth. The company has been ordered to pay more than \$928,000 in fines and restitution.

In September 2011, the Attorney General's Fair Labor Division opened an investigation into the pay practices of Tri State after receiving a complaint alleging that workers had not been paid properly for work performed. The Attorney General's Office determined that Tri State failed to pay its workers the proper prevailing wage rate and failed to submit true and accurate certified payroll records to the awarding authorities for the various construction projects. The investigation further revealed the company classified all its workers as independent contractors and paid the workers with company checks.

Tri State fully cooperated with the Attorney General's investigation and conducted a self-audit of its records for all 10 projects related to work performed from August 2010 through October 2011 at sites in Billerica, Chelmsford, Worcester, Salem, Fitchburg, Lowell, Bridgewater, Waltham, and Weston. The Attorney General's Office cited Tri State for intentionally failing to pay the prevailing wage and intentionally failing to submit true and accurate certified payroll records. The company was also cited for misclassifying its workers as independent contractors. Tri State has been ordered to pay to pay \$478,602.25 in restitution and \$450,000 in penalties to the Commonwealth for these violations.

The [Massachusetts Employee Misclassification Law](#) provides that an individual performing any service shall be considered to be an employee unless: (1) the individual is free from control and direction in connection with the performance of the service, both under his or her contract for the performance of service and in fact; and (2) the service is performed outside the usual course of the business of the employer; and, (3) the individual is customarily engaged in an independently established trade, occupation, profession or business of the same nature as that involved in the service performed.

[National Water Main](#)

National Water Main Cleaning Company and its president, Salvatore F. Perri of Newark, NJ, have been cited for failing to pay the prevailing wage and failing to submit true and accurate payroll records to the appropriate awarding authorities. The company and

its owner have been cited more than \$1 million for intentionally violating the state's prevailing wage laws.

In October 2010, the Attorney General's Fair Labor Division opened an investigation into National Water Main's payment practices on Massachusetts public contracts throughout the state. The investigation revealed that National Water Main had intentionally violated the prevailing wage law by failing to pay the prevailing wage rate to any employees performing multiple tasks, including sewer cleaning, maintenance and repair work in the Commonwealth. Under the [State's Prevailing Wage Law](#), The Department of Labor Standards (formerly the Division of Occupational Safety) is statutorily authorized to set the prevailing wage rates for all public construction projects in Massachusetts and to determine which tasks fall into which job classifications.

As a result of the violations, the company is ordered to pay a total of over \$506,000 in restitution to 84 employees who worked on various public construction projects throughout Massachusetts from March 2008 through January 2011. The company is further ordered to pay \$500,000 in penalties for the prevailing wage violations and an additional \$50,000 in penalties for failing to submit true and accurate payroll records to the awarding authorities as required by [law](#).

#### Central Mass Disposal

Central Mass Disposal, an Auburn waste disposal company, has agreed to pay more than \$870,000 in restitution and penalties to settle allegations they violated the state's prevailing wage laws.

In December 2010, the Attorney General's Fair Labor Division began an investigation after receiving several complaints alleging that Central Mass Disposal was violating the prevailing wage laws. The investigation revealed that Central Mass Disposal was providing solid waste and recyclable material collection services to eight communities, including Longmeadow, East Longmeadow, Ludlow, Sterling, Paxton, Millville, Grafton and Auburn. The investigation further revealed that Central Mass Disposal had failed to pay the proper prevailing wage to its employees who performed work pursuant to the contracts with these communities.

Central Mass Disposal fully cooperated with the Attorney General's investigation and agreed to conduct a self-audit for the years 2008 through 2010. As a result of the investigation, Central Mass Disposal has agreed to pay \$753,624.45 in restitution to 107 employees and pay a civil penalty of \$120,000 to the Commonwealth.

The Massachusetts Prevailing Wage and Record Keeping Laws apply to all construction work performed on public work projects in Massachusetts and allow all contractors bidding on public works projects to enjoy a "level playing field" by standardizing the rate of pay the workers will earn. The Record Keeping Law allows state agencies to monitor the spending of taxpayer monies on public construction projects. Violations of these laws can result in both civil and criminal penalties against the company and its owners.

Workers who believe they have been misclassified or that their rights have been violated are strongly urged to call the Attorney General's Fair Labor Hotline at (617) 727-3465. More information about the wage and hour laws is also available in multiple languages at the Attorney General's Workplace Rights website: [www.massworkrights.com](http://www.massworkrights.com).

These matters were handled by Assistant Attorneys General Barbara Dillon DeSouza and Lauren Goldman and were investigated by Inspector Joseph Drzyzga in Attorney General Coakley's Fair Labor Division and Western Massachusetts Regional Office.

#####

Follow us on [Twitter](#) – View our [Photos](#) – Visit our [Website](#)