

(c) LIQUIDATED DAMAGES.—Liquidated damages under subsection (b)(2)(B) shall be computed for each individual employed as a laborer or mechanic in violation of this chapter and shall be equal to \$10 for each calendar day on which the individual was required or permitted to work in excess of the standard workweek without payment of the overtime wages required by this chapter.

(d) AMOUNTS WITHHELD TO SATISFY LIABILITIES.—Subject to section 3703 of this title, the governmental agency for which the contract work is done or which is providing financial assistance for the work may withhold, or have withheld, from money payable because of work performed by a contractor or subcontractor, amounts administratively determined to be necessary to satisfy the liabilities of the contractor or subcontractor for unpaid wages and liquidated damages as provided in this section.

(Pub. L. 107-217, Aug. 21, 2002, 116 Stat. 1169; Pub. L. 109-284, § 6(15), Sept. 27, 2006, 120 Stat. 1213.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3702(a)	40:328(a).	Pub. L. 87-581, title I, § 102, Aug. 13, 1962, 76 Stat. 357; Pub. L. 99-145, title XII, § 1241(a), Nov. 8, 1985, 99 Stat. 734.
3702(b)	40:328(b) (words before (1)), (1), (2) (1st sentence).	
3702(c)	40:328(b)(2) (2d sentence).	
3702(d)	40:328(b)(2) (last sentence).	

In subsection (a), the words “Notwithstanding any other provision of law” are omitted as unnecessary.

AMENDMENTS

2006—Subsec. (d). Pub. L. 109-284 substituted “To” for “to” in heading.

§ 3703. Report of violations and withholding of amounts for unpaid wages and liquidated damages

(a) REPORTS OF INSPECTORS.—An officer or individual designated as an inspector of the work to be performed under a contract described in section 3701 of this title, or to aid in the enforcement or fulfillment of the contract, on observation or after investigation immediately shall report to the proper officer of the Federal Government, a territory of the United States, or the District of Columbia all violations of this chapter occurring in the performance of the work, together with the name of each laborer or mechanic who was required or permitted to work in violation of this chapter and the day the violation occurred.

(b) WITHHOLDING AMOUNTS.—

(1) DETERMINING AMOUNT.—The amount of unpaid wages and liquidated damages owing under this chapter shall be determined administratively.

(2) AMOUNT DIRECTED TO BE WITHHELD.—The officer or individual whose duty it is to approve the payment of money by the Government, territory, or District of Columbia in connection with the performance of the contract work shall direct the amount of—

(A) liquidated damages to be withheld for the use and benefit of the Government, territory, or District; and

(B) unpaid wages to be withheld for the use and benefit of the laborers and mechanics who were not compensated as required under this chapter.

(3) PAYMENT.—The Comptroller General shall pay the amount administratively determined to be due directly to the laborers and mechanics from amounts withheld on account of underpayments of wages if the amount withheld is adequate. If the amount withheld is not adequate, the Comptroller General shall pay an equitable proportion of the amount due.

(c) RIGHT OF ACTION AND INTERVENTION AGAINST CONTRACTORS AND SURETIES.—If the accrued payments withheld under the terms of the contract are insufficient to reimburse all the laborers and mechanics who have not been paid the wages required under this chapter, the laborers and mechanics, in the case of a department or agency of the Government, have the same right of action and intervention against the contractor and the contractor’s sureties as is conferred by law on persons furnishing labor or materials. In those proceedings it is not a defense that the laborers and mechanics accepted or agreed to accept less than the required rate of wages or voluntarily made refunds.

(d) REVIEW PROCESS.—

(1) TIME LIMIT FOR APPEAL.—Within 60 days after an amount is withheld as liquidated damages, any contractor or subcontractor aggrieved by the withholding may appeal to the head of the agency of the Government or territory for which the contract work is done or which is providing financial assistance for the work, or to the Mayor of the District of Columbia in the case of liquidated damages withheld for the use and benefit of the District.

(2) REVIEW BY AGENCY HEAD OR MAYOR.—The agency head or Mayor may review the administrative determination of liquidated damages. The agency head or Mayor may issue a final order affirming the determination or may recommend to the Secretary of Labor that an appropriate adjustment in liquidated damages be made, or that the contractor or subcontractor be relieved of liability for the liquidated damages, if it is found that the amount is incorrect or that the contractor or subcontractor violated this chapter inadvertently, notwithstanding the exercise of due care by the contractor or subcontractor and the agents of the contractor or subcontractor.

(3) REVIEW BY SECRETARY.—The Secretary shall review all pertinent facts in the matter and may conduct any investigation the Secretary considers necessary in order to affirm or reject the recommendation. The decision of the Secretary is final.

(4) JUDICIAL ACTION.—A contractor or subcontractor aggrieved by a final order for the withholding of liquidated damages may file a claim in the United States Court of Federal Claims within 60 days after the final order. A final order of the agency head, Mayor, or Secretary is conclusive with respect to findings of fact if supported by substantial evidence.

(e) APPLICABILITY OF OTHER LAWS.—

(1) REORGANIZATION PLAN.—Reorganization Plan Numbered 14 of 1950 (eff. May 24, 1950, 64 Stat. 1267) applies to this chapter.

(2) SECTION 3145.—Section 3145 of this title applies to contractors and subcontractors referred to in section 3145 who are engaged in the performance of contracts subject to this chapter.

(Pub. L. 107–217, Aug. 21, 2002, 116 Stat. 1170.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3703(a)	40:330(a) (1st sentence).	Pub. L. 87–581, title I, §104, Aug. 13, 1962, 76 Stat. 358; Pub. L. 97–164, title I, §160(a)(13), Apr. 2, 1982, 96 Stat. 48.
3703(b)	40:330(a) (2d, last sentences).	
3703(c)	40:330(b).	
3703(d)	40:330(c).	
3703(e)	40:330(d).	

In subsection (a), the words “or possession” are omitted for consistency in this chapter. The words “or days” are omitted because of 1:1.

In subsection (c), the word “Mayor” is substituted for “Commissioners” [meaning the Board of Commissioners of the District of Columbia] [subsequently changed to “Commissioner” (meaning the Commissioner of the District of Columbia) because of section 401 of Reorganization Plan No. 3 of 1967 (eff. Nov. 3, 1967, 81 Stat. 951)] because of section 421 of the District of Columbia Home Rule Act (Public Law 93–198, 87 Stat. 789).

In subsection (d)(4), the words “United States Court of Federal Claims” are substituted for “United States Claims Court” because of section 902(b)(1) of the Federal Courts Administration Act of 1992 (Public Law 102–572, 106 Stat. 4516).

REFERENCES IN TEXT

Reorganization Plan Numbered 14 of 1950, referred to in subsec. (e)(1), is Reorg. Plan No. 14 of 1950, eff. May 24, 1950, 15 F.R. 3176, 64 Stat. 1267, which is set out in the Appendix to Title 5, Government Organization and Employees.

§ 3704. Health and safety standards in building trades and construction industry

(a) CONDITION OF CONTRACTS.—

(1) IN GENERAL.—Each contract in an amount greater than \$100,000 that is entered into under legislation subject to Reorganization Plan Numbered 14 of 1950 (eff. May 24, 1950, 64 Stat. 1267) and is for construction, alteration, and repair, including painting and decorating, must provide that no contractor or subcontractor contracting for any part of the contract work shall require any laborer or mechanic employed in the performance of the contract to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous to health or safety, as established under construction safety and health standards the Secretary of Labor prescribes by regulation based on proceedings pursuant to section 553 of title 5, provided that the proceedings include a hearing similar in nature to that authorized by section 553 of title 5.

(2) CONSULTATION.—In formulating standards under this section, the Secretary shall consult with the Advisory Committee created by subsection (d).

(b) COMPLIANCE.—

(1) ACTIONS TO GAIN COMPLIANCE.—The Secretary may make inspections, hold hearings, issue orders, and make decisions based on findings of fact as the Secretary considers necessary to gain compliance with this section and any health and safety standard the Secretary prescribes under subsection (a). For those purposes the Secretary and the United States district courts have the authority and jurisdiction provided by sections 6506 and 6507 of title 41.

(2) REMEDY WHEN NONCOMPLIANCE FOUND.—When the Secretary, after an opportunity for an adjudicatory hearing by the Secretary, establishes noncompliance under this section of any condition of a contract described in—

(A) section 3701(b)(1)(B)(i) or (ii) of this title, the governmental agency for which the contract work is done may cancel the contract and make other contracts for the completion of the contract work, charging any additional cost to the original contractor; or

(B) section 3701(b)(1)(B)(iii) of this title, the governmental agency which is providing the financial guarantee, assistance, or insurance for the contract work may withhold the guarantee, assistance, or insurance attributable to the performance of the contract.

(3) NONAPPLICABILITY.—Section 3703 of this title does not apply to the enforcement of this section.

(c) REPEATED VIOLATIONS.—

(1) TRANSMITTAL OF NAMES OF REPEAT VIOLATORS TO COMPTROLLER GENERAL.—When the Secretary, after an opportunity for an agency hearing, decides on the record that, by repeated willful or grossly negligent violations of this chapter, a contractor or subcontractor has demonstrated that subsection (b) is not effective to protect the safety and health of the employees of the contractor or subcontractor, the Secretary shall make a finding to that effect and, not sooner than 30 days after giving notice of the finding to all interested persons, shall transmit the name of the contractor or subcontractor to the Comptroller General.

(2) BAN ON AWARDED CONTRACTS.—The Comptroller General shall distribute each name transmitted under paragraph (1) to all agencies of the Federal Government. Unless the Secretary otherwise recommends, the contractor, subcontractor, or any person in which the contractor or subcontractor has a substantial interest may not be awarded a contract subject to this section until three years have elapsed from the date the name is transmitted to the Comptroller General. The Secretary shall terminate the ban if, before the end of the three-year period, the Secretary, after affording interested persons due notice and an opportunity for a hearing, is satisfied that a contractor or subcontractor whose name was transmitted to the Comptroller General will comply responsibly with the requirements of this section. The Comptroller General shall inform all Government agencies after being informed of the Secretary’s action.

(3) JUDICIAL REVIEW.—A person aggrieved by the Secretary’s action under this subsection or