

**Department of Labor  
Unpaid Back Wages**

**Analysis  
January 2013 through December 2014**

**OPA Report No. 15-04  
June 2015**



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Distribution:

Governor of Guam  
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Speaker, 33<sup>rd</sup> Guam Legislature  
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Director, Government of Guam Department of Labor  
Guam Media via Fax



June 8, 2015

██████████  
Owner / General Manager  
██████████ (Private Company)  
██████████  
██████████

Maria Connelly  
Director  
Department of Labor  
4th Floor, GCIC Building  
414 West Soledad Avenue  
Hagatna, Guam 96910

Dear Private Company Owner and Ms. Connelly:

This letter presents the results of the Office of Public Accountability's (OPA) analysis of the Department of Labor's (DOL) receipts and disbursements for unpaid back wages owed to certain ██████████ (Private Company) employees for select pay periods from January 1, 2013 to December 31, 2014. The analysis was initiated in response to a citizen's concern and request to audit DOL, which was received through OPA's Hotline in December 2014.

Private Company Owner and General Manager ██████████ (Private Company's Owner) alleged:

1. DOL Labor Law Enforcement Specialist III (LLES) ██████████ misrepresented DOL and abused her position as a Labor Law Enforcement agent by:
  - Inappropriately dealing with the Private Company employees.
  - Acting out of protocol.
  - Not following policy and procedures on handling the claims of back wages.
  - Verbally threatening to have the Private Company's Owner arrested for fraudulent activity.
  - Withholding information requested by the Private Company's Owner.
  
2. The Private Company's Contracts Document Specialist<sup>1</sup> (CDS) ██████████:
  - Was improperly compensated back wages as a Private Company employee although CDS was an independent contractor.
  - Conducted fraudulent activities against Private Company.

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<sup>1</sup> Other position titles, such as Document Contract Specialist, Contracts Specialist, and Manager, were associated with this individual.

3. DOL did not provide details of the calculations of the unpaid back wages claimed against his company.

## **Background**

In October 2013, DOL received complaints from the Private Company's employees who claimed they were owed wages for certain projects. In November 2013, the Private Company and Prime Contractor [REDACTED] (Prime Contractor A) made full payment for Case #C055-13 of what DOL assessed was owed by the Private Company. In December 2013, the Private Company's Owner and Services Project Manager [REDACTED] signed a Statement of Assurance that the Private Company would satisfy all back wages and comply with the Fair Labor Standards Act (FLSA).

Title 22 of the Guam Code Annotated (GCA) §3201 requires employers to pay employees wages within seven days after the end of each pay period. If an employer cannot or does not pay wages when rightfully due, the law requires the employer to give, within five working days, each employee and the DOL Director a statement showing the correct hours worked for the pay period in question, the correct wages earned, the correct legal deductions from pay, and the correct wages payable.<sup>2</sup>

In 2014, the Private Company and another Prime Contractor, [REDACTED] (Prime Contractor B), Case #C003-14, were "red-flagged" by the Department of Revenue and Taxation (DRT) and the Contractors License Board for another failure to satisfy the back wages owed to the Private Company's employees. Prime Contractor B made a series of payments to DOL in July and August 2014 for the Private Company's back wages. The combined amounts paid by all three companies (Private Company, Prime Contractor A, and Prime Contractor B) totaled \$106,651.92.

Guam Procurement Law requires Government of Guam (GovGuam) service contractors to pay its employees wages in accordance with the Wage Determination for Guam and the Northern Mariana Islands.<sup>3</sup> If a contractor violates the Wage Determination, the Chief Procurement Officer may place the contractor on probationary status for one year.<sup>4</sup>

The Private Company became aware that CDS was also a recipient of the back wages. The Private Company claimed CDS was an independent contractor and questioned DOL about the validity of the payments to CDS. A series of discussions ensued between DOL and the Private Company including a request by the Private Company for details of these payments.

In December 2014, the Private Company's Owner requested OPA to audit DOL because he was not satisfied with the level of cooperation DOL was providing to answer his inquiries, particularly with the payments DOL was disbursing as back wages to CDS.

## **Results of Analysis**

OPA cannot confirm the Private Company's allegations because (1) the LLES's alleged misconduct could not be corroborated; (2) a professional service contract/agreement for CDS was

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<sup>2</sup> 22 GCA § 3213(a)

<sup>3</sup> 5 GCA §§ 5801–5802

<sup>4</sup> 5 GCA § 5804

never executed, and (3) neither the Private Company nor DOL had sufficient payroll records to substantiate the back wages and benefits paid to the Private Company's employees and whether payroll taxes were paid.

Based on OPA's review of documents provided by both DOL and the Private Company, and with further clarifications from the Private Company's Owner, LLES, and DOL Wage and Hour Division (WHD) Administrator [REDACTED], OPA determined that the Private Company was unable to provide sufficient documentation to:

- Support allegations of LLES's misconduct or abuse of position.
- Discredit CDS's claims of back wages.
- Support allegations of CDS' supposed fraudulent actions against the Private Company.
- Refute the amounts calculated as owed by the Private Company.

However, OPA did find discrepancies in the DOL calculations and amounts recorded by DOL as disbursed to the Private Company's employees as back wages and benefits due.

### **Allegation #1: Labor Law Enforcement Specialist III Misconduct and Abuse of Position**

While the Private Company made claims against LLES's alleged misconduct and alleged misuse of authority, in the absence of any corroborating sources of information, OPA will defer investigation of these allegations to DOL's established processes for complaints. Chapter 3 of the Department of Administration's Personnel Rules and Regulations requires all government employees to be courteous and helpful to clients and members of the public. Therefore, the Private Company is not prevented from pursuing a misconduct complaint directly with DOL.

### **Allegation #2: Improper Compensation and Fraudulent Activities of Private Company Contracts Document Specialist**

DOL treated CDS's status as an employee not an independent contractor. OPA found no documentation to contradict or support this treatment because the Private Company had not executed a professional services agreement with CDS. The agreement would have defined the terms and conditions agreed upon by the Private Company and CDS to include roles, responsibilities, authorities, compensation, and deliverables. According to the Private Company's Owner, it was orally understood that CDS would be paid a percentage from successful contracts CDS would acquire for the Private Company.

Some workers who should be classified as employees under the FLSA may be incorrectly classified by their employers as independent contractors. This type of error is a particular concern for the U.S. Department of Labor's (USDOL) Wage and Hour Division.<sup>5</sup> For workers' compensation purposes, there are primary factors under the FLSA that address the economic realities of a worker's relationship with the employer which would be helpful in determining whether CDS was an employee or an independent contractor.<sup>6</sup> According to USDOL WHD, an investigator may interview workers, in addition to reviewing their payroll records, to identify workers' particular duties in sufficient detail to decide which exemptions apply, if any.<sup>7</sup>

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<sup>5</sup> USDOL WHD's AWARE Resource Handbook (<http://www.dol.gov/whd/PDF/AWARE.pdf>)

<sup>6</sup> Primary factors that are helpful in determining whether a worker is an employee or an independent contractor can be found in the USDOL WHD's AWARE Resource Handbook (<http://www.dol.gov/whd/PDF/AWARE.pdf>).

<sup>7</sup> USDOL Fact Sheet #44 (<http://www.dol.gov/whd/regs/compliance/whdfs44.htm>)

DOL relied on CDS's 2013 Form W-2 to calculate gross back wages of \$77,080 for 41 pay periods from January 2013 – September 2014. The 2013 Form W-2 indicated the Private Company as the employer and CDS as the employee who received a total of \$1,880 for wages, tips, and other compensation. Form W-2 is used by employers to report the wages, tips and other compensation paid to an employee, as well as the taxes withheld from that employee. In contrast, Form 1099 is used to report payments made in the course of business to a person who is not an employee or to an unincorporated business.<sup>8</sup> Additionally, there was no record of a business license for CDS at DRT, according to the WHD Administrator.

See Attachment 6 for DOL payments to CDS.

### **Allegation #3: DOL Did Not Provide Details of Unpaid Back Wages and Benefits**

OPA did not validate the back wages and benefits due to the Private Company's employees because the Private Company could not provide the required employee records (timesheets, employee rosters, position descriptions, pay rates, etc.) for the pay periods in question to determine hours worked each day and each workweek. OPA took the calculations of the Private Company's payroll processing company at face value. However, OPA found discrepancies in the amounts disbursed by DOL in its enforcement of the Private Company's past-due wages.

Every employer is responsible for keeping records of the name, address, social security number (or passport number in the case of alien workers), occupation, amount paid per pay period, and the number of hours worked each day and each workweek of each employee.<sup>9</sup> All deductions taken from an employee's pay and all sums payable or paid to the employer (e.g., pay advances) should be shown on the employee's pay statement or check stub. In addition to providing the employee a copy of his/her pay statement or check stub, a copy should also be kept by the employer for three years.<sup>10</sup>

The Private Company's Owner stated that its records were limited because of issues with its landlord and administrative staff, two of which are claimants for back wages from the Private Company. In contrast, DOL stated that it did not find it necessary to independently calculate back wages because they were already calculated and processed by the Private Company's payroll processing company. DOL held that it was enforcing payment of these earnings to the Private Company's employees, not determining the amounts.

As such, OPA's analysis was limited to determining the mathematical accuracy of the DOL Wage and Hour Division's receipts from the Private Company's prime contractors and the related disbursements of the Private Company's employees' back wages and benefits. DOL provided the Private Company's employees' earnings statements prepared by the Private Company's payroll processing company to OPA, which included pay periods and rates of pay. Refer to Attachments 3 and 4. With no sufficient employee records from the Private Company, OPA did not verify the calculation of the unpaid earnings.

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<sup>8</sup> Internal Revenue Service website (<http://www.irs.gov/>)

<sup>9</sup> 22 GCA § 3110

<sup>10</sup> 22 GCA § 3212(a)

As of August 1, 2014, DOL received a total of \$106,651.92 from the Private Company’s primary contractors, Prime Contractor A and Prime Contractor B, and subsequently deposited into the Wage and Hour Trust Fund. Refer to Attachment 1. According to the DOL WHD Administrator, of the \$106,651.92, \$91,599.91 was disbursed to the Private Company’s employees for back wages, \$4,495.90 was reimbursed to the Private Company for overpayments, and \$10,556.11 was retained by DOL for its 12% DOL collection fee. DOL is entitled to a collection fee that is 12% of the wages due when an employer fails to pay its employee(s) their wages, violates any provisions of Title 22 of the Guam Code Annotated, or fails to pay overtime.<sup>11</sup>

Among the disbursements to the Private Company’s employees in November 2013, one employee was underpaid \$5 while another employee was overpaid \$180. Additionally, among the disbursements to the Private Company’s employees in July 2014, one employee was underpaid \$244.89 while four employees were overpaid by \$750.02 total. These variances accumulated to a net overpayment of \$680.13 to the Private Company’s employees. Refer to Table 1 below, which includes excerpts from Attachments 2 and 5.

**Table 1: Variance between DOL Disbursements Lists and Private Company’s Earnings Statements**

Check Date	Check No.	Employee	Disbursement Amount per DOL	Net Due per Earnings Statements	Variance
11/14/2013	6488	Employee G	1,226.21	1,231.21	(5.00)
11/14/2013	6504	Employee W	3,751.53	3,571.53	180.00
*	*	Employee A	1,104.84	763.05	341.79
*	*	Employee H	642.56	392.73	249.83
*	*	Employee J	1,047.86	1,292.75	(244.89)
*	*	Employee L	1,411.86	1,341.82	70.04
*	*	Employee Z	1,761.32	1,672.96	88.36
<b>Total</b>					<b>\$ 680.13</b>

\*Detail was not shown or provided in the Disbursements Lists provided by DOL.

Based on the disbursements lists prepared by DOL, OPA calculated that \$10,376.11 was allocated to DOL’s 12% collection fee, which is \$180.00 less than the \$10,556.11 that the WHD Administrator reported to OPA. Also based on DOL’s disbursements lists, OPA calculated that a total of \$91,779.85 total was disbursed to the Private Company employees, which is \$179.94 more than the \$91,599.91 reported to OPA. Refer to summary in Table 2 and details in Attachment 7.

<sup>11</sup> 12 GCA §3218

**Table 2: Allocation of DOL Receipts**

	<b>OPA Calculated</b>	<b>DOL</b>	<b>Variance</b>
DOL Receipts from the Private Company's Prime Contractors:	106,651.92	106,651.92	-
12% Collection Fee of DOL:	(10,376.11)	(10,556.11)	180.00
Total DOL Disbursements to the Private Company's Employees:	(91,779.85)	(91,599.91)	(179.94)
Reimbursements to the Private Company:	(4,495.90)	(4,495.90)	-
	<b>\$ 0.06</b>	<b>\$ -</b>	<b>\$ 0.06</b>

**Payroll Taxes**

DOL collects only net wages from employers and stated that the employers are responsible for paying, filing, and reporting withholding taxes to the Department of Revenue and Taxation as well as paying Medicare and Social Security taxes. The Private Company could not provide documentation to OPA of its payment of these payroll taxes.

In order to complete the cycle for wage enforcement, OPA recommends DOL update its standard operating procedure to include provisions that DOL Wage and Hour Division ensure the employer's filing of payroll taxes to the appropriate taxing authorities to include the back wages paid to employees.

**Conclusion and Recommendation**

OPA makes no determination on the Private Company's allegations of misconduct and fraud by the DOL's LLES. In the absence of any corroborating sources of information, OPA will defer investigation of these allegations to DOL's established processes for complaints.

OPA makes no determination on the Private Company's allegation of alleged improper employee compensation to CDS because the Private Company had not executed a formal agreement for CDS's services which would have defined compensation and duties as an independent contractor.

OPA did not validate the calculations of the unpaid back wages and benefits due to the Private Company's employees because substantial employee and payroll records could not be provided. However, OPA mathematically calculated the amounts paid by the Private Company's primary contractors.

OPA found that of the \$91,779.85 documented disbursements to the Private Company's employees, two employees were underpaid by \$249.89 total and five employees were overpaid by \$930.02 total, for a cumulative net overpayment of \$680.13 to the Private Company's employees.

Of the \$106,651.92 DOL received from the primary contractors of the Private Company's projects, \$91,779.85 was disbursed to the Private Company's employees for back wages owed, \$10,376.11 was retained for DOL's collection fee, and \$4,495.90 was reimbursed to the Private Company for overpayments.

The back wages paid to the employees were net of payroll taxes and the Private Company could not provide documentation for payment of these taxes to the appropriate taxing authorities.

OPA recommends DOL update its standard operating procedure to include provisions that DOL Wage and Hour Division ensure the employer's filing of payroll taxes to the appropriate taxing authorities to include the back wages paid to employees.

**Response**

A draft copy of the letter report was transmitted to DOL and the Private Company's Owner in May 2015. OPA met with DOL and the Private Company Owner in May 2015 to discuss the report and request a response to the letter report. As of issuance of this report, responses had not been submitted. However, at the meeting, DOL and the Private Company's Owner agreed to work together to resolve the back wages and DOL generally concurred with our recommendation.

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A copy of this letter and the ensuing attachments will be posted on the OPA website at [www.opaguam.org](http://www.opaguam.org) as required by Title 1 Guam Code Annotated § 1920.

*Senseramente,*



Doris Flores Brooks, CPA, CGFM  
Public Auditor

## Attachment 1: DOL Receipts from the Private Company's Prime Contractors

Ref: Case No.	Receipt No.	Date of Receipt	Company Name	Amount Received	Date of Money Order / Check	Full / Partial Payment	Type of Payment	Payment Reference No.	Receipt Issued By
C055-13	0378	11/12/2013	Prime Contractor A. / Private Company	53,450.70	11/5/2013	Full	Check	5502701142	LLES
C003-14	0396	7/16/2014	Prime Contractor B	20,000.00	7/16/2014	*	Check	1737875.7	LLES
C003-14	0397	7/18/2014	Prime Contractor B	20,825.92	7/18/2014	Partial	Check	1737892.8	LLES
C003-14	0399	8/1/2014	Prime Contractor B	12,375.30	8/1/2014	Full	Check	1737952.2	LLES
<b>Total</b>				<b>\$ 106,651.92</b>					

\*Detail was not indicated in the DOL receipt.

## Attachment 2: DOL Disbursements to the Private Company's Employees

Check Date	Check No.	Employee	Disbursement Received	Disbursement Amount	Net Due	Variance	Description
11/14/2013	6482	Employee A	11/13/2013	3,438.65	3,438.65	-	JCI/GIAA Project
11/14/2013	6483	Employee B	11/15/2013	1,907.84	1,907.84	-	JCI/GIAA Project
11/14/2013	6484	Employee C	11/15/2014	904.82	904.82	-	JCI/GIAA Project
11/14/2013	6485	Employee D	11/15/2013	3,106.52	3,106.52	-	JCI/GIAA Project
11/14/2013	6486	Employee E	11/15/2013	116.99	116.99	-	JCI/GIAA Project
11/14/2013	6487	Employee F	VOIDED: \$1,076.08			-	JCI/GIAA Project
11/14/2013	6488	Employee G	11/15/2013	1,226.21	1,231.21	(5.00)	JCI/GIAA Project
11/14/2013	6489	Employee H	11/15/2013	2,942.25	2,942.25	-	JCI/GIAA Project
11/14/2013	6490	Employee I	11/15/2013	245.42	245.42	-	JCI/GIAA Project
11/14/2013	6491	Employee J	11/15/2013	1,265.69	1,265.69	-	JCI/GIAA Project
11/14/2013	6492	Employee K	11/15/2013	2,374.58	2,374.58	-	JCI/GIAA Project
11/14/2013	6493	Employee L	11/15/2013	2,720.99	2,720.99	-	JCI/GIAA Project
11/14/2013	6494	Employee M	11/15/2013	590.10	590.10	-	
11/14/2013	6495	Employee N	11/15/2013	1,002.08	1,002.08	-	
11/14/2013	6496	Employee O	11/15/2013	2,025.64	2,025.64	-	
11/14/2013	6497	Employee P	11/15/2013	2,829.06	2,829.06	-	
11/14/2013	6498	Employee Q	11/15/2013	1,768.70	2,422.63	(653.93)	
11/14/2013	6499	Employee R	11/14/2013	1,517.21	1,517.21	-	
11/14/2013	6500	Employee S	11/15/2013	665.58	665.58	-	
11/14/2013	6501	Employee T	11/15/2013	2,751.62	2,751.62	-	
11/14/2013	6502	Employee U	11/15/2013	1,693.94	1,693.94	-	
11/14/2013	6503	Employee V	11/15/2013	1,602.15	1,602.15	-	
11/14/2013	6504	Employee W	11/15/2013	3,751.53	3,571.53	180.00	
11/14/2013	6505	Employee X	11/15/2013	1,939.68	1,939.68	-	
11/14/2013	6506	Employee Y	11/15/2013	1,002.79	1,002.79	-	
11/14/2013	6507	Employee Z	11/15/2013	3,437.72	3,437.72	-	
1/28/2014	6523	Private Company	1/28/2014	1,076.08	1,076.08	-	Overpayment Reimbursement [Re: Employee F \$1,076.08]
10/28/2014	6599	Employee Q	10/31/2014	653.93		653.93	
<b>Total</b>				<b>\$ 48,557.77</b>	<b>\$ 48,382.77</b>	<b>\$ 175.00</b>	

\*Except for the \$1,076.08 overpayment reimbursement to the Private Company, the check numbers indicated did not come from copies of the checks themselves, but from a disbursement list prepared by DOL.

**Attachment 3: Back Wages Due – Health & Welfare Benefits for April 15 – August 15, 2013**  
**(Prepared by Private Company’s Payroll Processing Company)**

Employee	Health & Welfare			Withholdings & Deductions	Net Due
	Rate	Hours	Gross Due		
Employee A	3.81	703.00	2,678.43	524.46	2,153.97
Employee B	3.81	615.75	2,346.01	438.17	1,907.84
Employee C	3.81	34.50	131.45	14.01	117.44
Employee D	3.81	642.25	2,446.97	359.54	2,087.43
Employee E	3.81	33.25	126.68	9.69	116.99
Employee F	3.81	337.25	1,284.92	208.84	1,076.08
Employee G	3.81	400.00	1,524.00	292.79	1,231.21
Employee H	3.81	615.50	2,345.06	512.86	1,832.20
Employee I	3.81	69.75	265.75	20.33	245.42
Employee J	3.81	78.75	300.04	22.95	277.09
Employee K	3.81	706.25	2,690.81	588.25	2,102.56
Employee L	3.81	554.25	2,111.69	456.24	1,655.45
Employee M	3.81	112.00	426.72	66.12	360.60
Employee N	3.81	322.25	1,227.77	225.69	1,002.08
Employee O	3.81	705.50	2,687.96	662.32	2,025.64
Employee P	3.81	594.50	2,265.05	486.73	1,778.32
Employee Q	3.81	557.00	2,122.17	353.47	1,768.70
Employee R	3.81	492.75	1,877.38	360.17	1,517.21
Employee S	3.81	190.75	726.76	61.18	665.58
Employee T	3.81	519.75	1,980.25	276.33	1,703.92
Employee U	3.81	524.00	1,996.44	302.50	1,693.94
Employee V	3.81	206.75	787.72	60.26	727.46
Employee W	3.81	695.00	2,647.95	472.56	2,175.39
Employee X	3.81	672.00	2,560.32	620.64	1,939.68
Employee Y	3.81	285.00	1,085.85	83.06	1,002.79
Employee Z	3.81	717.50	2,733.68	639.75	2,093.93
<b>Grand Total</b>			<b>\$ 43,377.83</b>	<b>\$ 8,118.91</b>	<b>\$ 35,258.92</b>

**Attachment 4: Back Wages Due – Health & Welfare Benefits for October 1 - 15, 2013**

**(Prepared by Private Company’s Payroll Processing Company)**

Employee	Regular			Overtime			Health & Welfare			Gross Due	Withholdings & Deductions	Net Due
	Hourly Rate	Hours Worked	Wages Due	Hourly Rate	Hours Worked	Wages Due	Hourly Rate	Hours Worked	Wages Due			
Employee A	17.00	76.255	1,296.25			-	3.81	76.25	290.51	1,586.76	302.08	1,284.68
Employee C	10.65	67.50	718.88			-	3.81	67.50	257.18	976.06	188.68	787.38
Employee D	12.00	73.50	882.00			-	3.81	73.50	280.04	1,162.04	142.95	1,019.09
Employee H	12.50	80.00	1,000.00	18.75	3.50	65.63	3.81	80.00	304.80	1,370.43	260.38	1,110.05
Employee J	10.65	78.75	838.69			-	3.81	78.75	300.04	1,138.73	150.13	988.60
Employee K	13.75	18.00	247.50			-	3.81	18.00	68.58	316.08	44.06	272.02
Employee L	12.50	80.00	1,000.00	18.75	3.00	56.25	3.81	80.00	304.80	1,361.05	295.51	1,065.54
Employee M	10.65	18.50	197.03			-	3.81	18.50	70.49	267.52	38.02	229.50
Employee P	12.00	80.00	960.00	18.00	1.25	22.50	3.81	80.00	304.80	1,287.30	236.56	1,050.74
Employee Q	13.00	46.00	598.00			-	3.81	46.00	175.26	773.26	119.33	653.93
Employee T	11.00	80.00	880.00			-	3.81	80.00	304.80	1,184.80	137.10	1,047.70
Employee V	10.65	65.50	697.58			-	3.81	65.50	249.56	947.14	72.45	874.69
Employee W	15.50	80.00	1,240.00	23.25	5.50	127.88	3.81	80.00	304.80	1,672.68	276.54	1,396.14
Employee Z	14.50	80.00	1,160.00	21.75	9.25	201.19	3.81	80.00	304.80	1,665.99	322.20	1,343.79
<b>Grand Total</b>			<b>\$ 11,715.93</b>			<b>\$ 473.45</b>			<b>\$ 3,520.46</b>	<b>\$ 15,709.84</b>	<b>\$ 2,585.99</b>	<b>\$ 13,123.85</b>

## Attachment 5: Other Disbursements to the Private Company's Employees

Check Date	Check No.	Employee	Disbursement Received	Disbursement Amount	Net Due*	Variance	Description
*	*	Employee A	7/22/2014	1,104.84	763.05	341.79	Overpayment (\$600 in employee advances)
*	*	Employee H	7/22/2014	642.56	392.73	249.83	Overpayment (\$400 in employee advances)
*	*	Employee J	7/22/2014	1,047.86	1,292.75	(244.89)	Underpaid with \$500 in employee advances
*	*	Employee L	7/22/2014	1,411.86	1,341.82	70.04	Overpayment (\$400 in employee advances)
*	*	Employee AA	7/22/2014	1,601.16	1,975.28	(374.12)	Underpaid with \$300 in employee advances
*	*	Employee Z	7/22/2014	1,761.32	1,672.96	88.36	Overpayment (\$500 in employee advances)
8/1/2014	6576	Employee AA	8/1/2014	374.12		374.12	
<b>Total</b>				<b>\$ 7,943.72</b>	<b>\$ 7,438.59</b>	<b>\$ 505.13</b>	

\*Detail was not indicated in the disbursements lists provided by DOL.

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**Attachment 6: DOL Disbursements to the Contracts Document Specialist**

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Check Date	Check No.	Disbursement Received	Disbursement Amount	Description
7/16/2014	6559	7/17/2014	20,000.00	Prime Contractor B Payment
7/18/2014	6566	7/22/2014	13,256.32	Prime Contractor B Payment
8/1/2014	6576	8/1/2014	3,098.12	Prime Contractor B Payment
		<b>Total</b>	<b>\$36,354.44</b>	

## Attachment 7: Reconciliation – DOL Disbursements and Collection Fee

	OPA Calculated	DOL	Variance
DOL Receipts from the Private Company's Prime Contractors:	106,651.92	106,651.92	-
12% Collection Fee of DOL:	(10,376.11)	(10,556.11)	180.00
DOL Disbursements in Attachment 2:	48,557.77		
less: Reimbursement to the Private Company:	(1,076.08)		
DOL Disbursements in Attachment 5:	7,943.72		
DOL Disbursements in Attachment 6:	36,354.44		
Total DOL Disbursements to the Private Company's Employees:	(91,779.85)	(91,599.91)	(179.94)
Reimbursements to the Private Company:*	(4,495.90)	(4,495.90)	-
	<b>\$ 0.06</b>	<b>\$ -</b>	<b>\$ 0.06</b>

\*The \$1,076.08 that was subtracted from the \$48,557.77 Disbursements in Attachment 2 was added to the total Reimbursements to the Private Company.



**Department of Labor Unpaid Back Wages  
Report No. 15-04, June 2015**

## **ACKNOWLEDGEMENTS**

**Key contributions to this report were made by:**

Michele Brillante, Audit Staff  
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Doris Flores Brooks, CPA, CGFM, Public Auditor

## **MISSION STATEMENT**

**To ensure the public trust and assure good governance,  
we conduct audits and administer procurement appeals,  
independently, impartially, and with integrity.**

## **VISION**

**The Government of Guam is the model for good governance in the Pacific.**

## **CORE VALUES**

**Objectivity: To have an independent and impartial mind.**

**Professionalism: To adhere to ethical and professional standards.**

**Accountability: To be responsible and transparent in our actions.**

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