



**WASHINGTON LAWYERS' COMMITTEE**  
**FOR CIVIL RIGHTS AND URBAN AFFAIRS**

A ROTTEN FOUNDATION:

**WAGE THEFT IN THE  
DISTRICT OF COLUMBIA'S  
AFFORDABLE HOUSING  
CONSTRUCTION**

Washington Lawyers' Committee  
for Civil Rights and Urban Affairs

August 2025

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*To the workers out there and people like me, I just want to say that we should not be afraid. We must be brave, and we must raise our voices and speak out against the abuses at work—the wage theft, the sexual harassment of women, the psychological abuse we put up with. It must end.*

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## Introduction

This report addresses the scourge of wage theft in affordable housing projects in our nation's capital. Washington, D.C. is facing a housing shortage. Hundreds of millions of dollars of public money have been spent to fix this problem, in part by providing loans or otherwise subsidizing affordable housing construction projects. Unfortunately, this effort has been tarnished by the prevalence of wage theft in the greater DC-Maryland-Virginia ("DMV") construction industry. Construction contractors routinely violate wage theft laws and steal money from their workers.

Workers who do the dangerous, and indispensable, job of building affordable housing are among the most vulnerable and disenfranchised members of our society. They deserve to be paid the wages to which they are legally entitled. Yet workers allege that their employers continually cheat them out of their daily pay. Wage theft is more of a problem in construction than any other industry.<sup>1</sup> Instead of skilled workers earning a fair wage, low-road contractors frequently misclassify workers as independent contractors and fail to pay the promised wages, overtime, and prevailing wage rates and fringe benefits on public housing projects. Sometimes, these workers claim to have gone weeks at a time without receiving any pay.

The Department of Labor and District of Columbia Attorney General's Office have emphasized wage theft enforcement in recent years. Notwithstanding this increased enforcement, repeat offenders continue to commit wage theft in the affordable housing construction industry.

Wage theft's costs ripple across society. Beyond the harm wage theft causes to workers, it also harms law-abiding businesses, tenants, and society at large. It is especially galling that this happens to workers on affordable housing projects. This problem is particularly acute when workers are hired by non-union construction contractors. Wage theft severely undermines these workers' own financial situations. It also perpetuates a

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<sup>1</sup> See *Low Wage, High Violation Industries*, Department of Labor, Wage and Hour Division, <https://www.dol.gov/agencies/whd/data/charts/low-wage-high-violation-industries>.

cycle of poverty and makes real the threat of housing insecurity for those without whom there would be no affordable housing.

This report calls for increased enforcement and increased penalties for wage theft in the construction industry, including on-site enforcement by D.C. government investigators. The report also calls for D.C. Council hearings and an independent audit of the D.C. Housing Production Trust Fund wage theft procedures, and compliance with the recommendations of the report. We call on the D.C. leaders to do more to deter contractors within the construction industry from violating wage and hour laws.

## Section 1: Wage Theft in the Construction Industry

Millions of workers across the country are victims of wage theft, a label for what happens when employers pay workers less than the full wages to which they are legally entitled.<sup>2</sup> Each year, the Department of Labor (DOL) Wage and Hour Division publishes wage recovery data. According to the “Low Wage, High Violation Industries” section, construction has been the top industry for eight out of the past twelve fiscal years.<sup>3</sup> The total amount of stolen wages in just this industry is massive: the Wage and Hour Division recovered \$481,816,542 in back wages during this period, on top of levying \$15,945,556 in civil money penalties. The annual total for recovered stolen wages has never dipped below \$32,000,000.<sup>4</sup> These figures are even more shocking because only a fraction of stolen wages is ever recovered, and most workers never file a claim to recover stolen wages.<sup>5</sup> In the 10 most populous states alone, construction workers experienced an annual loss of \$283,000,000 in unpaid wages.<sup>6</sup> Wage theft is a crime of opportunity that remains profitable for the construction industry.

The National Alliance for Fair Contracting has emphasized that the construction industry is “more prone to misclassification than others” and that studies conducted in the past two decades have consistently revealed an inescapably clear finding: “construction businesses are misclassifying blue-collar trades workers at alarmingly high rates.”<sup>7</sup> Misclassification occurs when employers wrongly classify workers as independent contractors rather than employees, making the workers ineligible for certain legal protections and benefits. Approximately 1.1 to 2.1 million construction workers were misclassified (between 10 and 19 percent of the industry’s workforce), according to a 2023 report by the Century Foundation that focused on worker misclassification in 2021.<sup>8</sup> But

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<sup>2</sup> Wage theft comes in many forms, such as minimum wage violations, overtime violations, employee/contractor misclassification violations, illegal deductions, and the refusal to pay anything at all.

<sup>3</sup> See *Low Wage, High Violation Industries*, Department of Labor, Wage and Hour Division, <https://www.dol.gov/agencies/whd/data/charts/low-wage-high-violation-industries>.

<sup>4</sup> *Id.*

<sup>5</sup> Ilhna Mangundayao, Celine McNicholas, Margaret Poydock, and Alit Sait, *More than \$3 Billion in Stolen Wages Recovered for Workers Between 2017 and 2020*, Economic Policy Institute (Dec. 22, 2021), <https://www.epi.org/publication/wage-theft-2021/>.

<sup>6</sup> David Cooper and Teresa Kroeger, *Employers Steal Billions from Workers’ Paychecks Each Year*, Economic Policy Institute (May 10, 2017), <https://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year/>.

<sup>7</sup> *Wage Theft Facts, Misclassification and Payroll Fraud in Construction*, National Alliance for Fair Contracting (Oct. 2023), <https://faircontracting.org/wp-content/uploads/2023/10/Wage-Theft-Facts-FINAL-2023.pdf>.

<sup>8</sup> Laura Valle Gutierrez, Russ Ormiston, Dale L. Belman, and Jody Calemine, *Up to 2.1 Million U.S. Construction Workers Are Illegally Misclassified or Paid Off the Books*, The Century Foundation (Nov. 12, 2023), <https://tcf.org/content/report/up-to-2-1-million-u-s-construction-workers-are-illegally-misclassified-or-paid-off-the-books/#easy-footnote-bottom-7-54445>.

even these numbers are likely “considerable underestimates” of the true amount of misclassification in the construction industry, “given the conservative assumptions” in the study.<sup>9</sup>

Ultimately, “[t]he disproportionate representation of misclassified independent contractors in construction suggests a pervasive problem in the industry that contributes to economic inequality.”<sup>10</sup> This inequality manifests itself in poverty level wages, the ever-frequent failure to be paid, few or inaccessible unemployment benefits, the wrongful exclusion from or denial of legal protections, perilous and unsafe working conditions, and even death on the job.<sup>11</sup>

Many state and local governments, including D.C., have enacted employee misclassification or wage theft laws that build on federal protections. Research has shown that legislation that increases the cost of misclassification and wage theft to employers through fines and even debarment “leads to a statistically significant decline in the[se] practice[s], but only if paired with strong enforcement mechanisms.”<sup>12</sup> Strong legislation and enforcement mechanisms that deter unlawful practices are necessary to protect vulnerable workers who otherwise have no recourse against unscrupulous contractors. Without these, employers will have little incentive to change their behavior.<sup>13</sup>

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<sup>9</sup> *Id.*

<sup>10</sup> *Wage Theft Facts, Misclassification and Payroll Fraud in Construction*, *supra* note 15.

<sup>11</sup> According to the Bureau of Labor Statistics’ Census of Fatal Occupational Injuries, about one in five occupational deaths in 2023 occurred at construction workplaces. Zachary Phillips, *Construction Fatalities Hit Highest Number Since 2011*, Construction Dive (Dec. 19, 2024), <https://www.constructiondive.com/news/construction-deaths-2024-safety-bls/736002/>. And in 2022, the construction industry sector had the highest number of fatalities in the District of Columbia with seven, up from three in the previous year. *Fatal Work Injuries in the District of Columbia – 2022*, Mid-Atlantic Information Office U.S. Bureau of Labor Statistics (Feb 29, 2024), [https://www.bls.gov/regions/mid-atlantic/news-release/2024/fatalworkinjuries\\_washingtondc\\_20240229.htm](https://www.bls.gov/regions/mid-atlantic/news-release/2024/fatalworkinjuries_washingtondc_20240229.htm). See also ‘Not Something That Anybody Expected Or Wanted’: DC Row House Collapse Kills Trapped Worker, Officials Say, WTOP News (Dec. 23, 2024), <https://wtop.com/dc/2024/12/dc-ceases-rescue-operation-to-free-worker-trapped-under-collapsed-row-house-2/>; DC Construction Worker Dead After Eight-story Fall, Fox 5 Washington DC (Aug. 24, 2017), <https://www.fox5dc.com/news/dc-construction-worker-dead-after-eight-story-fall>; *Valladares v. Whiting Turner Contracting Company*, Docket No. 2012-CA-2163-B (D.C. Supr. Ct. Mar. 7, 2012) (approving settlement in wrongful death lawsuit brought by the daughter of a construction worker and 36-year-old single mother of five who died from asphyxiation after her neck became trapped while using a scissor lift for which her employer allegedly failed to provide training).

<sup>12</sup> *Wage Theft Facts, Misclassification and Payroll Fraud in Construction*, *supra* note 15.

<sup>13</sup> A 2012 report surveyed the United States to determine the effectiveness of wage theft laws and concluded that where states have ineffective or “grossly inadequate” wage theft laws, this “contribut[es] to a rising trend in workplace violations that affect millions of people throughout the country.” See Tim Judson & Christina Francisco-McGuire, *Where Theft is Legal: Mapping Wage Theft Laws in the 50 States*, Progressive States Network (June 2012), [https://www.researchgate.net/publication/326678129\\_Where\\_Theft\\_is\\_Legal\\_Mapping\\_Wage\\_Theft\\_Laws\\_in\\_the\\_50\\_States](https://www.researchgate.net/publication/326678129_Where_Theft_is_Legal_Mapping_Wage_Theft_Laws_in_the_50_States) *saws in the 50 States*.

## 1.1 Wage Theft in the D.C. Construction Industry

At a local level, the Washington, D.C. construction industry experiences many of the worker exploitation issues identified in the national construction industry.

In 2019, the D.C. OAG published a study that revealed the extent to which misclassification and concomitant wage theft plagues the local construction industry.<sup>14</sup> Misclassification and wage theft are perpetrated through the use of subcontractors who fail to abide by the District’s wage and misclassification laws. The D.C. OAG found that wage theft is “rampant” in D.C.’s construction industry, a finding consistent with reports from other states. As discussed below, fifty percent of cases identified involved misclassification claims. *Infra* Section 3.

Misclassification alone enables contractors in the District to reduce their labor costs by 16.7%. This gain from illegally misclassifying workers allows those actors to then underbid and undercut employers who follow the rules.<sup>15</sup> Coupled with “even a modest amount of wage theft,” the cost evasion of doing business illegally can reach 27%, which the D.C. OAG described as “a massive amount in a competitive, bid-oriented industry.”<sup>16</sup> This number climbs even higher—up to 48.1%—if an employer keeps for themselves all the money they refuse to pay to workers in fringe benefits.<sup>17</sup>

In January 2025, the Economic Policy Institute published data that maps the cost of misclassification to individual workers by state and industry. In the D.C. construction industry, laborers who are misclassified are likely to earn \$15,779 less on average per year, or a 31.4% difference from what they should be earning as an employee.<sup>18</sup> Despite over a decade of legislation intended to prevent misclassification and wage theft, the scale of the problem continues to grow unabated.<sup>19</sup>

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<sup>14</sup> Dale Belman and Aaron Sojourner, *Illegal Worker Misclassification: Payroll Fraud in the District’s Construction Industry*, Office of the Attorney General for the District of Columbia (Sept. 2019), <https://oag.dc.gov/sites/default/files/2019-09/OAG-Illegal-Worker-Misclassification-Report.pdf>. The D.C. OAG commissioned the study “to determine how much labor costs construction companies avoid—and how much everyone else loses out—when they commit payroll fraud by misclassifying their employees.”

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> Adewale A. Maye, Daniel Perez, and Margaret Poydock, *Misclassifying Workers as Independent Contractors Is Costly for Workers and States*, Economic Policy Institute (Jan. 22, 2025), <https://www.epi.org/publication/misclassifying-workers-2025-update/>.

<sup>19</sup> In 2014, the Council of the District of Columbia passed the Workplace Fraud Amendment Act to combat misclassification in the construction industry by providing that, in most circumstances, construction workers are considered employees. Dale Belman and Aaron Sojourner, *Illegal Worker Misclassification: Payroll Fraud in the District’s Construction Industry*, Office of the Attorney General for the District of Columbia (Sept. 2019),

Prior to the 2014 Wage Theft Prevention Act, the District only offered workers whose wages were stolen an informal investigative mediation process led by the staff of the Department of Employment Services.<sup>20</sup> A crucial 2016 amendment to legislation vested the District of Columbia Office of Attorney General (D.C. OAG) with the authority to bring civil enforcement actions in court and inspect business records.<sup>21</sup> Since gaining wage theft enforcement authority in 2017, the D.C. OAG has launched numerous investigations that have resulted in recovered wages for vulnerable workers in a myriad of industries, including those employed in the construction industry on affordable housing projects.<sup>22</sup> But the D.C. OAG needs more resources to stem the growing tide of wage theft in the construction industry, and in particular on affordable housing construction projects.<sup>23</sup>

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<https://oag.dc.gov/sites/default/files/2019-09/OAG-Illegal-Worker-Misclassification-Report.pdf>; see also D.C. CODE §§ 32-1301 – 32-1312 (2025). In 2014, D.C. councilmembers sought to further combat payroll abuses by enacting legislation that imposes strict liability on general contractors for the actions of their subcontractors. *B20-0671 - Wage Theft Prevention Act of 2014*, Council of the District of Columbia (last accessed June 3, 2025), <https://lims.dccouncil.gov/Legislation/B20-0671>; see also D.C. Code Sec. 31-1303(5). The Act was initially amended on an emergency basis by the “Wage Theft Prevention Correct and Clarification Emergency Amendment Act of 2014,” D.C. CODE § 32-1004(a) (2014), and then again in 2016, with the passage of “The Wage Theft Prevention Clarification and Overtime Fairness Amendment Act of 2016,” D.C. CODE § 21-266 (2016), which became effect on April 7, 2017.

<sup>20</sup> Tina Paden, *Making Sure DC Workers Get an Honest Day’s Pay for an Honest Day’s Work*, DC Fiscal Policy Institute (Feb. 20, 2014), <https://www.dcfpi.org/all/making-sure-dc-workers-get-an-honest-days-pay-for-an-honest-days-work/>.

<sup>21</sup> Dale Belman and Aaron Sojourner, *supra* note 23.

<sup>22</sup> The District of Columbia has been cited as an example of effective local enforcement of wage theft. See, e.g., Mangundayao, McNicholas, Poydock, and Sait, *supra* note 14; Stephen Herzenberg, *Worker Misclassification and Wage Theft in Philadelphia Construction*. Testimony of Stephen Herzenberg, Philadelphia City Council, Keystone Research Center (Feb. 21, 2020), <https://keystoneresearch.org/wp-content/uploads/Herzenberg-Testimony-2-21-20.pdf>.

<sup>23</sup> Initially, the DC OAG had two attorneys in the Housing and Community Justice Section that actively pursued enforcement actions against companies who appeared to misclassify their workers. Dale Belman and Aaron Sojourner, *supra* note 23. Although this arrangement reflects the relationship between housing and economic justice, the D.C. OAG recognized the problem required a separate team and established the Workers’ Rights & Antifraud Section in 2021. *Id.*



## Section 2: A Rotten Foundation: How Public Money Exacerbates Worker Exploitation

Exploitation occurs when need meets greed. This concept is particularly evident where the confluence of demand for affordable housing meets an industry plagued by wage theft and misclassification.

The United States faces a housing shortage, and its effects are felt acutely in the District of Columbia (the District or D.C.). A 2023 Urban Institute report found that 12% of the city’s population—more than 1 in 10 D.C. residents or 82,000 residents—experience housing insecurity, and this percentage has likely only grown in the last two years.<sup>24</sup> D.C. leads the nation when it comes to neighborhood gentrification and displacement of low-income residents.<sup>25</sup> Just from 2021 to 2022, average home rental costs jumped more than 11%.<sup>26</sup> As prices continue to rise while wages stagnate, renters pay more for their housing with less. In fact, “almost half of D.C. renters spen[d] more than a third of their incomes on housing. . . and nearly a quarter spen[d] at least half.”<sup>27</sup>

Public pressure has forced city leaders to recognize this ballooning problem. Ultimately, they have chosen to pursue a supply-based solution and expand affordable housing, either through building new units or preserving and restoring existing ones.

Mayor Muriel Bowser, who has served as D.C.’s mayor since 2015, made it a priority early on in her first term to fund the Housing Protection Trust Fund, a special revenue fund established in 1988 to produce and preserve affordable housing in the District.<sup>28</sup> In 2019 in response to D.C.’s population growth, Mayor Bowser pledged to build 36,000 new housing

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<sup>24</sup> Claudia D. Solari et al., *Housing Insecurity in the District of Columbia*, Urban Institute (Nov. 2023), vi, <https://www.urban.org/research/publication/housing-insecurity-district-columbia>.

<sup>25</sup> Rachel Cohen, *D.C. Is Rapidly Gentrifying and the Fate of its Affordable Housing Hangs in the Balance*, Washington City Paper (Nov. 14, 2019), [https://washingtoncitypaper.com/article/177623/dc-is-rapidly-gentrifying-and-the-fate-of-its-affordable-housing-hangs-in-the-balance/#google\\_vignette](https://washingtoncitypaper.com/article/177623/dc-is-rapidly-gentrifying-and-the-fate-of-its-affordable-housing-hangs-in-the-balance/#google_vignette) (citing three national studies published in 2019). See also Scott Rodd, *Gentrified: A Tale of Two Neighborhoods in Washington, D.C.*, Medium.com (Mar. 9, 2017), <https://medium.com/@ScottCRodd/gentrified-a-tale-of-two-neighborhoods-in-washington-d-c-c828b8f7a357#.l3khreumt>; Scott Rodd, *The Uncertain Future of Low-Income Housing in the Heart of D.C.*, Medium.com (Mar. 15, 2017), <https://medium.com/@ScottCRodd/the-uncertain-future-of-low-income-housing-in-the-heart-of-d-c-8a1b668fa0d2>.

<sup>26</sup> *Transcript: D.C. Mayor Muriel Bowser on ‘Face the Nation,’* CBS News (July 17, 2022), <https://www.cbsnews.com/news/muriel-bowser-transcript-face-the-nation-07-17-2022/>.

<sup>27</sup> Rachel Cohen, *supra* note 2.

<sup>28</sup> Patrick McAnaney, *Understanding the District’s Housing Production Trust Fund*, Greater Greater Washington (Feb. 28, 2024), <https://ggwash.org/view/92711/understanding-the-districts-housing-production-trust-fund>.

units by 2025, a third of which were to be affordable.<sup>29</sup> During her decade in office, Mayor Bowser has invested an astounding \$1.4 billion in the Housing Production Trust Fund.<sup>30</sup> This sustained investment has made the Housing Production Trust Fund one of the nation’s “largest affordable housing chests of its kind.”<sup>31</sup>

The District continues to embark upon major new construction, preservation, and revitalization efforts. For example, on July 2, 2025, the District of Columbia Housing Authority announced a revitalization plan to modernize and renovate 3,500 affordable housing units.<sup>32</sup> This will be funded by \$700 million in Industrial Revenue Bonds that will be issued by the Office of the Deputy Mayor for Planning and Economic Development.<sup>33</sup>

Efforts to meet the affordable housing crisis in D.C. are only set to ramp up in the coming years. As the following section describes, affordable housing construction projects are not immune to the problems of wage theft and misclassification. As D.C. moves forward with its revitalization plan, agency oversight of publicly-funded construction projects and strong enforcement are critical to preventing worker exploitation.

## 2.1 In Their Own Words: Construction Worker Testimonies

The narratives below are from D.C. workers who have participated in collective action lawsuits to recover unlawfully withheld wages. Pseudonyms are used to protect their identity.

### Antonio Dominguez

My name is Antonio and I am originally from Central America. For the last ten years I have specialized in plumbing. During that time, most of my employers have refused to pay

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<sup>29</sup> *Mayor Bowser Signs Order to Drive Bold Goal of 36,000 Housing Units by 2025*, Government of the District of Columbia (May 10, 2019), <https://mayor.dc.gov/release/mayor-bowser-signs-order-drive-bold-goal-36000-housing-units-2025>.

<sup>30</sup> *Mayor Bowser Announces \$100 Million Investment in the Housing Production Trust Fund*, DC.Gov (Apr. 30, 2025) <https://dc.gov/release/mayor-bowser-announces-100-million-investment-housing-production-trust-fund>. The Housing Production Trust Fund is administered by the Department of Housing and Community Development and is funded through a dedicated portion of the city’s deed recordation and transfer tax revenues, as well as the District’s general funds.

<sup>31</sup> Eagan Flynn, *D.C.’s housing fund falls short of requirement to aid lowest-income renters*, The Washington Post (Apr. 3, 2023), <https://www.washingtonpost.com/dc-md-va/2023/04/03/dc-affordable-housing-report-bowser/>.

<sup>32</sup> *DCHA Launches Revitalization Plan to Modernize & Renovate 3,500 Affordable Housing Units*, District of Columbia Housing Authority (July 2, 2025), <https://www.dchousing.org/wordpress/dcha-launches-revitalization-plan-to-modernize-renovate-3500-affordable-housing-units/>.

<sup>33</sup> *Id.*

overtime, and the pay I get is never enough because they always misclassify me as an independent contractor. On holidays, I have been made to work a half day without pay.

During the pandemic, I did plumbing work. The foremen yelled at us quite a bit, demanding that we work faster because they were paying us a lot of money. One time I had to leave work early. Because of this, they refused to pay me anything at all on the next pay day. There were other times after this that I thought about calling an attorney, but I felt discouraged. So I kept my head down and kept working.

I have lost a lot of money over the years due to wage theft. I support my mother and younger sister who are back in my home country. One time I was fired from a job and went a long time without finding any more work. Though I tried to decrease my spending, I still had rent to pay. I ended up opening a credit card to pay for that and other necessities. I now have a debt of \$8,000 dollars that I am trying to pay off.

In 2024, I was hired to do construction work at a site in downtown D.C. I was misclassified as an independent contractor, and my employer did not pay me what I was owed. I should have been paid the prevailing wage, but instead I was paid less than the minimum wage for the total number of hours I worked.<sup>34</sup> One time I was working with a bad concrete pour and some of it got in my eye. I didn't have insurance through my job, so I had to use my own salary to see a doctor. I asked my employer to reimburse me since I got hurt on the job, but they refused.

I am currently participating in a lawsuit to recover the stolen wages that employer owes me. I was paid very little for my work, but others in our group weren't paid anything at all.

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<sup>34</sup> Antonio worked on two distinct project sites, and the prevailing wage rate for one was slightly over \$30.00, and the other was just shy of \$70.00.

## Vicente Morales

My name is Vicente and I am from Central America. I have worked in construction with a focus on siding and facing work since I came to the United States. I've been exploited in most jobs that I've had—especially as it relates to overtime. I have often been made to work 10-11 hours each day. That can get up 66 hours in a work week, but employers only pay me for 40 hours. Even worse is working that many hours out in the elements, under the heat of the summer sun. And then, if I go to the bathroom, they yell at me. Sometimes the bosses humiliate me too. But even if I don't feel like working, I have no choice but to give it my all.

There have been times when I have wanted to raise my voice and do something about the wage theft I have experienced, but it is difficult to do so. If only one worker speaks out but everyone else remains quiet, nothing happens. Things could get even worse. That makes people afraid to fight back.

Last year, I participated in a lawsuit that settled. That was the first time I ever was brave enough to do something. There is so much fraud and corruption, and subcontractors have been exploiting us for so long, but this time a group of us banded together.

I work to support my family. I have a fifteen-month-old and an eleven-year-old. My mom is back in my home country, but she also depends on me for support. The income I've lost because of wage theft has meant that I have given up a lot of things to make ends meet. I couldn't afford a car until recently, so I spent an entire year riding a bike to get to work—even in the winter when it was cold out. I sacrifice things for myself because I have rent to pay and children to take care of. But the longer I work in construction, the more I worry about what could happen to me. Construction work can be dangerous. One time, a machine almost amputated my finger. They never give me masks at work, so the dust gets in my nose. Sometimes I blow my nose and see blood, and I now have nose bleeds out of nowhere. I have also begun to feel pain in my back. But I haven't gone to the doctor. There are some illnesses that it's better not to know—I don't have a way to get healthcare.

To the workers out there and people like me, I just want to say that we should not be afraid. We must be brave, and we must raise our voices and speak out against the abuses at work—the wage theft, the sexual harassment of women, the psychological abuse we put up with. It must end.

## Section 3: Wage Theft Violations in D.C. Affordable Housing Projects

A report that draws attention to the prevalence of wage theft litigation stemming from affordable housing construction projects in the District is long overdue.<sup>35</sup> The greater DMV area construction industry is replete with contractors that are alleged to have withheld lawfully owed wages from their employees. These employers are key players in a rotating cast of actors who continue to win bids or be hired as contractors, creating a situation in which wage theft inexorably contaminates both private and public sector affordable housing construction projects.

This report is a survey of wage theft litigation involving D.C. affordable housing unit construction projects in the last decade. We aim to highlight the alarming trends that workers face daily in hopes that this will galvanize D.C. leaders to hold contractors accountable for wage theft.

### 3.1 Methodology

The wage theft litigation highlighted in this report was identified after searching government press releases, online legal databases such as PACER and Bloomberg Law, and court website dockets. The construction sites were cross-referenced against government databases or other sources to verify the project involved affordable housing units.<sup>36</sup> Most cases in this report involve public sector or public works construction projects that are funded by the District of Columbia through the Housing Production Trust

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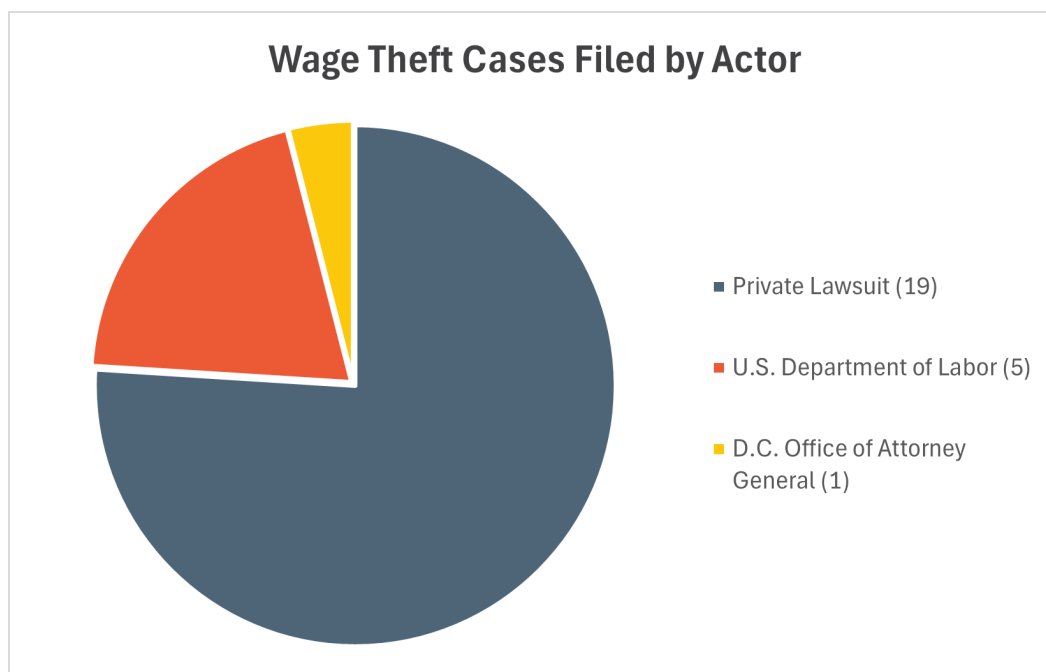
<sup>35</sup> There have been reports detailing the extent of wage theft in the context of affordable housing construction in other states. See *Profiting From a Broken System: How the Affordable Housing Industry Robs New York City*, ALIGN (Nov. 1, 2015), <https://alignny.org/resource/profitting-from-a-corrupt-system-how-the-affordable-housing-industry-robs-new-york-city/>; *Subsidizing Abuse: How Public Financing Fuels Exploitation in Affordable Housing Construction*, NorthStar Policy Action (2023), <https://media.websitedn.net/sites/949/2023/11/2023-Subsidizing-Abuse-FINAL.pdf>.

<sup>36</sup> See, e.g., *DHCD – DFD Pipeline Public Dashboard*, D.C. Department of Housing and Community Development (last accessed July 10, 2025), <https://octo.quickbase.com/nav/app/bit4kvfmq/action/appoverview>; District of Columbia Housing Authority, *District of Columbia Housing Authority* (last accessed July 10, 2025), <https://www.dchousing.org/wordpress/?AspxAutoDetectCookieSupport=1>; *WDCEP Development Report*, Open Data DC (last accessed July 10, 2025), <https://opendata.dc.gov/datasets/DCGIS::wdcep-development-report/explore>; *DMPED Economic Intelligence Dashboard*, Deputy Mayor for Planning & Economic Development (last accessed July 10, 2025), <https://open.dc.gov/economic-intelligence/affordable-production-preservation.html>; *Affordable Housing*, Open Data DC (last accessed July 10, 2025), <https://opendata.dc.gov/datasets/DCGIS::affordable-housing/explore?location=38.890167%2C-77.030402%2C12.35>.

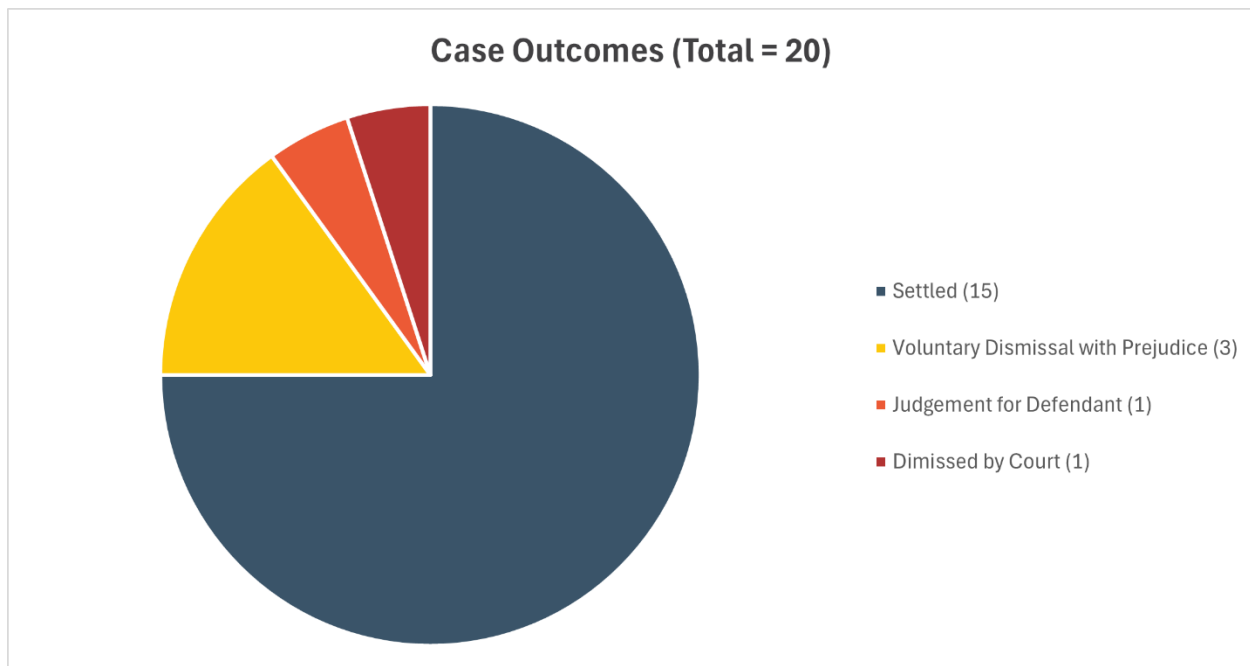
Fund (HPTF) administered by the District of Columbia Department of Housing and Community Development's (DHCD) Development and Finance Division.

### 3.2 Findings

Between 2013 and 2024, 25 federal and state cases were identified where workers alleged that they experienced wage theft while working on affordable housing construction projects across 21 different properties. Of these cases, the private plaintiffs' bar initiated the majority of the cases (19), the Department of Labor (DOL) Wage and Hour Division initiated five and the District of Columbia Office of Attorney's General (D.C. OAG) initiated one.



Five cases are ongoing. Of the 20 cases that have concluded, 75 percent ended in a settlement (15). An additional 15 percent of the cases ended in voluntary dismissal with prejudice (3). While not a conclusive indication of settlement, voluntary dismissals with prejudice are often a sign that the parties have reached an out-of-court settlement. Only 10 percent of the concluded cases ended without resolution for the plaintiffs, with one post-bench trial judgment for Defendants and one case dismissed by the Court.

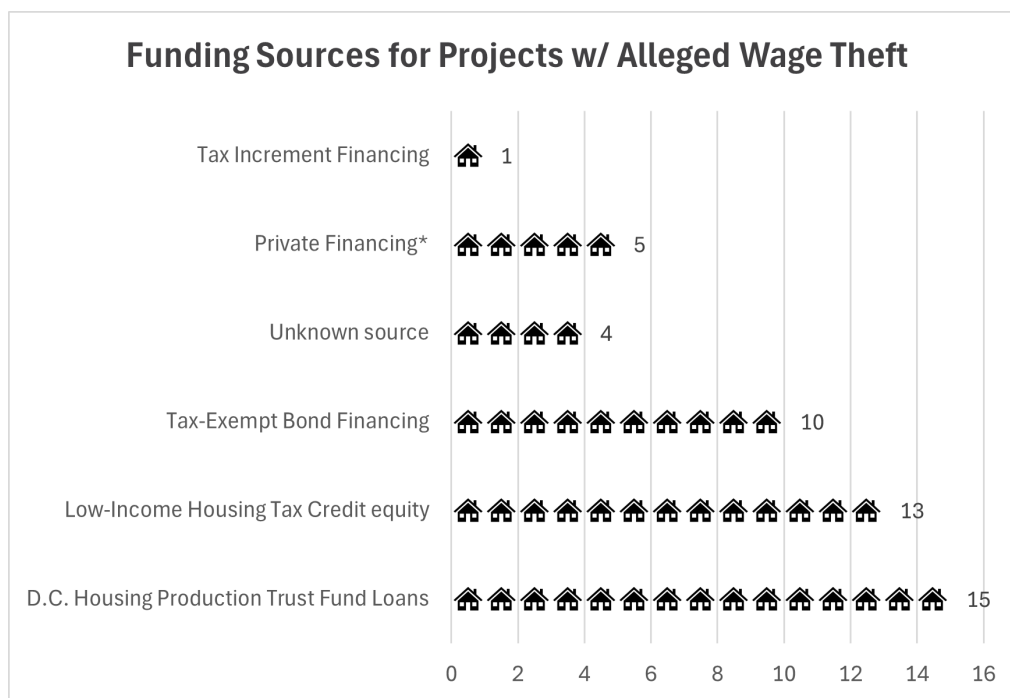


In the past decade, federal enforcement and private litigation resulted in \$2,421,108 in public settlement payments and default judgment awards for over 332 workers<sup>37</sup> alleging wage theft violations while working on D.C. public housing projects. The total settlement figure for these cases is likely significantly higher, given that eight additional cases, representing a universe of over 59 workers, resulted in non-public settlements or were voluntarily dismissed. Of this figure, DOL secured \$1,487,957 in settlement payments for 203 workers alleging wage theft violations.

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<sup>37</sup> Nine of the 25 cases identified in the report alleged collective action or class claims, or both; an indication that the potential universe of workers impacted by alleged wage theft is much greater than this figure.

D.C. affordable housing projects with related allegations of worker exploitation received funding from a mix of public and private funding sources.



\*Privately funded projects still offer affordable housing units pursuant to D.C.'s Inclusionary Zoning Program, which allows the Developers to build bigger properties than would otherwise be allowed.

### 3.3 Trends

#### DOL Enforcement: Lessons Learned

Since 2013, the U.S. Department of Labor's Wage and Hour Division has investigated 12 sub-contractors for a range of wage and hour violations related to the construction of five D.C. affordable housing projects. While these cases involved the enforcement of federal worker protections, they are instructive in showcasing what the D.C. government could achieve with equivalent local protections.

Five investigations resulted in the recovery of \$1,487,957 in back wages and fringe benefits for 203 workers, either in the form of settlement payments or withholding of contract payments. In addition, DOL investigations have resulted in debarment from federally funded construction projects, independent monitoring, and other compliance oversight.

**The Grove at Parkside:** In July 2019, subcontractor Brothers Mechanical, Inc. agreed to pay the back wages after DOL found that its subcontractor, Big G, failed to pay workers the proper prevailing wage and fringe benefits. Brothers Mechanical,



Inc. agreed to withhold \$193,662 in contract payments to Big G in order to satisfy the back wages owed. As a result of the settlement, DOL agreed not to seek debarment of Brothers Mechanical.<sup>38</sup>

**The Bridge:** A Wage and Hour investigation of six lower-tier federal subcontractors revealed violations of the Davis-Bacon Act, the Contract Work Hours and Safety Act, and the Fair Labor Standards Act.<sup>39</sup> First- and lower-tier subcontractors were found to be misclassifying employees, falsifying payroll records, and failing to pay prevailing wages and fringe benefits. The DOL recovered \$633,029 in back wages for 84 workers across the subcontractors, including \$282,193 for 14 employees of MTZ Electric Services, LLC and \$253,146 for 7 employees of Igloo Construction, Inc. The first-tier subcontractor that hired MTZ, Colonial Electrical Company, Inc., agreed to pay back wages to MTZ employees. Titan Mechanical, Inc., which hired Igloo, was held liable for back wages for failing to include the required Davis-Bacon fair labor standards language in its subcontract with Igloo. MTZ signed a consent decree accepting debarment from federal housing contracts for a period of three years.

**The Paxton:** DOL's investigation found that a federal subcontractor, Day-Debut Mechanical, Inc., misclassified nine sheet metal workers as laborers and failed to pay them the proper prevailing wage and fringe benefits. The DOL investigation also found that Day-Debut Mechanical, Inc. falsified payrolls and failed to keep payroll records.<sup>40</sup> Day-Debut was unreachable following the investigation. In April 2024, Titan Mechanical, Inc., a subcontractor that hired Day-Debut, agreed to pay \$34,142 in back wages and fringe benefits for 9 workers.<sup>41</sup>

**Liberty Place Apartments:** An Administrative Law Judge upheld DOL's findings that V&V Construction, Inc. misclassified workers performing concrete installation as

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<sup>38</sup> Omnibus Order, ALJ's Decision and Order, *Brother's Mechanical Inc.*, Docket No. 2018-DBA-00004 (June 10, 2019), [https://oalj.dol.gov/DECISIONS/ALJ/DBA/2018/WAGE\\_AND\\_HOUR\\_DIVISI\\_v\\_BROTHERS\\_MECHANICAL\\_2018DBA00004\\_\(JUN\\_10\\_2019\)\\_121435\\_ORDER\\_PD.PDF](https://oalj.dol.gov/DECISIONS/ALJ/DBA/2018/WAGE_AND_HOUR_DIVISI_v_BROTHERS_MECHANICAL_2018DBA00004_(JUN_10_2019)_121435_ORDER_PD.PDF); ALJ's Decision and Order, *Brother's Mechanical Inc.*, OALJ Case No. 2018-DBA-00004 (Dep't of Labor July 8, 2019), 2019 WL 13556423; *Sheet Metal Workers for Subcontractor Under Brothers Mechanical, Inc. and KBS Inc. Recover \$193,662 in Back Wages at the Grove at Parkside Affordable Housing Development in D.C.*, The Foundation for Fair Contracting (Aug. 5, 2019), <https://www.ffc-mar.org/post/design-a-stunning-blog>.

<sup>39</sup> US Department of Labor recovers \$633K in back wages for 84 workers for violations by District of Columbia development site's subcontractors, U.S. Department of Labor (Mar. 20, 2023), <https://www.dol.gov/newsroom/releases/whd/whd20230320-2>

<sup>40</sup> *U.S. Department of Labor Recovers \$34k in Back Wages, Benefits for 9 Workers Misclassified By Subcontractor on Federal Project in District of Columbia*, U.S. Department of Labor (Apr. 15, 2024), <https://www.dol.gov/newsroom/releases/whd/whd20240415-0>

<sup>41</sup> A group of carpenters who alleged wage theft violations while working on the Paxton settled their collective action lawsuit in August 2024. See Appendix B, The Paxton.

skilled laborers instead of journey workers; failed to pay prevailing wage rates, benefits, and overtime; and falsified payroll records.<sup>42</sup> In May 2024, V&V Construction ultimately settled, paying \$186,124 in back wages for 55 workers.<sup>43</sup> V&V Construction also agreed to 18 months of independent monitoring of DBRA contracts and other enhanced compliance to ensure future compliance with wage and hour laws.

**MDXL Flats:** A DOL investigation resulted in a July 2024 recovery of \$441,000 in back wages for 45 workers who performed HVAC and plumbing installation work for Day-Debut Mechanical, Inc. on the MDXL Flats affordable housing project in SW D.C. Day-Debut was formerly known as Day CJ Plumbing & Mechanical, Inc.<sup>44</sup>

### Trades

Wage and hour violations occurred across a range of construction trades in the cases identified in this report. Carpenters and drywall finishers, masons, glaziers, electricians, HVAC technicians, millwrights, painters, plumbers, ironworkers, and other laborers alleged that they experienced wage theft, misclassification, and related violations while building D.C.'s affordable housing. While court documents and other public records do not indicate if these workers were unionized, the fact that enforcement actions were brought in private lawsuits or by government agencies makes it very likely that these were nonunion construction workers. Both local<sup>45</sup> and national<sup>46</sup> studies have found that nonunion workers are more likely to experience minimum wage violations, including in the construction industry.

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<sup>42</sup> Judge Upholds Findings That Maryland Subcontractor Denied 55 Workers on Federally Funded Project Their Full Pay, Fringe Benefits, Owes \$186K, U.S. Department of Labor (May 8, 2024), <https://www.dol.gov/newsroom/releases/whd/whd20240508>

<sup>43</sup> The DOL Wage and Hour Division initially determined that V&V Construction and its owners owed \$195,492 in back wages, but the parties reached a settlement and agreed upon the lower amount set forth in the Consent Findings. See also Consent Findings, *In the Matter of Hamel Builders, Inc. et al.*, OALJ Case No. 2022-DBA-000047 (July 23, 2021), [https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2024/04/2024WHDPHI-V%26V\\_CONSTRUCTION%20FINAL%20ORDER.pdf](https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2024/04/2024WHDPHI-V%26V_CONSTRUCTION%20FINAL%20ORDER.pdf).

<sup>44</sup> U.S. DOL W&H Recovered \$441K for 45 Mechanical Workers of Labor Broker under Charles A. Klein & Sons, Inc. and Gilbane Residential Company, LLC at MDXL Flats Affordable Housing Development in D.C., The Foundation for Fair Contracting (July 25, 2024), <https://www.ffc-mar.org/post/u-s-dol-w-h-recovered-nearly-752k-in-back-wages-for-45-mechanical-workers-at-the-mdxl-flats-afford>

<sup>45</sup> Catholic Legal Network, *The Underground Economy and Wage Theft in Washington DC's Commercial Construction Center* 14 (2021) (study found that nonunion workers in DC commercial construction industry more likely to experience wage and hour violation versus union workers who can turn to their union to resolve issues).

<sup>46</sup> David Cooper and Teresa Kroeger, *Employers Steal Billions from Workers' Paychecks Each Year*, Economic Policy Institute (May 10, 2017), <https://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year/>.

Within a single project, wage theft can occur across multiple trades.

- At The Paxton, a 148-unit residential building in Ward 7, a DOL investigation found wage theft amongst sheet metal workers, while a private lawsuit alleged wage theft on behalf of carpenters.<sup>47</sup>
- The City Ridge Project, a mixed-use community development in Ward 3, is the subject of four separate actions (one D.C. Office of Attorney General lawsuit; three private lawsuits) alleging wage theft on behalf of plumbers, millwrights, HVAC technicians, and sheet metal workers.<sup>48</sup>
- Two private lawsuits resulted in settlements for HVAC technicians and masons who worked on the Robeson – Spring Flats Family, an 87-unit residential building in Ward 4.<sup>49</sup>
- Wage theft lawsuits were filed by carpenters and ironworkers who built the South Capitol Multifamily Housing Project, a 195-unit residential building in Ward 8.<sup>50</sup>
- Bryant Street, a mixed-use community development in Ward 5, was the subject of two lawsuits filed by HVAC technicians, drywall installers, and millwrights.<sup>51</sup>

### Defendants

Government enforcement actions and private lawsuits have implicated general contractors, subcontractors, and sub-subcontractors all the way down the contracting chain.<sup>52</sup> Nine general contractors are either defendants or mentioned in court documents such as the complaint, settlement documents, or other motions. Three general contractors are implicated in cases associated with three projects, one in two projects, and the remaining five are associated with one project each. Table 1 includes a list of subcontractors hired by these general contractors on the projects. Four subcontractors were alleged to have engaged in wage theft across multiple affordable housing projects.

That so many cases have ended in settlements, with very few Defendants contesting claims at trial, only further underscores how pervasive wage theft is. It may also imply that

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<sup>47</sup> For more information see Appendix B, The Paxton.

<sup>48</sup> See Appendix B, The City Ridge Project.

<sup>49</sup> See Appendix B, The Robeson.

<sup>50</sup> See Appendix B, The South Capitol MultiFamily Housing Project.

<sup>51</sup> See Appendix B, Bryant Street.

<sup>52</sup> Under D.C. wage theft laws, general contractors and subcontractors are jointly and severally liable for wage theft violations. DC Code § 32-1303(5).

enforcement at its current level is seen as merely the “cost of doing business” for contractors.

**Table 1: Upper and Lower Tier Contractors**

***Bolded entities were subject to federal or local investigation or a defendant in a private lawsuit alleging wage theft violations.***

<b>Project Name</b>	<b>General Contractor</b>	<b>Subcontractor(s)</b>
The Apollo	John Moriarty & Associates	CCE Specialty, LLC MJL Construction, Inc.
Atlantic Apartment Homes (Atlantic Gardens)	Keith Construction, Inc.	AFD General Contractors, Inc.
The Bridge	McCullough Construction	Titan Mechanical, Inc. Igloo Construction Inc.
		Colonial Electric Company, Inc. MTZ Electric Service LLC
		M&Y Exteriors LLC Muller Construction LLC Allied Drywall Construction, Inc. Diverse Masonry Corp.
Bryant St	CBG Building Company LLC	Charly Drywall and Painting Advantage Air Conditioning R&L General Contractor LLC C.R. Millwork
Capitol Vista	Hamel Builders, Inc.	V & V Construction, Inc. MJL Construction, Inc.
City Ridge Project	Whiting Turner Construction / Whiting-Turner Contracting Company	W.G./Welch Mechanical Contractors, LLC Mechanical Plumbing Crew, Co. Ramirez Plumbing, Inc. GINCO HVAC, LLC
		C.R. Millwork
Eckington Yards	CBG Building Company LLC	Charly Drywall and Painting Advantage Air Conditioning R&L General Contractor LLC
EucKal	Whiting-Turner Contracting Company	Krick Plumbing & Heating Co, Inc. Scorpion HVAC Tech Capital Mechanical LLC
The Fortitude at Delta Towers	Bozzuto Contractors, Inc.	Centennial Builders, Inc. GO Construction, LLC KMC Construction, LLC Clemons, Builders, Inc.
The Grove at Parkside	Gilbane Residential Construction, LLC	KBS Group, Inc Brothers Mechanical Inc. Big G Sheet Metal Work, Inc.
The Harlow	Bozzuto Contractors, Inc.	Spartan Enterprises, LLC
Liberty Place Apartments	Hamel Builders, Inc.	V&V Construction, Inc.
MDL Flats	Gilbane Residential Construction, LLC	Classic Heating & Cooling
		Continental Construction, Inc. Pegasus Glazing, LLC
MDXL Flats	Gilbane Residential Company LLC	Charles A. Klein & Sons Day-Debut Mechanical, Inc. <sup>53</sup>

<sup>53</sup> Day-Debut of Alexandria, Virginia, was formerly known as Day CJ Plumbing & Mechanical, Inc. of Libertytown, Maryland.

<b>Project Name</b>	<b>General Contractor</b>	<b>Subcontractor(s)</b>
Mills Place Apartments	Hamel Builders, Inc.	Les Electric, LLC Best Way Electric LLC
The Paxton	Foulger-Pratt	Titan Mechanical Inc. Day-Debut Mechanical Inc. Christian Siding, LLC
Ritch Homes Apartments	Whiting-Turner Contracting Company	Elite Wall Systems
RiverPoint	CBG Building Company LLC	Charly Drywall and Painting Advantage Air Conditioning R&L General Contractor LLC
The Robeson – Spring Flats Family	Hamel Builders, Inc.	Clemons Builders Howard Construction Co., Inc.
South Capitol Multifamily Housing Project	Prestige Building Company, LLC	V & V Construction, Inc.
2M Street Project	WCS Construction	Igloo Construction, Inc. <sup>54</sup>

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<sup>54</sup> Igloo Construction Inc. was originally registered with the Maryland Department of Assessments and Taxation on October 17, 2012, under the name Hot & Cold Heating & Cooling Systems, LLC. The company name was changed to Igloo HVAC, LLC on November 28, 2012.

## Section 4: Societal Costs: Bad for Workers, Tenants, and Society

Mayor Bowser has said that “the affordable housing decisions we make today will influence the affordability of the District for decades to come.”<sup>55</sup> To accomplish that goal, the District needs to do more to combat wage theft.

To begin, wage theft is bad for workers. The District of Columbia Office of Attorney General (D.C. OAG) highlighted the impact of misclassification on workers: they “lose basic employee protections like minimum wage, overtime, and paid sick leave. They are denied participation in important programs like unemployment insurance and workers’ compensation. And they are left footing the bill for payroll taxes their employers fraudulently avoid. These burdens often fall heaviest on immigrant and low-wage workers who are least likely to be willing to risk complaining or enforcing their rights.”<sup>56</sup> Ultimately, wage theft means that workers are simply building housing that will make them even poorer. This further increases the share of the population in need of affordable housing. It is a vicious cycle that is both shameful and avoidable.

Wage theft also has serious consequences for the economic health of law-abiding actors in the construction industry. The D.C. OAG noted that when competitors illegally undercut law-abiding contractors, the latter “lose out on business opportunities” until they are “squeeze[d]” out of the market.<sup>57</sup> Left unaddressed, “wage theft and unlawful business practices could threaten [a] state’s ability to keep up with the demand for new housing.”<sup>58</sup> Building hundreds of thousands of housing units requires “investing in and promoting a skilled and trained workforce”—and wage theft is antithetical to this goal.<sup>59</sup>

Finally, wage theft weakens the social safety net in a variety of ways, including a loss to the public in the form of unpaid tax revenue. The D.C. OAG stressed that wage theft makes the public “[lose] out on important payments that support social insurance programs like Social Security, Medicaid, unemployment insurance, and workers’

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<sup>55</sup> *As Part of the Historic \$445 Million Investment, Mayor Bowser Announces Selection of 11 Projects for Housing Production Trust Fund*, D.C. Department of Housing and Community Development (Aug. 11, 2022), <https://dhcd.dc.gov/release/part-historic-445-million-investment-mayor-bowser-announces-selection-11-projects-housing>.

<sup>56</sup> Dale Belman and Aaron Sojourner, *supra* note 16.

<sup>57</sup> *Id.*

<sup>58</sup> John Krukowski, *Watchdog Group: Wage Exploitation of Construction Workers Threatens Housing Supply*, Bisnow (Aug. 16, 2021), <https://www.bisnow.com/los-angeles/news/construction-development/construction-laborers-housing-quadc-studiob-109819>.

<sup>59</sup> *Id.*

compensation”—programs that are designed to protect us all.<sup>60</sup> Wage theft also indirectly underfunds the social safety net because wage theft prevents workers from spending money on goods and services, depriving the District of necessary tax revenue. Moreover, wage theft makes workers rely heavily on either local charities or government assistance, or both, to make ends meet. In sum, the “illegally gotten gains are accrued on the backs of some of the District’s most vulnerable workers, of contractors trying to operate the right way, and of District taxpayers.”<sup>61</sup>

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*There have been times when I have wanted to raise my voice and do something about the wage theft I have experienced, but it is difficult to do so. If only one worker speaks out but everyone else remains quiet, nothing happens. Things could get even worse. That makes people afraid to fight back.*

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<sup>60</sup> Dale Belman and Aaron Sojourner, *supra* note 16.

<sup>61</sup> *Id.*

## Section 5: Recommendations: Increased enforcement, increased prosecution, increased penalties

The Washington Lawyers' Committee urges the D.C. Council to consider the following fixes to combat the scourge of wage theft in the construction industry. D.C. agencies awarding funding to developers on affordable housing projects need to evaluate applications with an eye towards preventing wage theft violations. Enforcement agencies, like the OAG Wage and Hour Division, need additional funding and support to more aggressively pursue wage theft in affordable housing projects. Given DOL's recent announcement that the Wage and Hour Division will end its practice of seeking liquidated damages, the burden of securing these for workers now falls to local government and the private bar.<sup>62</sup>

### **A. On-the-ground Enforcement**

Ongoing monitoring will ensure future compliance by employers who have been found to have violated the law. For example, random audits of affordable housing construction sites with contemporaneous reviews of work sign-in sheets, time clocks and paystubs to make sure workers are not being misclassified and being paid the correct prevailing wage rate where applicable. Comparing workers' pay stubs to certified payroll reports should happen at job sites. The D.C. OAG should require ongoing monitoring via injunctive or remedial measures as a routine resolution for investigations.

### **B. D.C. Housing Production Trust Fund Audit and Application Reform**

The D.C Council should require the D.C. agency to undergo a comprehensive audit as well as identify and implement mechanisms to combat wage theft that is furthered by the Housing Production Trust Funds. Audit recommendations should be implemented to help combat wage theft. Additionally, as part of the application process, developers should be required to disclose wage theft litigation filed and settlements against their company and all proposed subcontractors.

### **C. Increase Funding for the D.C. Office of Attorney General's Workers' Rights Section**

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<sup>62</sup> U.S. Dep't of Labor, *US Department of Labor to End Practice of Seeking Liquidated Damages in Wage and Hour Investigations* (June 27, 2025) <https://www.dol.gov/newsroom/releases/whd/whd20250627>.



Adequately combatting the wage theft epidemic requires more funding to hire more investigators and attorneys to file and litigate wage theft cases, particularly in the public housing construction sector.

#### **D. Improving Government Agency Collaboration and Communication**

Repeat offenders benefit from information silos. Either the D.C. Office of Attorney's General or the Department of Housing and Community Development should create a publicly available wage theft investigation database. One example is New York Department of Labor's Wage Theft Investigation Board. (<https://dol.ny.gov/wage-theft-dashboard>). Additionally, the data about affordable apartment projects should include the identity of the developer, general contractor, and all lower-tier contractors for each project, as well as any relevant litigation or government investigations by the D.C. Office of Attorney General or the Department of Labor. Enforcement will be that much more effective if the Department of Housing and Community Development shares this crucial information with the public. Moreover, the D.C. Office of Attorney General should create a publicly available cross-referral and identification system with agencies in Maryland and Virginia. If an individual employer misclassifies or withholds wages from workers in one state, it is likely they will do so when they cross the border to work on projects in the District.

#### **E. Strengthening Wage Theft Laws**

Fifty percent of cases identified in this report involved allegations of worker misclassification. The D.C. Council should amend the D.C. Workplace Fraud Act to increase liquidated damages to a mandatory five-time multiplier where construction workers on affordable housing projects are victims of misclassification. While the D.C. Workplace Fraud Amendment Act penalizes misclassification in the construction industry, mandatory damages are limited to lost wages or benefits plus an additional equal amount in liquidated damages.<sup>63</sup> This penalty is often subsumed within the D.C. Wage Payment and Collection's provision for mandatory liquidated damages in the form of treble damages. Continued wage theft indicates that many contractors simply see the enforcement scheme as the "cost of doing business." And while the Workplace Fraud Act includes civil fines and debarment as possible penalties, as shown by the cases identified in this report, private lawsuits currently outpace government

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<sup>63</sup> D.C. Code § 32-1331.09(a)(1).

enforcement of wage and hour laws in this area—necessitating strong mandatory penalties under the Act’s private right of action.

The D.C. Wage Payment law should be amended so general contractors are responsible for submitting accurate prevailing wage reports, including certified payroll reports, of their subcontractors. The law should also allow private litigants to collect per day/per employee penalties for falsified reports. General contractors should be mandated to have a centralized worksite time-keeping system for all construction workers on the construction job site, including subcontractors. Said system should be electronic and machine-readable.

For D.C. public housing construction projects, every worker upon hire should be given notice in English and Spanish of their classification, the corresponding prevailing wage rate and fringes, and penalties for non-compliance with reporting and paystub requirements should be increased. Additionally, the law should be amended to “deputize” private attorneys to assist in enforcing the law through a Private Attorneys General policy, which would enable workers to sue for back pay and collect civil penalties an employer would owe to the state.

#### **F. Suspension and Debarment**

Construction companies who are repeat wage theft offenders should not be allowed to perform work on affordable housing construction contracts.

The D.C. Council could implement restrictions on contractors. For example, the Council could pass a responsible contractor law which would be used to automatically restrict public work in the city to contractors that have not been charged with wage theft violations. Where an OAG investigation finds wage and hour violations, the office should be empowered to issue stop work orders against contractors.

#### **G. Hiring Union Contractors**

By and large, union contractors are not engaging in wage theft. The Department of Housing and Community Development’s Development and Finance Division should, in administering the Housing Production Trust Fund, favor awarding grants and loans to entities that use or pledge to use union contractors.<sup>64</sup> HTPF

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<sup>64</sup> D.C. Code § 2-356.06 requires that all contractors and subcontractors working on D.C. government construction projects over a certain cost agree to be party to a project labor agreement (PLA) with a labor organization. The minimum cost was lowered from \$75 million to \$50 million for projects first included in the Capitol Improvement Plan proposed for FY 2026-2032 or thereafter, increasing the number of projects subject to the PLA requirement. The Housing Production Trust Fund (HTPF), however, does not contain similar

grant or loan agreements should include clauses that favor the use of union contractors on building projects and, at the very least, allows union staff to be permitted to enter the housing construction site to speak with workers and verify the prevailing wage rate standards.

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requirements for developers requesting grants or loans to build or improve affordable housing. The Department of Housing and Community Development (DHCD) is responsible for monitoring HPTF recipient projects for compliance with the Davis-Bacon Act and other labor standards, but HPTF grantees are not required to prioritize unionized labor or enact PLAs. See Dep't. of Hous. and Cmty. Dev., *Project Monitoring*, <https://perma.cc/LX9Z-V5V6> (last visited Jul. 30, 2025); Dep't. of Hous. and Cmty. Dev., RFP Compliance and Monitoring Reference Guide <https://perma.cc/DPG9-QYZ9> (2021).

## Appendix A: Wage Theft Litigation Status by Project

Project Name	Funding <sup>65</sup>	Action	Status
The Apollo	Source unavailable	Private (class and collective action)	Settlement (5/2018)
Atlantic Apartment Homes (Atlantic Gardens)	TEB, LIHTC, HPTF	Private (individual claims)	Settlement (8/2018)
The Bridge	TEB, LIHTC, HPTF	DOL Wage and Hour Division Lawsuit	Settlement (3/2023)
Bryant St	TIF	Private (class and collective action)	Voluntary Dismissal with Prejudice (03/2022)
Capitol Vista	LIHTC, HPTF	Private (individual claims)	Settlement (9/2021)
City Ridge Project	Source unavailable	D.C. OAG Lawsuit	Ongoing
		Private (class and collective action)	Ongoing
		Private (class and collective action)	Ongoing
		Private (class and collective action)	Settlement (02/2023)
Eckington Yards	Source unavailable	Private (class and collective action)	Voluntary Dismissal with Prejudice (3/2022)
EucKal	HPTF	Private (individual claims)	Settled (8/2025)
The Fortitude at Delta Towers	LIHTC, HPTF	Private (class and collective action)	Voluntary Dismissal with Prejudice (6/2021)
The Grove at Parkside	HPTF	DOL Wage and Hour Division Lawsuit	Settlement (7/2019)
The Harlow	LIHTC, HPTF	Private (class and collective action)	Settlement (8/2021)
Liberty Place Apartments	TEB, LIHTC, HPTF	DOL Wage and Hour Division Lawsuit	Settlement (5/2024)
MDL Flats	TEB, LIHTC, HPTF	Private (individual claims)	Settlement (11/2022)
MDXL Flats	TEB, LIHTC, HPTF	DOL Wage and Hour Division Lawsuit	Settlement (7/2024)
Mills Place Apartments	TEB, LIHTC, HPTF	Private (individual claims)	Voluntary Dismissal with Prejudice (7/2021)
The Paxton	TEB, LIHTC, HPTF	DOL Wage and Hour Division Lawsuit	Settlement (9/2024)
		Private (collective action)	Settlement (8/2024)
Ritch Home Apartments	TEB, LIHTC	Private (class action)	Ongoing
RiverPoint	Source unavailable	Private (class and collective action)	Voluntary Dismissal with Prejudice (3/2022)
The Robeson – Spring Flats Family	TEB, LIHTC, HPTF	Private (individual claims)	Settlement (10/2023)
		Private (individual claims)	Settlement (3/2022)
		Private (individual claims)	Settlement (9/2021)
South Capitol Multifamily Housing Project	TEB, LIHTC, HPTF	Private (individual claims)	Voluntary Dismissal with Prejudice (6/2021)
		Private (individual claims)	Judgment for Defendants (2/2021)
2M Street	HPTF	Private (individual claims)	Settlement (12/2014)

<sup>65</sup> TEB (Tax Exempt Bonds), LIHTC (Low-Income Housing Tax Credits), HPTF (Housing Production Trust Fund Loan), TIF (Tax Increment Financing)

## Appendix B: D.C. Affordable Housing Projects with Wage Theft Allegations

### **The Apollo**<sup>66</sup>

- **Address:** 600 H Street NE (Ward 6)
- **Project Type:** Mixed-use community development (new construction)
- **Description:** 8-story 435-unit residential building. 35 affordable units pursuant to the District of Columbia Inclusionary Zoning program: 32 are for residents earning up to 80% or below the area median income, 3 are 50% or below the area median income). The development also includes a Whole Foods, WeWork coworking space, and a separate retail building.
- **Developer(s):** Insight Property Group
- **Dates:** September 2014 – April 2017
- **Funding:** Source and specific amount unavailable<sup>67</sup>

*Edwin Mendoza-Lopez et al. v. John Moriarty & Associates et al.*, Docket No. 1:16-CV-02341 (D.D.C. Nov. 28, 2016)

- **Dates of Alleged Wage and Hour Violations:** March 2016 – September 2016
- **Project(s):** The Apollo
- **Work Performed:** Metal framing, dry wall installation
- **Allegations:** Misclassification as independent contractors, and failure to pay wages and overtime
- **Action Taken:** Private lawsuit (class and collective action)
- **Status:** August 2018 settlement (amount sealed) on behalf of 12 workers<sup>68</sup>

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<sup>66</sup> *The Apollo*, Insight Property Group (last accessed July 10, 2025), <https://insightpropertygrouppllc.com/property/apollo/>; *The Apollo*, MKSK (last accessed June 4, 2025), <https://mkskstudios.com/work/the-apollo/>; *The Apollo*, Landzine (Oct. 2, 2023), <https://landezine.com/the-apollo-by-mksk/>; *New Development: The Apollo*, Capital Park Team (Aug. 14, 2017), <https://www.cparkre.com/blog/new-development-the-apollo.html?p=2>.

<sup>67</sup> According to public records, Apollo on H Street was financed by a \$130 million loan obtained by a joint venture of Insight Property Group and institutional investors advised by J.P. Morgan Asset Management. See Beatriz Lorincz, *Mixed-Use DC Property Lands \$130M Financing*, Commercial Property Executive (June 25, 2018), <https://www.commercialsearch.com/news/mixed-use-dc-property-lands-130m-financing/>; See also Insight Property Group LLC, *Insight Property Group and J.P. Morgan Break Ground on Mixed-Use Apollo Project on DC's H Street NE*, CISON PRWeb (Sept. 17, 2014), [https://www.prweb.com/releases/insight\\_property\\_group\\_and\\_j\\_p\\_morgan\\_break\\_ground\\_on\\_mixed\\_use\\_apollo\\_project\\_on\\_dc\\_s\\_h\\_street\\_ne/prweb12177579.htm](https://www.prweb.com/releases/insight_property_group_and_j_p_morgan_break_ground_on_mixed_use_apollo_project_on_dc_s_h_street_ne/prweb12177579.htm).

<sup>68</sup> The parties participated in a successful mediation in July 2018.

## **Atlantic Apartment Homes (Atlantic Gardens and Atlantic Terrace)**<sup>69</sup>

- **Address:** 4216 4th Street SE (Ward 8)
- **Project Type:** 100% affordable housing development (preservation, renovation and new construction)
- **Description:** 11 residential buildings across eight acres with a total of 303 units; Atlantic Gardens includes 108 affordable units: 44 are for residents earning 30% or below the area median income, and 64 are for residents earning 50% or below the area median income.
- **Developer(s):** WinnCompanies
- **Dates:** December 2015 – May 2018
- **Funding:**
  - D.C. Housing Finance Agency issued \$32.1 million in tax exempt bonds and underwrote \$21.2 million in Low-Income Housing-Tax Credit equity
  - D.C. Department of Housing and Community Development provided a \$10.6 million Housing Production Trust Fund Loan

*Jairo Carillo v. AFD General Contractors, Inc. et al.*, Docket No. 2018-CA-005132-B (D.C. Super. Ct. July 18, 2018)

- **Dates of Alleged Wage and Hour Violations:** November 2015 – September 2017
- **Project(s):** Atlantic Apartment Homes (Atlantic Gardens)
- **Work Performed:** Painting
- **Allegations:** Failure to pay the prevailing wage rate
- **Action Taken:** Private lawsuit (individual claims)

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<sup>69</sup> *Mayor Bowser Celebrates Preservation of Nearly 300 Family-Sized Affordable Housing Units for 750 Residents in Ward 8*, D.C. Department of Housing and Community Development (May 3, 2018), <https://dhcd.dc.gov/release/mayor-bowser-celebrates-preservation-nearly-300-family-sized-affordable-housing-units-750>; D, *WinnCompanies Redevelops 2 DC Affordable Housing Properties*, Multi-housing News (May 9, 2018), <https://www.multiphousingnews.com/winncompanies-redevelops-2-dc-affordable-housing-properties/>; *DCHFA Funds Redevelopment of Atlantic Gardens and Atlantic Terrace*, District of Columbia Housing Finance Agency (Oct. 21, 2015), <https://dchfa.org/wp-content/uploads/2023/12/press-release-dchfa-closes-first-fy-2016-transaction.pdf>; *WinnCompanies Launches \$69 Million Renovation to Preserve 303 Low-Income Apartments in Washington, DC*, WinnCompanies (Dec. 12, 2015), <https://www.winncompanies.com/news/2919-winncompanies-launches-69-million-renovation-to-preserve-303-low-income-apartments-in-washington-dc>; *Bowser Administration Launches Renovation Project to Preserve Over 300 Units of Affordable Housing in Ward 8*, D.C. Office of the Deputy Mayor for Planning and Economic Development (Dec. 4, 2015), <https://dmped.dc.gov/release/bowser-administration-launches-renovation-project-preserve-over-300-units-affordable-housing>.

- **Status:** August 2018 settlement (amount unavailable) on behalf of 3 workers<sup>70</sup>

## **The Bridge**<sup>71</sup>

- **Address:** 2442 Martin Luther King Jr Avenue SE (Ward 8)
- **Project Type:** Mixed-use community development (new construction)
- **Description:** 100% affordable five-story 112-unit residential building: 106 are for residents earning 50% or below the area median income, 6 are for residents earning 30% or below the area median income. The development also includes 3,800 square feet of retail space.
- **Developer(s):** 2442 MLK, LLC (MidAtlantic Realty Partners, Taylor Adams Associates, Audobon Enterprises)
- **Dates:** Spring 2021 – November 2022
- **Funding:**
  - D.C. Housing Finance Agency issued \$27 million in tax exempt bonds and underwrote \$20.6 million in Low-Income Housing-Tax Credit equity
  - D.C. Department of Housing and Community Development provided a \$16,523,766 Housing Production Trust Fund Loan

## *DOL Investigation*<sup>72</sup>

- **Dates of Alleged Wage and Hour Violations:** Information not publicly available
- **Project(s):** The Bridge
- **Work Performed:** Masonry, drywall installation, electrical construction
- **Allegations:** Misclassification as independent contractor, failure to pay the prevailing wage rates, fringe benefits, and overtime, and falsification of payroll records, omission of workers from records
- **Action Taken:** DOL Wage and Hour Division investigation

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<sup>70</sup> The Rule41(a)(1) Notice of Dismissal filed on August 23, 2018 by the Parties states “[t]he Settlement Agreement between the Plaintiffs and Defendant Keith Construction, Inc. represents full and complete satisfaction of all claims arising from the allegations set forth in the Complaint filed in this action, including full and complete satisfaction of attorneys’ fees.”

<sup>71</sup> *MRP Secures \$64M in Financing for 2442 MLK Project*, BLDUP (Jan. 29, 2021), <https://www.bldup.com/posts/mrp-secures-64m-in-financing-for-2442-mlk-project>; *DCHFA Finances 112-Unit Affordable Housing Development in D.C.*, Rebusiness Online (Jan. 29, 2021), [https://rebusinessonline.com/dchfa-finances-112-unit-affordable-housing-development-in-d-c/?oly\\_enc\\_id=0684C0285256J7E](https://rebusinessonline.com/dchfa-finances-112-unit-affordable-housing-development-in-d-c/?oly_enc_id=0684C0285256J7E); *DCHFA Finances First Development of 2021 in Anacostia*, DC Housing Finance Agency (Jan. 28, 2021), [https://www.dchfa.org/wp-content/uploads/2023/12/2442\\_mlk\\_press\\_release\\_final.pdf](https://www.dchfa.org/wp-content/uploads/2023/12/2442_mlk_press_release_final.pdf).

<sup>72</sup> US Department of Labor recovers \$633K in back wages for 84 workers for violations by District of Columbia development site’s subcontractors, U.S. Department of Labor (Mar. 20, 2023), <https://www.dol.gov/newsroom/releases/whd/whd20230320-2>

**Status:** March 2023 settlement for \$633,029 on behalf of 84 workers<sup>73</sup>

## **Bryant Street (Phase 1)**<sup>74</sup>

- **Address:** 680 Rhode Island Ave NE (Ward 5)
- **Project Type:** Mixed-use community development (new construction)
- **Description:** Three mid-rise residential buildings with a combined 487 units. 25 are affordable: 3 are for residents earning 50% or below the area median income and 22 are for residents earning 60% or below the area median income). The development also includes 35,000 square feet of retail and a nine-screen movie theater by Alamo Drafthouse Cinema.
- **Developer(s):** MRP Realty, Florida Rock Properties, Inc./FRP Development Corporation
- **Dates:** July 2019 - November 2021
- **Funding:** The D.C. Housing Finance Agency provided \$24 million Tax-Increment Financing agreement

The Bryant Street project has two related cases, both private class and collective actions. The first was voluntarily dismissed with prejudice, and the second is ongoing.

*Ivan Castillo et al. v. CBG Building Company LLC*, Docket No. 2020-CA-003502-B (D.C. Super. Ct. Aug. 8, 2020)

- **Dates of Alleged Wage and Hour Violations:** February 2020 – June 2020
- **Project(s):** Bryant Street, RiverPoint, Eckington Yards<sup>75</sup>

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<sup>73</sup> The DOL Wage and Hour Division recovered \$292,192 in back wages for 14 employees of MTZ Electric Service LLC; \$253,146 for 7 employees of Igloo Construction, Inc.; \$53,451 for 7 employees of M&Y Exteriors LLC; \$19,460 for 5 employees of Muller Construction LLC; \$10,051 for 45 employees of Allied Drywall Construction Inc.; and \$4,728 for 6 employees of Diverse Masonry Corp.

<sup>74</sup> *Bryant Street Development*, Urban Turf (last accessed June 21, 2025), [https://dc.urbanturf.com/pipeline/457/Bryant\\_Street\\_Development](https://dc.urbanturf.com/pipeline/457/Bryant_Street_Development); Andrew Glambrone, *Almost 500 apartments, retail, and a movie theater are being built in Edgewood* (July 31, 2019), <https://dc.curbed.com/2019/7/31/20748680/dc-northeast-edgewood-development-rhode-island-avenue>; *CBG Celebrates Bryant Street Groundbreaking with Community Members*, CBG Building Company LLC (July 26, 2019), <https://www.cbgbuildingcompany.com/press-release/cbg-celebrates-bryant-street-groundbreaking-with-community-members/>; Jon Banister, *Inside MRP's Massive Northeast D.C. Project Featuring Alamo Drafthouse*, Bisnow (July 8, 2021), <https://www.bisnow.com/washington-dc/news/mixed-use/inside-bryant-street-mrps-massive-northeast-dc-project-featuring-alamo-drafthouse-metrobar-109489>; Jeffrey DeWitt, *Fiscal Impact Statement – Bryant Street Tax Increment Financing Act of 2016*, Government of the District of Columbia Office of the Chief Financial Officer (Nov. 29, 2016), [https://app.cfo.dc.gov/services/fiscal\\_impact/pdf/spring09/FIS%20Bryant%20Street%20Tax%20Increment%20Financing%20Act%20of%202016.pdf](https://app.cfo.dc.gov/services/fiscal_impact/pdf/spring09/FIS%20Bryant%20Street%20Tax%20Increment%20Financing%20Act%20of%202016.pdf).

<sup>75</sup> The complaint also includes allegations for work done at the Marriot AC (a high rise hotel at 601 K Street NW).



- **Work Performed:** HVAC system and drywall installation
- **Allegations:** Misclassification as independent contractors, failure to pay the prevailing wage rate, and overtime
- **Action Taken:** Private lawsuit (class and collective action)
- **Status:** Voluntary dismissal with prejudice. In March 2022, the Court granted a joint stipulation of dismissal with prejudice to allow the Parties to resolve the matter outside of litigation and continue settlement negotiations on behalf of 7 workers<sup>76</sup>

*Nelson Omar Barahona et al. v. C.R. Millwork LLC et al.*, Docket No. 2022-CA-003877-B (D.C. Super. Ct. Aug. 26, 2022)

- **Dates of Alleged Wage and Hour Violations:** 2016 – June 2022
- **Project(s):** Bryant Street, City Ridge Project<sup>77</sup>
- **Work Performed:** Millwork installation
- **Allegations:** Misclassification as independent contractors, failure to pay minimum wage, overtime, and owed wages, as well as illegal deductions for the cost of tools and safety equipment
- **Action Taken:** Collective action lawsuit
  - 11/14/2022: Court denies both motions to dismiss amended complaint filed by Defendants C.R. Millwork and Eduardo Contreras, and Whiting-Turner, respectively
  - 02/16/2023: Court denies Defendant Whiting-Turner's second motion to dismiss Plaintiff's second amended complaint
  - 03/21/2023: Court grants conditional certification of class settlement
  - 03/27/2025: Court grants Plaintiff's motion for preliminary approval of class action settlement and certifies class for that purpose
- **Status:** Ongoing

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<sup>76</sup> Plaintiffs had filed a motion for class certification, which the Court subsequently marked as withdrawn.

<sup>77</sup> The complaint also includes allegations related to other construction sites: 1100 Maine Ave SW, 1300 4th St NE, 900 F Street NW, and 445 12<sup>th</sup> St NW, Washington Post Project (1301 K Street NW), the Franklin Square Project (1300 I Street NW), the Ballard Spahr Project (1909 K Street NW), the Riverfront II Project (71 Potomac Avenue), and the 1630 Columbia Road Project (1630 Columbia Road).

## **Capitol Vista (Cap Vista)**<sup>78</sup>

- **Address:** 810 New Jersey Avenue NW (Ward 6)
- **Project Type:** Mixed-use community development (new construction)
- **Description:** 100% affordable 104-unit residential building: 21 are for residents earning 30% or below the area median income and 83 are for residents earning 50% or below the area median income. The development also includes 3,200 square feet of ground floor retail and space for public art.
- **Developer(s):** Capitol Vista Community Partners LLC (Dantes Partners, Housing on Merit, Menkiti Group, and Spectrum Management)
- **Dates:** September 2018 – December 2020
- **Funding:**
  - D.C. Housing Finance Agency underwrote \$14,281,295 in Low-Income Housing-Tax Credit equity
  - D.C. Department of Housing and Community Development provided a \$18,006,741 Housing Production Trust Fund Loan

*Henri Alexander Moreno et al. v. V&V Construction, Inc.*, Docket No. 2019-CA-007429-B (D.C. Super. Ct. Nov. 8, 2019)

- **Dates of Alleged Wage and Hour Violations:** July 2018 – October 2019
- **Project(s):** Capitol Vista and South Capitol Multifamily Housing Project
- **Work Performed:** Carpentry
- **Allegations:** Failure to pay prevailing wages and overtime
- **Action Taken:** Private lawsuit (individual claims)
- **Status:** September 2021 settlement (amount unavailable) on behalf of 3 workers<sup>79</sup>
  - 02/07/2020: Court denied Defendant's motion to dismiss Maryland claims

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<sup>78</sup> Brian Kenner and Polly Donaldson, *Housing Production Trust Fund Fiscal Year 2018 Fourth Quarter Report*, Government of the District of Columbia (last accessed June 21, 2025), [https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/page\\_content/attachments/Housing%20Production%20Trust%20Fund%20FY%202018%20Fourth%20Quarter%20Report%20a.pdf](https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/page_content/attachments/Housing%20Production%20Trust%20Fund%20FY%202018%20Fourth%20Quarter%20Report%20a.pdf); *Capitol Vista (2nd & H Streets, N.W.)*, D.C. Office of the Deputy Mayor for Planning and Economic Development (last accessed June 3, 2025), <https://dmped.dc.gov/page/capitol-vista-2nd-h-streets-nw>; *Capitol Vista*, Hamel Builders (Dec. 23, 2020), <https://www.hamelbuilders.com/news-all/capitol-vista/>; *Mayor Bowser Breaks Ground on Capitol Vista, Delivering 3rd Affordable Housing Project in Mt. Vernon Triangle in Past 4 Months*, Executive Office of the Mayor of the Government of the District of Columbia (Sep. 25, 2018), <https://mayor.dc.gov/release/mayor-bowser-breaks-ground-capitol-vista-delivering-3rd-affordable-housing-project-mt-vernon>; Jon Banister, *D.C. To Invest \$75M In 8 New Affordable Housing Projects*, Bisnow (Sept. 4, 2017), <https://www.bisnow.com/washington-dc/news/affordable-housing/dc-to-invest-75m-in-8-new-affordable-housing-projects-79922>.

<sup>79</sup> At a status hearing in August 2021, Plaintiff's Counsel represented to the court that they had reached a settlement with Defendants.

- 03/01/2021: Court denied Defendant's Motion to Dismiss without Prejudice Pending Compliance with the Statutory Administrative Procedures and Renewed Motion to Dismiss; or in the Alternative, Motion to Dismiss Without Prejudice Pending Compliance With the Statutory Administrative Procedures; or in the Further Alternative, Motion for Summary Judgment

## City Ridge Project<sup>80</sup>

- **Address:** 3900 Wisconsin Ave NW (Ward 3)
- **Project Type:** Mixed-use community development (new construction)
- **Description:** Four residential buildings located at the site of the former Fannie Mae Headquarters with a combined 690 units. 56 are affordable pursuant to the District of Columbia Inclusionary Zoning program: 4 are reserved for residents earning 50% or below the area median income and 52 are for residents earning 60% or below the area median income. The development also includes 360,000 square feet of commercial space, including D.C.'s first Wegmans Food Market.
- **Developer(s):** Roadside Development, North America Sekisui House
- **Dates:** December 2018 – November 2022
- **Funding:** Source and specific amount unavailable

The City Ridge Project has four related wage theft cases. One brought by the D.C. Office of Attorney General, the remaining three brought as private lawsuits. One private lawsuit

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<sup>80</sup> *City Ridge*, Roadside (last accessed July 2, 2025), <https://roadsidedevelopment.com/projects/city-ridge-3/>; *City Ridge*, Whiting-Turner (last accessed June 22, 2025), <https://www.whiting-turner.com/projects/residential/city-ridge/>; Michelle Lerner, *First Residents Move Into Former Fannie Mae Headquarters*, Washington Post (July 12, 2022), <https://www.washingtonpost.com/business/2022/07/12/first-residents-move-into-former-fannie-mae-headquarters/>. The complaint filed by the DC OAG states that Whiting-Turner carried out a \$19,000,000 million contract with Welch. See *District of Columbia v. The Whiting Turner Contracting Company et al.*, Docket No. 2024-CAB-003811 (D.C. Super. Ct. June 18, 2024). The financing may have come from North America Sekisui House LLC (NASH), a subsidiary of a Japanese homebuilder and a co-developer. See Maryann Haggerty, *Wegmans Grocer Anchors \$715 Million City Ridge Mixed-Use Redevelopment in Washington, D.C.*, Urban Land (Nov. 14, 2022) <https://urbanland.uli.org/development-business/first-wegmans-anchors-715-million-city-ridge-mixed-use-redevelopment-in-washington-d-c>; Jeff Clabaugh, *First City Ridge apartment building opens (with \$11,000 penthouses)*, WTOP News (June 3, 2022), <https://wtop.com/business-finance/2022/06/first-city-ridge-apartment-building-opens-with-11000-penthouses/>; Mark Washburn, *All About Historic City Ridge*, DC Condo Boutique (Apr. 13, 2020), <https://www.dccondoboutique.com/blog/all-about-historic-city-ridge/>; Andrew Giambrone, *Developer to Break Ground on Fannie Mae HQ Redevelopment in Northwest on Saturday*, Curbed (Nov. 30, 2018), <https://dc.curbed.com/2018/11/30/18120129/fannie-mae-headquarters-redevelopment-roadside-city-ridge>. The Open Data DC Affordable Housing Map lists the address as both 20 and 30 Ridge Square NW. See <https://opendata.dc.gov/datasets/DCGIS::affordable-housing/about>.

settled in 2023 for \$77,149.54 after 19 workers filed wage theft claims against W.G./Welch Mechanical contractors, LLC. The three remaining cases are ongoing.

*Hernandez et al. v. W.G./Welch Mechanical Contractors, LLC*, Docket No. Case: 22-cv-01510-MBAH (D. Md. June 21, 2022)<sup>81</sup>

- **Dates of Alleged Wage and Hour Violations:** November 2021 – March 2022
- **Project:** City Ridge
- **Work Performed:** Plumbing
- **Allegations:** Misclassification as independent contractor, failure to pay overtime, minimum wages, and wages owed
- **Action Taken:** Private lawsuit (class and collective action)
- **Status:** February 2023 settlement for \$77,149.54 on behalf of 19 workers<sup>82</sup>
  - 06/17/2022: Court denies Defendant’s motion to dismiss, opting to transfer the matter to the United States District Court of Maryland from the Eastern District of Virginia.

*Nelson Omar Barahona et al. v. C.R. Millwork LLC et al.*, Docket No. 2022-CA-003877-B (D.C. Super. Ct. Aug. 26, 2022)

- **Dates of Alleged Wage and Hour Violations:** 2016 – June 2022
- **Project(s):** Bryant Street, City Ridge Project<sup>83</sup>
- **Work Performed:** Millwork installation

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<sup>81</sup> This case was originally filed in the Eastern District of Virginia as *Jose Aluira, et al. v. W.G./Welch Mechanical Contractors, LLC*, Docket No. 1:22-cv-00274-MSN-TCB (E.D. Va. Mar. 14, 2022). The caption was corrected to *Jose Alvira, et al. v. W.G./Welch Mechanical Contractors*.

<sup>82</sup> In February 2023, the Parties participated in a settlement conference wherein Defendant W.G./Welch Mechanical Contractors, LLC, reached a tentative settlement with all but three Plaintiffs: Abriel Hernandez, the owner of the third-party defendant Mechanical Plumbing Crew Co., a worker who passed away during litigation, and another worker who declined to participate. Plaintiff’s Counsel withdrew from representing Abriel Hernandez due to potential conflicts. Even so, the Court denied Defendant W.G./Welch Mechanical Contractors, LLC’s motion for a hearing to assess a potential conflict of interest, reasoning that Welch’s third-party indemnification claims against Mechanical Plumbing Crew, Co. does not create a conflict of interest in counsel’s joint representation of said third-party Defendant and its owner, Plaintiff Abriel Hernandez. See *Hernandez v. W.G. Welch Mech. Contractors, LLC*, No. 22-CV-1510-BAH, 2023 WL 2610857 (D. Md. Mar. 23, 2023). Ultimately, the owner of Mechanical Plumbing Crew Co. met with W.G./Welch Mechanical Contractors and Whiting-Turner Construction Company. All parties agreed to “walkaway” from their claims in this case without the payment of any compensation to each other. Specifically, Abriel Hernandez released his claims for wages in exchange for Welch and Whiting-Turner giving up their claims for indemnity against Mechanical Plumbing Crew. Co.

<sup>83</sup> The complaint also includes allegations related to other construction sites: 1100 Maine Ave SW, 1300 4th St NE, 900 F Street NW, and 445 12<sup>th</sup> St NW, Washington Post Project (1301 K Street NW), the Franklin Square Project (1300 I Street NW), the Ballard Spahr Project (1909 K Street NW), the Riverfront II Project (71 Potomac Avenue), and the 1630 Columbia Road Project (1630 Columbia Road).

- **Allegations:** Misclassification as independent contractors, failure to pay minimum wage, overtime, and owed wages, as well as illegal deductions for the cost of tools and safety equipment
- **Action Taken:** Private lawsuit (class and collective action)
  - 11/14/2022: Court denies both motions to dismiss amended complaint filed by Defendants C.R. Millwork and Eduardo Contreras, and Whiting-Turner, respectively
  - 02/16/2023: Court denies Defendant Whiting-Turner's second motion to dismiss Plaintiff's second amended complaint
  - 03/21/2023: Court grants conditional certification of class settlement
  - 03/27/2025: Court grants Plaintiff's motion for preliminary approval of class action settlement and certifies class for that purpose
- **Status:** Ongoing

*Blanca Diaz et al. v. W.G./Welch Mechanical Contractors, LLC et al.*, Docket No. 2023-CAB-005907 (D.C. Super. Ct. Dec. 7, 2023)

- **Dates of Alleged Wage and Hour Violations:** November 2020 – March 2022
- **Project(s):** City Ridge Project<sup>84</sup>
- **Work Performed:** Plumbing
- **Allegations:** Misclassification as an independent contractor, failure to pay minimum wage, overtime, and owed wages
- **Action Taken:** Private lawsuit (class and collective action)
  - 04/23/2024: Court denies Third-Party Defendant Mechanical Ramirez Plumbing Crew, Co.'s motion to dismiss
  - 04/23/2024: Court grants Plaintiff's motion for certification of Rule 23 class action
  - 08/09/2024: Court denies Third-Party Defendant Mechanical Ramirez Plumbing Crew, Co.'s motion to dismiss the amended third-party complaint
  - 03/03/2025: Court denies with prejudice Third-Party Defendant Mechanical Ramirez Plumbing Crew, Co.'s motion for summary judgment on the third-party complaint<sup>85</sup>

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<sup>84</sup> This suit also implicates other projects such as 22 M St, AU Hall of Science, Brewers Hill, Hotel Riggs, L'enfant Lobby, Thompson yards, union market, whestin hotel, Wharf 8 and 9, Bryant avenue/Bryant street, River Front II, the bend at riverfront, Gateway Phase 2, 1831 Michael Faraday, Wharf Parcel 6 and 7, 1300 4<sup>th</sup> Street and 1630 Columbia Rd, Washington Post, 1800 K Street, Franklin Square, Jones Day, Ballard Sphar

<sup>85</sup> The Court does so because a genuine dispute exists as to whether a June 21, 2023 settlement and cooperation agreement with general release in *Hernandez et al. v. W.G./Welch Mechanical Contractors, LLC*,

- 03/27/2025: Court grants preliminary approval of class action settlements and schedules a final approval hearing for September 24, 2025
- **Status:** Ongoing
  - 04/21/2025: Defendants W.G./Welch Mechanical Contractors, LLC and Whiting-Turner Contracting Company file a motion to consolidate this case with *District of Columbia v. The Whiting Turner Contracting Company et al.*, Docket No. 2024-CAB-003811 (D.C. Super. Ct. June 18, 2024)
  - 04/25/2025: Plaintiffs file a motion for partial summary judgment against Defendants W.G./Welch Mechanical Contractors, LLC and Whiting-Turner Contracting Company
  - 05/05/2025: The District of Columbia Office of Attorney's General intervenes and files an opposition to Defendants' motion to consolidate

*District of Columbia v. The Whiting Turner Contracting Company et al.*, Docket No. 2024-CAB-003811 (D.C. Super. Ct. June 18, 2024)

- **Dates of Alleged Wage and Hour Violations:** 2019 – 2024
- **Project(s):** City Ridge Project
- **Work Performed:** HVAC installation, plumbing, sheet metal installation
- **Allegations:** Misclassification as an independent contractor, failure to pay minimum wage and overtime
- **Action Taken:** D.C. OAG lawsuit<sup>86</sup>
  - 12/13/2024: The Court holds in abeyance the D.C. OAG's motion for default judgment against Defendants Ramirez Plumbing, Inc. and Ginco HVAC, LLC
- **Status:** Ongoing
  - 05/05/2025: D.C. OAG files an opposition to Defendants W.G./Welch Mechanical Contractors, LLC and Whiting-Turner Contracting Company's motion to consolidate this case with *Blanca Diaz v. W.G./Welch Mechanical Contractors, LLC*, 2023-CAB-005907

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Docket No. Case: 22-cv-01510-MBAH (D. Md. June 21, 2022) can be construed as releasing Mechanical Ramirez Plumbing, Co.'s from indemnifying W.G./Welch Mechanical Contractors, LLC for nonpayment of wages.

<sup>86</sup> The lawsuit also includes allegations of wage theft for 40 Paterson St. NE, Washington DC 20002, and another apartment building complex located at 1000 S Capitol St. SE, Washington DC 20003. Welch executed contracts to provide mechanical services worth over \$11 million and \$5 million on the 40 Patterson and 1000 South Capitol projects, respectively. See *Attorney General Schwalb Sues 5 Construction Companies and Labor Brokers for Widespread Illegal Worker Misclassification Scheme*, Office of the Attorney General for the District of Columbia (June 18, 2024), <https://oag.dc.gov/release/attorney-general-schwalb-sues-5-construction>.

- 06/20/2025: Defendant W.G./Welch Mechanical Contractors, LLC files a cross-motion for partial dismissal and an opposition to the D.C. OAG's motion for sanctions Mechanical Plumbing Crew, Co. for spoliation of evidence

## **Eckington Yards (Judd & Weiler, City Homes, 1625 Eckington)**<sup>87</sup>

- **Address:** 1611 Eckington Place NE (Ward 5)
- **Project Type:** Mixed-use community development (new construction)
- **Description:** Four connected residential buildings with a combined 681 units. 59 are affordable pursuant to the District of Columbia Inclusionary Zoning program: 29 are for residents earning 50% or below the area median income and 30 are for residents earning 80% or below the area median income. The development also includes 70,000 square feet of retail.
- **Developer(s):** JBG Investment Fund IX, LCOR, Grosvenor Group
- **Dates:** Spring 2017 – June 2021
- **Funding:** Source and specific amount unavailable<sup>88</sup>

*Ivan Castillo et al. v. CBG Building Company LLC*, Docket No. 2020-CA-003502-B (D.C. Super. Ct. Aug. 8, 2020)

- **Dates of Alleged Wage and Hour Violations:** February 2020 – June 2020
- **Project(s):** Bryant Street, RiverPoint, Eckington Yards<sup>89</sup>
- **Work Performed:** HVAC system and drywall installation
- **Allegations:** Misclassification as independent contractors, failure to pay the prevailing wage rate, and overtime
- **Action Taken:** Private lawsuit (class and collective action)

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<sup>87</sup> *Eckington Yards*, CBG Building Company LLC (last accessed June 21, 2025), <https://www.cbgbuildingcompany.com/projects/eckington-yards/>; Michael Neibauer, *Why D.C. opposes deeper level of affordability in this massive Eckington project*, Washington Business Journal (Jul. 27, 2016), [https://www.bizjournals.com/washington/breaking\\_ground/2016/07/why-d-c-opposes-deeper-level-of-affordability-in.html](https://www.bizjournals.com/washington/breaking_ground/2016/07/why-d-c-opposes-deeper-level-of-affordability-in.html). Edward Russell, *Eckington is Getting Some Much-Needed Retail*, Greater Greater Washington (Feb. 11, 2016), <https://ggwash.org/view/40706/eckington-is-getting-some-much-needed-retail>. The Open Data DC Affordable Housing Map lists the address 1500 Harry Thomas Way NE. See <https://opendata.dc.gov/datasets/DCGIS::affordable-housing/about>.

<sup>88</sup> Prudential Insurance Company of America provided financing. See Emily Wishingrad, *This Week's D.C. Deal Sheet*, Bisnow (Mar. 15, 2024), <https://www.bisnow.com/washington-dc/news/deal-sheet/this-weeks-dc-deal-sheet-123352>.

<sup>89</sup> The complaint also includes allegations for work done at the Marriot AC (a high rise hotel at 601 K Street NW).

- **Status:** Voluntary dismissal with prejudice. In March 2022, the Court granted a joint stipulation of dismissal with prejudice to allow the Parties to resolve the matter outside of litigation and continue settlement negotiations on behalf of 7 workers<sup>90</sup>

## **EucKal (EucKal Housing and Arts Project)**<sup>91</sup>

- **Address:** 1460 Euclid Street NW (Euclid II) and 1724 Kalorama Road NW (Kalorama) (Ward 1)
- **Project Type:** Mixed-use community development (preservation, renovation and new construction)
- **Description:** Two residential buildings with a combined 50 affordable units: 34 are for residents earning 30% or below the area median income and 16 are for residents earning 50% or below the area median income. The development also includes a 6,000 square-foot expansion of the Sitar Arts Center.
- **Developer(s):** Jubilee Housing
- **Dates:** November 2022 – Summer 2025
- **Funding:** D.C. Department of Housing and Community Development provided a \$16,358,810 Housing Production Trust Fund Loan

*Jose Ferman et al. v. The Whiting-Turner Contracting Company et al.*, Docket No. 2025-CAB-000819 (D.C. Super. Ct. Feb. 11, 2025)

- **Dates of Alleged Wage and Hour Violations:** May 2024 – October 2024

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<sup>90</sup> Plaintiffs had filed a motion for class certification, which the Court subsequently marked as withdrawn.

<sup>91</sup> *DHCD – DFD Pipeline*, Department of Housing and Community Development (last accessed July 10, 2025), <https://octo.quickbase.com/nav/app/bit4kvfmq/table/bit4krbdh/action/dr?rid=1370&rl=cp9>; Steve Thompson, *These publicly funded homes for the poor cost \$1.2 million each to build*, the Washington Post (June 7, 2025), <https://www.washingtonpost.com/dc-md-va/2025/06/06/these-publicly-funded-homes-poor-cost-12-million-each-develop/>; *From Sketch to Site: Construction Spotlight*, DesignLine (Oct. 22, 2024), <https://www.bonstra.com/studio/design-line/from-sketch-to-site/>; *Mayor Bowser to Break Ground on New Affordable Housing and Sitar Arts Center Expansion*, Government of the District of Columbia (Nov. 1, 2022), <https://mayor.dc.gov/release/mayor-bowser-break-ground-new-affordable-housing-and-sitar-arts-center-expansion>; *Mayor Bowser Breaks Ground on EucKal Housing and Arts Project in Ward 1*, DC Department of Housing and Community Development (Nov. 22, 2022), <https://dhcd.dc.gov/release/mayor-bowser-breaks-ground-eucal-housing-and-arts-project-ward-1>; *Jubilee Housing Receives Predevelopment Loan from DHCD*, Jubilee Housing (Aug. 7, 2019), <https://jubileehousing.org/2019/08/07/jubilee-housing-receives-predevelopment-loans-from-dhcd/>; *Fiscal Year 2023 Housing Production Trust Fund Annual Report*, DC Department of Housing and Community Development (2023), <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/FY%202023%20Housing%20Production%20Trust%20Fund%20%28HPTF%29%20Annual%20Report%20%28FINAL%29.pdf>; Steve Thompson, *These publicly funded homes for the poor cost \$1.2 million each to build*, MSN.com (June 6, 2025), <https://www.msn.com/en-us/money/realestate/these-publicly-funded-homes-for-the-poor-cost-12-million-each-to-build/ar-AA1GcOmp>.



- **Project(s):** EucKal
- **Work Performed:** HVAC system installation, plumbing
- **Allegations:** Misclassification as independent contractor, and failure to pay minimum wage, overtime, and prevailing wage rates (Kalorama HVAC, \$65.70; Euclid HVAC, \$18.33; Kalorama plumbers, \$68.75; Euclid plumbers \$34.27), and owed wages
- **Action Taken:** Private lawsuit (individual claims)
- **Status:** August 2025 settlement for \$700,000 on behalf of 7 workers.

## **The Fortitude at Delta Towers**<sup>92</sup>

- **Address:** 808 Bladensburg Road NE (Ward 5)
- **Project Type:** Mixed-use community development (renovation and new construction)
- **Description:** 100% affordable new 149-unit residential building for senior citizens who are 55 and older. 30 pre-existing units were preserved. All 179 units are for residents earning 30% or below the area median income, 18 are designated as permanent supportive housing, and 30 pre-existing units have been preserved. The development also includes 4,300 square feet of ground floor retail space.
- **Developer(s):** Delta Housing Corporation of the District of Columbia, Inc., Dantes Partners, and Gilbane Development Company
- **Dates:** October 2018 – November 2020
- **Funding:**
  - D.C. Housing Finance Agency underwrote \$2,979,731 in Low-Income Housing-Tax Credit equity
  - D.C. Department of Housing and Community Development provided a \$23,261,307 Housing Production Trust Fund Loan

*Kelvin Lara et al. v. Bozzuto Building Company et al.*, Docket No. 2020-CA-002648-B (D.C. Super. Ct. July 10, 2020)

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<sup>92</sup> *Mayor Bowser Opens Fortitude at Delta Towers, Affordable Housing Community for Senior Residents in Ward 5*, Government of the District of Columbia (Nov 19, 2020), <https://mayor.dc.gov/release/mayor-bowser-opens-fortitude-delta-towers-affordable-housing-community-senior-residents-ward>; *DCHFA Closes Fiscal Year 2018 by Funding Affordable New Construction and Preservation Developments in Wards 5 and 6*, District of Columbia Housing Finance Agency (Oct. 2, 2018), <https://www.dchfa.org/wp-content/uploads/2023/12/cap-vista-and-delta-towers-press-release-10-2-2018-final.pdf>; Kenner and Donaldson, *supra* note 64.

- **Dates of Alleged Wage and Hour Violations:** 2019 – 2020
- **Project(s):** The Fortitude at Delta Towers
- **Work Performed:** Not specified in the complaint
- **Allegations:** Misclassification as independent contractors, failure to pay prevailing wage rates and overtime
- **Action Taken:** Private lawsuit (class and collective action)
- **Workers:** 9 named plaintiffs on behalf of similarly situated individuals
- **Status:** Voluntary dismissal with prejudice<sup>93</sup>

## **The Grove at Parkside**<sup>94</sup>

- **Address:** 600 Kenilworth Terrace NE (Ward 7)
- **Project Type:** 100% affordable housing development (new construction)
- **Description:** One 186-unit residential building: 10 residents earning 30% or below the area median income and 176 are for residents earning 60% or below the area median income.
- **Developer(s):** CityInterests LLC, Gilbane Development Company
- **Dates:** January 2015 – November 2016
- **Funding:**
  - D.C. Housing Finance Agency underwrote \$1,360,409 in Low-Income Housing-Tax Credit equity
  - D.C. Department of Housing and Community Development provided a \$11,052,173 Housing Production Trust Fund Loan

*In the Matter of Brothers Mechanical, Inc. et al.*, OALJ Case No. 2018-DBA-0004 (July 8, 2019)<sup>95</sup>

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<sup>93</sup> Prior to the praecipe of dismissal, the Court had granted a joint motion to extend scheduling order to “allow the parties [the] . . . opportunity to explore . . . whether a resolution is possible[.]”

<sup>94</sup> *The Grove at Parkside*, Gilbane (last accessed July 10, 2025), <https://www.gilbaneco.com/projects/the-grove-at-parkside/>; *DHCD – DFD Pipeline*, Department of Housing and Community Development (last accessed July 10, 2025), <https://octo.quickbase.com/nav/app/bit4kvfmq/table/bit4krbdh/action/dr?rid=114&rl=ctn>; Barbara Pash, *December looking likely for third piece of massive Ward 7 development*, Elevation DC (Nov. 24, 2014), [https://www.elevationdcmmedia.com/devnews/thegrove\\_112414.aspx](https://www.elevationdcmmedia.com/devnews/thegrove_112414.aspx); *DHCD Closes On Its First Project Under New Underwriting Process*, DC.GOV (Dec. 31, 2014), <https://dhcd.dc.gov/release/dhcd-closes-its-first-project-under-new-underwriting-process>.

<sup>95</sup> See also Omnibus Order, ALJ’s Decision and Order, *Brother’s Mechanical Inc.*, Docket No. 2018-DBA-00004 (June 10, 2019), [https://oalj.dol.gov/DECISIONS/ALJ/DBA/2018/WAGE\\_AND\\_HOUR\\_DIVISI\\_v\\_BROTHERS\\_MECHANICAL\\_2018DBA00004\\_\(JUN\\_10\\_2019\)\\_121435\\_ORDER\\_PD.PDF](https://oalj.dol.gov/DECISIONS/ALJ/DBA/2018/WAGE_AND_HOUR_DIVISI_v_BROTHERS_MECHANICAL_2018DBA00004_(JUN_10_2019)_121435_ORDER_PD.PDF); ALJ’s Decision and Order, *Brother’s Mechanical Inc.*, OALJ Case No. 2018-DBA-00004 (Dep’t of Labor July 8, 2019), 2019 WL 13556423; *Sheet Metal Workers for*

- **Dates of Alleged Wage and Hour Violations:** February 2016 – July 2016
- **Project(s):** The Grove at Parkside
- **Work Performed:** HVAC system and duct installation
- **Allegations:** Failure to pay the prevailing wage rate, fringe benefits, and overtime, falsification of payroll records
- **Action Taken:** DOL Wage and Hour Investigation
- **Status:** July 2019 settlement for \$193,662 on behalf of 10 workers<sup>96</sup>

## **The Harlow (Square 769N Affordable)**<sup>97</sup>

- **Address:** 1100 2nd Place SE (ward 6)
- **Project Type:** Mixed-use community development (new construction)<sup>98</sup>
- **Description:** One 179-unit residential building with 36 affordable units: 9 are for residents earning 30% or below the area median income and 27 are for 50% or

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*Subcontractor Under Brothers Mechanical, Inc. and KBS Inc. Recover \$193,662 in Back Wages at the Grove at Parkside Affordable Housing Development in D.C.*, The Foundation for Fair Contracting (Aug. 5, 2019), <https://www.ffc-mar.org/post/design-a-stunning-blog>.

<sup>96</sup> The DOL Wage and Hour Division Investigation initially determined that third-tier subcontractor Big G owed \$234,470.70 in back wages to ten employees.

<sup>97</sup> *DHCD – DFD Pipeline*, Department of Housing and Community Development (last accessed July 10, 2025), <https://octo.quickbase.com/nav/app/bit4kvfmq/table/bit4krbdh/action/dr?rid=130&rl=cubx>; *FY 2019 Housing Production Trust Fund Annual Report*, Government of the District of Columbia (June 30, 2023), <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/FY19%20HPTF%20ANNUAL%20REPORT.pdf>; *FY 2018 Housing Production Trust Fund Annual Report*, Government of the District of Columbia (June 30, 2023), <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/FY18%20HPTF%20ANNUAL%20REPORT.pdf>; *FY 2017 Housing Production Trust Fund Annual Report*, Government of the District of Columbia (June 30, 2023), <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/FY17%20HPTF%20ANNUAL%20REPORT.pdf>; Michele Lerner, *Public housing complex in D.C.'s Navy Yard re-emerges as a mixed-income, mixed-use development*, the Washington Post (Dec. 5, 2019), <https://www.washingtonpost.com/business/2019/12/05/public-housing-complex-dc-navy-yard-re-emerges-mixed-income-mixed-use-development/>; Maya McKenzie, *A new Navy Yard complex meant green cards for some investors*, The Wash (Nov. 1, 2019), <https://thewash.org/2019/11/01/a-new-navy-yard-complex-meant-green-cards-for-some-investors/>; *The Harlow Celebrates its Grand Opening*, District of Columbia Housing Authority (Oct. 31, 2019), <https://www.dchousing.org/wordpress/the-harlow-celebrates-its-grand-opening/>; *“Harlow” Brings New Market Rate And Public Housing To The Capitol Riverfront*, Urban Atlantic (Oct. 15, 2019), <https://www.urban-atlantic.com/urban-atlantic-news-1/-harlow-brings-new-market-rate-and-public-housing-to-the-capitol-riverfront>; Jacqueline Dupree, *Tidbits for Tuesday: Chop’t Preview at F1rst; 769N Groundbreaking*, JDland.com (May 1, 2017), <https://www.jdland.com/dc/pastnews.cfm?nearsecat=sq769naps>; *2015 Housing Production Trust Fund and Affordable Housing Annual Report*, Government of the District of Columbia (Mar. 15, 2017), <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/2015%20HPTF%20Affordable%20Housing%20Annual%20Report.pdf>.

<sup>98</sup> This is a redevelopment of the Capper/Carrollsborg public housing project in the Capitol Riverfront neighborhood. The DC Housing Authority has committed to rebuilding the 707 affordable units that were demolished. In the meantime, 20% of the units are reserved former Capper/Carrollsborg residents.

below the area median income. The development also has 3,100 square feet of retail space.

- **Developer(s):** Urban Atlantic, Brookfield Properties
- **Dates:** May 2017 – October 2019
- **Funding:**
  - D.C. Housing Finance Agency underwrote \$999,999 in Low-Income Housing-Tax Credit equity
  - D.C. Department of Housing and Community Development provided a \$1,645,343 Housing Production Trust Fund Loan, followed by subsequent loans totaling \$1,853,136 across fiscal years 2017 through 2019

*Jhony Guevara et al. v. Spartan Enterprises, LLC et al.*, Docket No. 1:20-cv-01383-JEB (D.D.C. May 22, 2020)

- **Dates of Alleged Wage and Hour Violations:** September 2017 – April 2019
- **Project(s):** The Harlow (Square 769N)
- **Work Performed:** Electrical work
- **Allegations:** Failure to pay the prevailing wage rate for electricians (\$43.70) for all hours worked and incorrect blended rate overtime calculation
- **Action Taken:** Private lawsuit (class and collective action)
- **Status:** August 2021 settlement (amount unavailable) on behalf of 19 workers<sup>99</sup>
  - 11/23/2021: Court grants Plaintiff's motion for conditional certification and orders the class be limited to those who solely performed electrician duties

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<sup>99</sup> On July 1, 2021, the Parties filed a joint status report to notify the court that the Parties agreed to the material terms of a settlement after a successful mediation. In August 2021, the Court granted a joint stipulation of dismissal with prejudice.

## **Liberty Place Apartments**<sup>100</sup>

- **Address:** 881 3rd St NW (ward 6)
- **Project Type:** 100% affordable housing development (new construction)
- **Description:** One 71-unit residential building: 14 units are for residents earning 30% or below the area median income, 53 are for those earning 50% or below the area median income, and 4 are for those earning 60% or below the area median income. 11 are reserved for those with limited mobility and 14 for formerly houseless individuals, 7 of which will have a veterans preference.
- **Developer(s):** National Housing Trust Communities Enterprise, IBF Development
- **Dates:** June 2018 – April 2022
- **Funding:**
  - D.C. Housing Finance Agency issued \$17.5 million in tax exempt bonds and underwrote \$11.6 million in Low-Income Housing-Tax Credit equity
  - D.C. Department of Housing and Community Development provided a \$9,248,431 Housing Production Trust Fund Loan

*In the Matter of Hamel Builders, Inc. et al.*, OALJ Case No. 2022-DBA-000047 (July 23, 2021)

- **Dates of Alleged Wage and Hour Violations:** August 2018
- **Project(s):** Liberty Place Apartments
- **Work Performed:** Concrete installation
- **Allegations:** Improper prevailing wage rate classification as skilled laborers instead of journey workers, failure to pay prevailing wage rates, benefits, and overtime, underpayment because of split prevailing wage rate, and falsification of payroll records
- **Action Taken:** DOL Wage and Hour Division lawsuit

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<sup>100</sup> District of Columbia Housing Finance Agency, *DCHFA Fiscal Year 2022 Annual Report*, The District Digest (Mar. 20, 2023), [https://issuu.com/dchfa-admin/docs/district\\_digest\\_final](https://issuu.com/dchfa-admin/docs/district_digest_final); *Liberty Place Apartments Ribbon Cutting*, Hamel Builders (Apr. 12, 2022), <https://www.hamelbuilders.com/news-all/liberty-place-ribbon-cutting/>; *Fiscal Year 2020 Housing Production Trust Fund Annual Report Initial Submission*, Department of Housing and Community Development (2020), <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/FY20%20HPTF%20ANNUAL%20REPORT%20v2.pdf>; *Housing Production Trust Fund Fiscal Year 2019 Annual Report Initial Submission*, Department of Housing and Community Development (2019), <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/FY19%20HPTF%20ANNUAL%20REPORT.pdf>; *Mayor Bowser Announces Record \$167.6 Million Investment in Affordable Housing*, DC.Gov (Oct. 1, 2018), <https://dc.gov/release/mayor-bowser-announces-record-1676-million-investment-affordable-housing>; Jon Banister, *Construction Begins On 71-Unit Affordable Housing Project In Mount Vernon Triangle*, Bisnow (June 22, 2018), <https://www.bisnow.com/washington-dc/news/affordable-housing/construction-begins-on-71-unit-affordable-housing-project-in-mount-vernon-triangle-89901>.

**Status:** May 2024 settlement for \$186,124 on behalf of 55 workers<sup>101</sup>

## **MDL Flats**<sup>102</sup>

- **Address:** 1550 First St SW (Ward 6)
- **Project Type:** Mixed-use community development (new construction)
- **Description:** One 100% affordable 76-unit residential building: 16 are for residents earning 30% or below the area median income and 60 are for those earning 50% or below the area median income. The development also includes 3,804 sq. ft. of commercial space allotted for retail, general or financial services, office space, and/or eating and drinking establishments.
- **Developer(s):** TM DBT Limited Partnership (TM Associates Management, Inc./TM Jacob 1530 LLC, UPO Community Development Corporation)
- **Dates:** January 2020 – Spring 2021
- **Funding:**
  - D.C. Housing Finance Agency issued \$21.6 million in tax exempt bonds and underwrote \$14.3 million in Low-Income Housing-Tax Credit equity
  - D.C. Department of Housing and Community Development provided a \$13,877,898 Housing Production Trust Fund Loan

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<sup>101</sup> Judge Upholds Findings That Maryland Subcontractor Denied 55 Workers on Federally Funded Project Their Full Pay, Fringe Benefits, Owes \$186K, U.S. Department of Labor (May 8, 2024), <https://www.dol.gov/newsroom/releases/whd/whd20240508>. The DOL Wage and Hour Division initially determined that V&V Construction and its owners owed \$195,492 in back wages, but the parties reached a settlement and agreed upon the lower amount set forth in the Consent Findings. See also Consent Findings, *In the Matter of Hamel Builders, Inc. et al.*, OALJ Case No. 2022-DBA-000047 (July 23, 2021), [https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2024/04/2024WHDPHI-V%26V\\_CONSTRUCTION%20FINAL%20ORDER.pdf](https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2024/04/2024WHDPHI-V%26V_CONSTRUCTION%20FINAL%20ORDER.pdf).

<sup>102</sup> Banister, *supra* note 64; Nena Perry-Brown, The 1,000 Residential Units Delivering in Buzzard Point This Year, UrbanTurf (Aug. 4, 2020), [https://dc.urbanturf.com/articles/blog/the-1000-residential-units-delivering-in-buzzard-point-this-year/17147#:~:text=1530%2D1550%20First%20Street%20SW,including%20job%20training%20and%20placement;DCHFAFundsFirstDevelopmentofFY2020Bringing76NewAffordableApartmentsSouthwest,D.C.,DistrictofColumbiaHousingFinanceAgency\(Nov.25,2019\)https://dchfa.org/wp-content/uploads/2023/12/1550-first-st-press-release-final.pdf](https://dc.urbanturf.com/articles/blog/the-1000-residential-units-delivering-in-buzzard-point-this-year/17147#:~:text=1530%2D1550%20First%20Street%20SW,including%20job%20training%20and%20placement;DCHFAFundsFirstDevelopmentofFY2020Bringing76NewAffordableApartmentsSouthwest,D.C.,DistrictofColumbiaHousingFinanceAgency(Nov.25,2019)https://dchfa.org/wp-content/uploads/2023/12/1550-first-st-press-release-final.pdf); Nena Perry-Brown, The 1,925 Units on the Boards For Buzzard Point, UrbanTurf (Aug. 20, 2018), <https://dc.urbanturf.com/articles/blog/the-1925-units-on-the-boards-in-buzzard-point/14335#:~:text=Construction%20could%20begin%20as%20early,of%20the%20building%20in%202020>; Mayor Bowser Announces Eight Projects That Will Produce or Preserve More Than 500 Affordable Housing Units, Government of the District of Columbia (Oct. 4, 2017), <https://mayor.dc.gov/release/mayor-bowser-announces-eight-projects-will-produce-or-preserve-more-500-affordable-housing>.

*Oscar Calix et al. v. Continental Construction, Inc., et al.*, Docket No. 2022-CA-002879-B (D.C. Super. Ct. June 29, 2022)<sup>103</sup>

- **Dates of Alleged Wage Violations:** December 2020 – January 2021
- **Project(s):** MDL Flats
- **Work Performed:** Design, construction, and installation of glass windows and fixtures
- **Allegations:** Failure to pay the prevailing wage rate (glaziers for contracts above \$2 million, \$42.46)
- **Action Taken:** Private lawsuit (individual claims)
- **Status:** November 2022 settlement for \$31,860.94 on behalf of 2 workers<sup>104</sup>

### **MDXL Flats**<sup>105</sup>

- **Address:** 1530 First St SW (Ward 6)
- **Project Type:** Mixed-use development (new construction)
- **Description:** One 100% affordable 101-unit residential building: 21 are designated permanent supportive housing for residents 30% or below the area median income and 80 for those earning 50% or below the area median income. The development also includes approximately 8,000 square feet of commercial space.
- **Developer:** TM DBT Limited Partnership (TM Associates Management, Inc./TM Jacob 1530 LLC, UPO Community Development Corporation)
- **Dates:** Spring 2021 – March 2024
- **Funding:**

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<sup>103</sup> See also *Murphy Anderson Recovers Prevailing Wages for Glazier Workers on D.C. Housing Project*, Murphy Anderson PLLC (Nov. 17, 2022), <https://www.murphypllc.com/news/prevailing-wage-lawsuit-hptf-dcwpc>.

<sup>104</sup> At the initial scheduling conference held on September 30, 2022, Defendant's Counsel represented that the parties were close to papering a settlement. On November 2, 2022, the Plaintiffs filed a notice of dismissal, which the court granted the next day, entering an order dismissing the case with prejudice.

<sup>105</sup> *Housing Production Trust Fund Fiscal Year 2021 Fourth Quarter Report*, Government of the District of Columbia (last accessed June 2, 2025), <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/FY21Q4%20HPTF%20Quarterly%20Report.pdf>; *Gilbane Joins TM Associates for Grand Opening of Luxury Affordable Apartment Community in DC, MDXL Flats Apartments*, Gilbane (Mar. 19, 2024), <https://www.gilbaneco.com/about/whats-new/news/gilbane-joins-tm-associates-for-grand-opening-of-luxury-affordable-apartment-community-in-dc-mdxl-flats-apartments/>; Michelle Lerner, *Affordable apartments planned for D.C.'s Wards 6 and 8*, The Washington Post (Dec. 15, 2021), <https://www.washingtonpost.com/business/2021/12/15/affordable-apartments-planned-dc-wards-6-8/>; *DCHFA Closes Out Fiscal Year 2021 By Financing Affordable Housing in Wards 6 and 8*, DC Housing Finance Agency (Oct. 8, 2021) [https://www.dchfa.org/wp-content/uploads/2021/10/clara\\_and\\_1530\\_release\\_-\\_final-2.pdf](https://www.dchfa.org/wp-content/uploads/2021/10/clara_and_1530_release_-_final-2.pdf).



- D.C. Housing Finance Agency issued \$33.4 million in tax exempt bonds and underwrote \$28.3 million in Low-Income Housing-Tax Credit equity
- D.C. Department of Housing and Community Development provided a \$13,065,659 Housing Production Trust Fund Loan

#### *DOL Investigation: MDXL Flats*

- **Dates of Alleged Wage and Hour Violations:** 2021 – 2024
- **Project(s):** MDXL Flats
- **Work Performed:** HVAC system installation, plumbing
- **Allegations:** Failure to pay owed wages
- **Action Taken:** DOL Wage and Hour Division investigation
- **Status:** July 2024 settlement for \$441,000 on behalf of 45 workers<sup>106</sup>

#### **Mills Place Apartments**<sup>107</sup>

- **Address:** 1736 Rhode Island Ave NE (Ward 5)
- **Project Type:** 100% affordable housing development (new construction)
- **Description:** One 61-unit residential building: 13 units are permanent supportive housing for residents earning 30% or below the area median income and 48 are for those earning 50% or below the area median income.
- **Developer(s):** Lock7 Development
- **Dates:** Summer 2019 – December 2020
- **Funding:**

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<sup>106</sup> U.S. DOL W&H Recovered \$441K for 45 Mechanical Workers of Labor Broker under Charles A. Klein & Sons, Inc. and Gilbane Residential Company, LLC at MDXL Flats Affordable Housing Development in D.C., The Foundation for Fair Contracting (July 25, 2024), <https://www.ffc-mar.org/post/u-s-dol-w-h-recovered-nearly-752k-in-back-wages-for-45-mechanical-workers-at-the-mdxl-flats-afford>

<sup>107</sup> Mills Place, Hamel Builders (last accessed July 10, 2025), <https://www.hameldc.com/portfolio-hc/mills-place/>; DHCD – DFD Pipeline, Department of Housing and Community Development (last accessed July 10, 2025), <https://octo.quickbase.com/nav/app/bit4kvfmq/table/bit4krbdh/action/dr?rid=1275&rl=cpp&qid=42>; Mills Place, Lock7 Development (last accessed July 10, 2025), <https://lock7.com/projects/1736-rhode-island-ave-ne/>; Housing Production Trust Fund FY 2019 Fourth Quarter Report, Government of the District of Columbia (Jan. 26, 2020), <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/Final%20HPTF%20Quarterly%20Report%20-%20Q4%20FY19.pdf>; DCHFA Finances the Construction of 61 New Affordable Apartments in Brookland, District of Columbia Housing Finance Agency (June 4, 2019), <https://www.dchfa.org/wp-content/uploads/2023/12/1736-rhode-island-ave-ne-press-release-final.pdf>.



- D.C. Housing Finance Agency issued \$12.2 million in tax exempt bonds and underwrote \$6 million in Low-Income Housing-Tax Credit equity
- D.C. Department of Housing and Community Development provided a \$7,948,359 Housing Production Trust Fund Loan

*Jose Eduardo Tobar v. Les Electric LLC, et al.*, Docket No. 2021-CA-001837-B (D.C. Super. Ct. May 29, 2021)

- **Dates of Alleged Wage and Hour Violations:** May 2019 – December 2020
- **Project(s):** Mills Place Apartment Project
- **Work Performed:** Electric work
- **Allegations:** Failure to pay the prevailing wage rate (electricians, \$23.04) and overtime
- **Action Taken:** Private lawsuit (individual claims)
- **Status:** Voluntary dismissal with prejudice

## **The Paxton**<sup>108</sup>

- **Address:** 1603 Benning Road NE (Ward 7)
- **Project Type:** 100% affordable housing development (new construction)
- **Description:** One 148-unit residential building: 15 units are for those earning 30% or below the area median income and 133 are set aside as permanent supportive housing units for residents earning 50% or below the area median income.
- **Developer(s):** Enduring Affordable Housing Corporation, Foulger-Pratt
- **Dates:** October 2022 – August 2024
- **Funding:**

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<sup>108</sup> *Construction Wraps Up on Paxton in Ward 7*, BldUp (August 16, 2024), <https://www.bldup.com/posts/construction-wraps-up-on-paxton-in-ward-7>; *Fiscal Year 2022 Housing Production Trust Fund Annual Report Initial Submission*, Government of the District of Columbia Department of Housing and Community Development (Mar. 31, 2023), <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/Draft%20HPTF%20Annual%20Report%20FY22%20v3.pdf>; *Foulger-Pratt Launches Affordable Housing Division With Groundbreaking of 148-Unit Paxton Apartment Community in DC Market*, Multifamily Biz (Oct. 27, 2022), [https://www.multifamilybiz.com/pressreleases/15552/foulgerpratt\\_launches\\_affordable\\_housing\\_division](https://www.multifamilybiz.com/pressreleases/15552/foulgerpratt_launches_affordable_housing_division); *Foulger-Pratt Breaks Ground on Paxton, Launches Affordable Housing Division*, Foulger Pratt (Oct. 14, 2022), <https://www.foulgerpratt.com/foulger-pratt-breaks-ground-on-paxton-launches-affordable-housing-division/>; Gabriel Frank, *DCHFA Funds Construction of DC Affordable Housing*, Multi-Housing News (Sept. 7, 2022), <https://www.multihousingnews.com/dchfa-funds-construction-of-dc-affordable-housing/>; *DCHFA's Investment in The Paxton Brings 148 Affordable Units to Ward 7*, DC Housing Finance Agency (Sept. 6, 2022), [https://www.dchfa.org/wp-content/uploads/2023/12/paxton\\_press\\_release-final.pdf](https://www.dchfa.org/wp-content/uploads/2023/12/paxton_press_release-final.pdf).

- D.C. Housing Finance Agency issued \$46.92 million in tax exempt bonds and underwrote \$42.02 million in D.C. and Federal Low-Income Housing-Tax Credit equity
- D.C. Department of Housing and Community Development provided a \$29,016,797 Housing Production Trust Fund Loan

*Ramon Antonio Rivas Ferrera et al. v. Foulger-Pratt Construction, Inc., et al.*, Docket No. 1:24-CV-00262 (D.D.C Jan. 29, 2024)<sup>109</sup>

- **Dates of Alleged Wage Violations:** September 2022 – December 2023
- **Project(s):** The Paxton
- **Work Performed:** Carpentry
- **Allegations:** Misclassification as independent contractor, failure to pay the prevailing wage rate (\$44.14), fringe benefits, overtime, and minimum wage
- **Action Taken:** Private lawsuit (collective action)
  - 03/28/2024: The Court granted the Parties' joint motion for conditional certification of collective action and court-facilitated notice to all potential members of the collective action to facilitate settlement discussions
- **Status:** August 2024 settlement for \$675,500 on behalf of 43 workers<sup>110</sup>

*DOL Investigation: The Paxton*<sup>111</sup>

- **Dates of Alleged Wage and Hour Violations:** 2022 – 2023
- **Project(s):** The Paxton
- **Work Performed:** Sheet metal installation
- **Allegations:** Improper prevailing wage rate classification as laborers instead of metal workers and insulators, falsification of payrolls, failure to keep payroll records
- **Action Taken:** DOL Wage and Hour Division lawsuit
- **Status:** April 2024 settlement for \$34,142 on behalf of 9 workers

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<sup>109</sup> See also *Murphy Anderson Settlement for D.C. Construction Workers Approved by U.S. District Court for the District of Columbia*, Murphy Anderson PLLC (Aug. 26, 2024), <https://www.murphypllc.com/newsitem.cfm?ID=957>.

<sup>110</sup> The Parties engaged in mediation and reached a settlement in principle on May 21, 2024, and subsequently filed a joint motion for extension of time, wherein they notified the Court that they were finalizing a joint motion for approval of settlement agreement. The Court granted the Parties' joint motion to approve settlement on August 26, 2024.

<sup>111</sup> *U.S. Department of Labor Recovers \$34k in Back Wages, Benefits for 9 Workers Misclassified By Subcontractor on Federal Project in District of Columbia*, U.S. Department of Labor (Apr. 15, 2024), <https://www.dol.gov/newsroom/releases/whd/whd20240415-0>

## **Ritch Homes Apartments**<sup>112</sup>

- **Address:** 1420 R St NW (Ward 2)
- **Project Type:** 100% affordable housing development (preservation, renovation)
- **Description:** Two residential buildings with a combined 46 units. 37 are for residents earning 60% or below the area median income, 5 are for those earning 30% or below the area median income, and 4 are for those earning 80% or below the area median income.
- **Developer(s):** Standard Communities
- **Dates:** January 2021 – December 2021
- **Funding:** D.C. Housing Finance Agency issued \$17.7 million in tax exempt bonds and underwrote \$7.7 million in Low-Income Housing-Tax Credit equity

*Calderon, et al. v. Elite Wall Systems LLC, et al.*, Docket No. 8:24-cv-02191-PX (D. Md. July 26, 2024)<sup>113</sup>

- **Dates of Alleged Wage and Hour Violations:** 2021
- **Project(s):** Ritch Homes Apartments
- **Work Performed:** Drywall installation
- **Allegations:** Misclassification as independent contractors, failure to pay the prevailing wage rate and overtime
- **Action Taken:** Private lawsuit (class action)
  - December 20, 2024: Court denied as moot Defendant's Motion to Dismiss
- **Status:** Ongoing

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<sup>112</sup> Jacob Wallace, *This Week's D.C. Deal Sheet*, Bisnow (May 13, 2022), <https://www.bisnow.com/washington-dc/news/deal-sheet/this-weeks-dc-deal-sheet-113016>; *Standard Communities Acquires Ritch Homes Apartments in Washington, DC*, Mid-Atlantic Real Estate Journal (Feb. 24, 2021), <https://www.marejournal.com/post/standard-communities-acquires-ritch-homes-apartments-in-washington-dc>; *Fiscal Year 2022 Annual Report*, *supra* note 71; *Standard Communities Completes Public-Private Partnership that Preserves and Extends Much Needed Affordable Housing in Washington, DC*, Standard Communities (Jan. 26, 2021), <https://standard-communities.com/news/standard-communities-completes-public-private-partnership-that-preserves-and-extends-much-needed-affordable-housing-in-washington-d-c/>; *DCHFA Provides \$25.4M Construction Financing for Affordable Housing Community in D.C.*, Rebusiness Online (Jan. 7, 2021), <https://rebusinessonline.com/dchfa-provides-25-1m-construction-financing-for-affordable-housing-community-in-d-c/>; *DCHFA Preserves Affordable Housing in Logan Circle*, DC Housing Finance Agency (Dec. 30, 2020), <https://www.globenewswire.com/news-release/2020/12/30/2151790/0/en/DCHFA-Preserves-Affordable-Housing-in-Logan-Circle.html/>.

<sup>113</sup> This lawsuit also includes allegations taking place between 2020 and 2023 on other projects such as university buildings, public schools, downtown DC hotels, and the MGM National Harbor Casino.

## **RiverPoint**<sup>114</sup>

- **Address:** 2121 First Street SW (Ward 6)
- **Project Type:** Mixed-use community development (new construction)
- **Description:** A block-long 480-unit residential building. Of those, only 4 units are for residents earning 50% or below the area median income and 3 for those earning 60% or below the area median income. The development also includes 70,441 square feet of ground floor retail space and hosts the nonprofit D.C. Central Kitchen.
- **Developer(s):** Akridge, Western Development Corp., Jefferson Apartment Group, ORR Partners
- **Dates:** September 2018 – March 2021
- **Funding:** Source and specific amount unavailable

*Ivan Castillo et al. v. CBG Building Company LLC*, Docket No. 2020-CA-003502-B (D.C. Super. Ct. Aug. 8, 2020)

- **Dates of Alleged Wage and Hour Violations:** February 2020 – June 2020
- **Project(s):** Bryant Street, RiverPoint, Eckington Yards<sup>115</sup>
- **Work Performed:** HVAC system and drywall installation
- **Allegations:** Misclassification as independent contractors, failure to pay the prevailing wage rate, and overtime
- **Action Taken:** Private lawsuit (class and collective action)
- **Status:** Voluntary dismissal with prejudice. In March 2022, the Court granted a joint stipulation of dismissal with prejudice to allow the Parties to resolve the matter outside of litigation and continue settlement negotiations on behalf of 7 workers<sup>116</sup>

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<sup>114</sup> *RiverPoint*, Akridge (last accessed July 10, 2025), <https://www.akridge.com/portfolio/riverpoint/>; *RiverPoint*, National Association of Home Builders (last accessed June 21, 2025), <https://www.nahb.org/nahb-community/awards/multifamily-pillars-of-the-industry-awards/all-projects/2022/special-category-multifamily-projects-2022/riverpoint>; *RiverPoint*, CBG Building Company LLC (last accessed June 21, 2025), <https://www.cbgbuildingcompany.com/projects/riverpoint/>; Michele Lerner, Luxury Apartments emerge from old Coast Guard headquarters on Southwest Washington Riverfront, *The Washington Post* (Sept. 15, 2020) <https://www.washingtonpost.com/business/2020/09/15/luxury-apartments-emerge-old-coast-guard-headquarters-southwest-washington-riverfront/>; *CBG Begins Rooftop Work on River Point Community of Southwest D.C. Development*, CBG Building Company LLC (Sept. 13, 2018), <https://www.cbgbuildingcompany.com/press-release/cbg-begins-rooftop-work-on-river-point-community-of-southwest-d-c-development/>.

<sup>115</sup> The complaint also includes allegations for work done at the Marriot AC (a high rise hotel at 601 K Street NW).

<sup>116</sup> Plaintiffs had filed a motion for class certification, which the Court subsequently marked as withdrawn.

## **The Robeson – Spring Flats Family**<sup>117</sup>

- **Address:** 1001 Spring Rd NW (Ward 4)
- **Project Type:** 100% affordable housing development (new construction)<sup>118</sup>
- **Description:** One 87-unit residential building. 58 units are for residents earning up 50% or below the area median income.
- **Developer(s):** Victory Housing, Inc., Brinshore Development, LLC, Banc of America Community Development Corporation
- **Dates:** March 2020 – May 2022
- **Funding:**
  - D.C. Housing Finance Agency issued \$19.1 million in tax exempt bonds and underwrote \$8 million in Low-Income Housing-Tax Credit equity
  - D.C. Department of Housing and Community Development provided a \$9,429,896 Housing Production Trust Fund Loan

*Three Sheet Metal Workers Settle Wage Theft Claims Against Hamel Builders and Clemons Builders*, The Foundation for Fair Contracting (Oct. 31, 2023) <https://www.ffc-mar.org/post/three-sheet-metal-workers-settle-wage-theft-claims-against-hamel-builders-and-clemons-builders>.

- **Dates of Alleged Wage and Hour Violations:** Summer 2021
- **Project(s):** The Robeson – Spring Flats Family
- **Work Performed:** HVAC system installation
- **Allegations:** Failure to pay the prevailing wage rate
- **Action Taken:** Private lawsuit (individual claims)
- **Status:** October 2023 settlement for \$66,000 on behalf of 3 workers

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<sup>117</sup> DCHFA Fiscal Year 2022 Annual Report, *supra* note X; Housing Production Trust Fund Fiscal Year 2021 Fourth Quarter Report, Government of the District of Columbia Department of Housing and Community Development (July 12, 2022), <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/FY21Q4%20HPTF%20Quarterly%20Report.pdf>. Press Release: Mayor Bowser Celebrates New Housing for Seniors and Families on Spring Road NW, DC Line (Apr. 30, 2022), <https://thedcline.org/2022/04/30/press-release-mayor-bowser-celebrates-new-housing-for-seniors-and-families-on-spring-road-nw/>; Robinson Woodward-Burns, *Quick Update on the Hebrew Home Renovation*, Petworth News (Jan. 23, 2020), <https://www.petworthnews.org/blog/hebrew-home-update-2020>.

<sup>118</sup> The Spring Flats community also includes The Rows at Spring Flats (10 townhome style condominium units) and the Appleton at Spring Flats (redevelopment of the historic former Hebrew Home for the Aged into 88 affordable senior independent living rental apartments). See *About Spring Flats*, Spring Flats (last accessed June 23, 2025), <https://www.springflatsdc.com/>; DCHFA Finances Mixed-Income Development for Families in Petworth, DC Housing Finance Agency (Sept. 17, 2020), <https://dchfa.org/wp-content/uploads/2023/12/release-spring-flats-family-final.pdf>.

*Francisco Ayala Marinero et al. v. L.A. Howard Construction Co., Inc., et al.*, Docket No. 1:21-cv-02351-CRC (D.D.C. Sept. 3, 2021)

- **Dates of Alleged Wage and Hour Violations:** November 2020 – April 2021
- **Project(s):** The Robeson – Spring Flats Family
- **Work Performed:** Concrete installation
- **Allegations:** Failure to pay the prevailing wage rate and fringe benefits (skilled laborer, \$33.57 per hour), overtime, and owed wages
- **Action Taken:** Private lawsuit (individual claims)
- **Status:** March 2022 settlement for \$82,641.32 on behalf of 3 workers<sup>119</sup>

## **South Capitol Multifamily Housing Project (South Capitol Street Apartments)**<sup>120</sup>

- **Address:** 4001 South Capitol Street SW (Ward 8)
- **Project Type:** 100% affordable housing development (new construction)
- **Description:** One 195-unit residential building: 78 units are meant to assist formerly houseless individuals and are reserved for residents earning 30% or below the area median income and 117 are for those earning 60% or below the area median income.
- **Developer(s):** Michaels Development Company, CityInterests, LLC
- **Dates:** May 2017 – October 2021
- **Funding:**
  - D.C. Housing Finance Agency issued \$30 million in tax exempt bonds and underwrote \$23.19 million in Low-Income Housing-Tax Credit equity
  - D.C. Department of Housing and Community Development provided a \$25,140,000 Housing Production Trust Fund Loan

The South Capitol Project has three wage theft cases, all private lawsuits. One lawsuit settled in 2021 for unknown amount after 3 carpenters filed wage theft claims against V&V

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<sup>119</sup> In February 2022, the Defendants told the Court that they were prepared to resolve the case without further proceedings. On February 24, 2022, the Plaintiffs filed a notice of acceptance with offer of judgment that Defendants had filed the day before.

<sup>120</sup> *DHCD Selects 69 Projects to Preserve 7,700 Affordable Housing Units*, DC Department of Housing and Community Development (Feb. 20, 2025), <https://dhcd.dc.gov/release/dhcd-selects-69-projects-preserve-7700-affordable-housing-units>; *Mayor Bowser Breaks Ground on South Capitol Street Apartments*, Executive Office of the Mayor of the Government of the District of Columbia (May 18, 2017), <https://mayor.dc.gov/release/mayor-bowser-breaks-ground-south-capitol-street-apartments>; *DCHFA Finances Second Affordable Apartment Complex in Ward 8 in 2017*, District of Columbia Housing Finance Agency (Feb. 14, 2017), <https://dchfa.org/wp-content/uploads/2023/12/press-release-dchfa-finances-second-ward-8-affordable-apartment-complex-in-2017.pdf>.

Construction, LLC. Two other lawsuits resulted in a judgment for defendants and dismissal by the court, respectively.

*Ricardo Castaneda et al. v. V&V Construction, LLC et al.*, Docket No. 2019-CA-002985-B (D.C. Super. Ct. May 6, 2019)

- **Dates of Alleged Wage and Hour Violations:** December 2017 – November 2018
- **Project(s):** South Capitol Multifamily Housing Project
- **Work Performed:** Steel installation
- **Allegations:** Failure to pay the prevailing wage rate (ironworkers, \$51.78) and overtime
- **Action Taken:** Private lawsuit (individual claims)
- **Status:** February 2021: Judgment for Defendants<sup>121</sup>

*Henri Alexander Moreno et al. v. V&V Construction, Inc.*, Docket No. 2019-CA-007429-B (D.C. Super. Ct. Nov. 8, 2019)

- **Dates of Alleged Wage and Hour Violations:** July 2018 – October 2019
- **Project(s):** Capitol Vista and South Capitol Multifamily Housing Project
- **Work Performed:** Carpentry
- **Allegations:** Failure to pay prevailing wages and overtime
- **Action Taken:** Private lawsuit (individual claims)
- **Status:** September 2021 settlement (amount unavailable) on behalf of 3 workers<sup>122</sup>
  - 02/07/2020: Court denied Defendant's motion to dismiss Maryland claims
  - 03/01/2021: Court denied Defendant's Motion to Dismiss without Prejudice Pending Compliance with the Statutory Administrative Procedures and Renewed Motion to Dismiss; or in the Alternative, Motion to Dismiss Without Prejudice Pending Compliance With the Statutory Administrative Procedures; or in the Further Alternative, Motion for Summary Judgment

*Adonis Calix vs. V&V Construction Inc. et al.*, Docket No. 2020-CA-000729-B (D.C. Super. Ct. Jan. 30, 2020)

- **Dates of Alleged Wage and Hour Violations:** 2018 – November 2019
- **Project(s):** South Capitol Multifamily Housing Project

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<sup>121</sup> Prior to the bench trial, Defendants had tried to consolidate this case with *Adonis Calix vs. V&V Construction Inc. et al.*, Docket No. 2020-CA-000729-B (D.C. Super. Ct. Jan. 30, 2020) but the Court issued an oral order denying the motion. The Court had also previously denied the Defendants' motion to dismiss.

<sup>122</sup> At a status hearing in August 2021, Plaintiff's Counsel represented to the court that they had reached a settlement with Defendants.



- **Work Performed:** Steel reinforcing bar installation (rebar)
- **Allegations:** Failure to pay the prevailing wage rate (ironworkers, reinforcing \$51.78; laborer, skilled \$22.63+7.31) and overtime
- **Action Taken:** Private lawsuit (individual claims)
- **Status:** June 2021: Dismissed by Court<sup>123</sup>

## 2M Street<sup>124</sup>

- **Address:** 2 M St NE (Ward 6)
- **Project Type:** Mixed-use community development (new construction)
- **Description:** One 314-unit residential building. 54 units are reserved for former residents of the Tempe Court development who have portable Section 8 vouchers, and 39 are affordable units pursuant to the District of Columbia Inclusionary Zoning program and reserved for residents earning 60% or below the area median income. The development also includes 4,100 square feet of ground floor retail.
- **Developer(s):** William C. Smith & Co., Inc. and The Warrenton Group
- **Dates:** Summer 2011 – September 2014
- **Funding:** D.C. Department of Housing and Community Development provided a \$17 million Housing Production Trust Fund grant<sup>125</sup>

*Reidel Garcia et al., v. Flores et al.*, Docket No. 1:14-CV-01430 (D.D.C. Aug. 21, 2014)<sup>126</sup>

- **Dates of Alleged Wage and Hour Violations:** August 2013 – April 2014
- **Project(s):** 2M Street

<sup>123</sup> Defendants initially filed a motion to consolidate case with *Castaneda et al. v. V&V Construction, LLC et al.*, Docket No. 2019-CA-002985-B (D.C. Super. Ct. May 6, 2019), stating that Plaintiffs in both cases were Rodmen on the same project and were paid according to a 5/3 split, which inspectors themselves had sanctioned, but the Court denied it in July 2020. Defendants then filed a motion for summary judgment, arguing that the split wage rate issue falls under the exclusive jurisdiction of the Department of Labor as this is a classification issue. The Plaintiffs filed a motion to extend time to file an opposition to allow the trial in a parallel case, *Ricardo Castaneda et al. v. V&V Construction, LLC et al.*, Docket No. 2019-CA-002985-B (D.C. Super. Ct. May 6, 2019), to go forward. On March 12, 2021, the Court ultimately grants this motion, noting that Defendants won in the *Castaneda* trial and “it is hard to see what prejudice Defendants will suffer by granting Plaintiffs a week to file their opposition.” After the Plaintiff’s counsel successfully withdrew, Plaintiffs did not appear at a status hearing, prompting the Court to dismiss the case.

<sup>124</sup> Deborah Dietsch, *2M Apartments From Developers WC Smith and the Warrenton Group*, Washington Business Journal (May 1, 2015), <https://eca-pc.com/2015/05/2m-apartments-from-developers-wc-smith-and-the-warrenton-group/>; WC Smith Celebrates the Opening of 2M Street, WC Smith Construction (Sept. 25, 2014), <https://wcsmith.com/wc-smith-celebrates-opening-2m-street/>; 2 M Street NE (last accessed July 3, 2025), <https://2mstreetdc.blogspot.com/>.

<sup>125</sup> Complaint, *Reidel Garcia et al., v. Flores et al.*, Docket No. 1:14-CV-01430 (D.D.C. Aug. 21, 2014)

<sup>126</sup> This case was initially filed in D.C. Superior Court as *Reidel Garcia, et al. v. Roberto Flores et al.*, Docket No. 2014-CA-004458-B (D.C. Sup. Ct. July 18, 2014).



- **Work Performed:** HVAC installation
- **Allegations:** Failure to pay the prevailing wage rate, fringe benefits, overtime, and owed wages, as well as requiring kickbacks
- **Action Taken:** Private lawsuit (individual claims)
- **Status:** December 2014 settlement (amount unavailable) on behalf of 6 workers<sup>127</sup>

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<sup>127</sup> On December 5, 2014, the Parties filed a joint status report stating the following, “[t]he parties have agreed on the terms of settlement . . . [w]hen the agreement is signed and the agreed-upon amounts are paid, plaintiffs will ask this Court to dismiss this action with prejudice.” The Court then granted a provisional order dismissing the case without prejudice due to settlement, noting that “if settlement is not consummated, either party may reopen the action until January 19, 2015, upon motion approved by the Court.”