



SUSANA A. MENDOZA
ILLINOIS STATE COMPTROLLER

Welcome ORGANIZATION

**Illinois State Comptroller
Susana A. Mendoza**

Prevailing Wage Presentation

**III FFC CLE Seminar
March 31, 2022**



Comptroller Susana A. Mendoza

- **Chief financial and accountability officer**
- **Authorized to verify that payments for public works projects are in compliance with the law**
- **Last line of defense for your tax dollars**



Prevailing Wage Oversight

- Additional oversight needed on public works projects
- Prevents prolonged investigations and lawsuits
- Allows for “claw back” wages



Comptroller's Executive Order 19-01

- Signed on August 13, 2019 subsequent to enactment \$45 billion capital plan
- Creation of Prevailing Wage Portal on website
- Acceptance of inquiries from the public
- Dedicated staff to prevailing wage inquiries
- Halt state payments to a contractor for failure to pay prevailing wage
- Efficient and effective action
- Consistent with Prevailing Wage Act





Notable Results

Grafton Technologies

- Rural broadband grantee in Jerseyville, IL
- Inquiry regarding failure to file certified payrolls
- After review, payments halted
- Payrolls indicated underpayment of over \$60,000
- IDOL investigation
- Grafton cooperated with IDOL's investigation and payment of back wages
- Funds released after Grafton paid up



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John Penn from LiUNA said:

"I have had the privilege of representing the hard-working women and men of LiUNA for nearly 50 years," said John Penn, Vice President and Midwest Regional Manager of the Laborers International Union. "In that time, I have seen companies use all kinds of schemes to avoid paying their workers what they are owed. There is only one sure way to get that company's attention and that is doing what Comptroller Mendoza did by restricting the flow of money into the company's accounts until they do what's right and follow the law. And for that, we can't thank her enough." –August 26, 2021



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Tracking Inquiries


- 89 inquiries to date
- 45 inquiries under active investigation
- Almost \$2M on hold
- 32 contractors under scrutiny
- Increased attention to repeat violators
- Team meetings with local groups to explain this program



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Illinois Prevailing Wage Act (820 ILCS 130)

- Simple idea - if tax dollars are used on a construction or demolition project, then the workers on that project should be paid well
- No “races to the bottom”
- Level playing field for union signatory contractors
- And makes sure workers are paid what they deserve



Public Works Projects

- Public works projects must pay prevailing wage
- A “public works project” is any project paid for by tax dollars
- Legislature expanded and contracted the definition of “public works” over the years to include or exclude certain projects
- Legislature recently expanded the definition of “public works” to include projects that get certain tax breaks
- Ex: Wind farms and electric vehicle plants



Prevailing Wage

- **The wage and benefits that most workers, laborers, mechanics, etc. make in a specific field in a specific area**
- **Calculated via an annual survey**
 - Union rates play a big part in that survey
- **Geographically specific**
 - County by county, and sometimes even distinguishes regions in a single county
- **Field specific**
 - Carpenters have a different rate than laborers, foremen have a higher rate, etc.

How To Use Our Prevailing Wage Portal

We will share our screen to take you on a tour of our Prevailing Wage Portal. We will show you how to:

- 1) Look up public works contracts
- 2) Submit prevailing wage inquiries
- 3) Help the Comptroller's Office review the information in a prevailing wage inquiry

SPECIAL DATA

AGENCIES

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G WAGE INQUIRY

Order that reaffirms the Comptroller's Executive Order.

COMPTROLLER'S EXECUTIVE ORDER

PREVAILING WAGE INQUIRY ONLINE

at have been reported to our Office. The inquiry will include the vendor name, contract number, and general description.

FOR STATE CONTRACTS

inquiry form, please call the Comptroller's Office at (217) 782-1276, or (217) 782-6000.

Enforcement Officer

Searching For State Public Works Contracts

- Search by vendor name, FEIN number, and county
- FEIN number is best
 - Contractors do not always have consistent names. We can help!
- Real time screen share from our browser

FINANCIAL DATA AGENCY

THE CONTRACT S


contracts that have been reported
information returned will include
s, county, location, and general


Vendor Name in whole or in part.

digit FEIN number of the Vendor.

County

IRY

DIRECT DEPOSIT SIGN
UP

DIRECT DEPOSIT
EXEMPTION INF

Submitting an Inquiry

- **Must make an inquiry**
- **Include contact information for the person filing the inquiry**
- **Include information on the project (the contractor, the violation, supporting documentation, etc.)**
 - Be as specific as possible!
- **Provide FEIN, if possible**
- **Is the contractor prime or sub?**
- **Is the contractor still active? Is the project complete?**
- **Strongly encourage submitting claims to IDOL**
- **Act quickly**
- **Real time screen share from our browser**

FINANCIAL DATA

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WAGE INQUIRY

ptroller. Note that you must complete the inquiry form as a DC employee and be asked to provide information for your inquiry. Carefully review the form before submitting.

Title

City

State

Email



After Submitting Your Inquiry

- We will:
- Review the information
- Search for any state payments pending to the contractor
- Contact the person who made the inquiry
- Send correspondence to the public body and/or the contractor
- Request source of funds
- Request certified payrolls



Illinois Department of Labor (IDOL)

- IDOL is the primary government entity investigating prevailing wage issues
- File a claim with IDOL
- IDOL determines if a contractor has violated the Prevailing Wage Act
- We halt payments until the IDOL investigation is resolved
- Once IDOL opens an investigation, we notify the public body and contractor
- We strongly encourage cooperation
- We may also review subsequent projects



Illinois Department of Labor - Certified Payrolls

- **Contractors must keep and file certified payrolls**
- **As of January 1, 2022, IDOL includes payrolls online in a searchable database**
- **<https://www2.illinois.gov/idol/Laws-Rules/CONMED/Pages/certifiedtranscriptofpayroll.aspx>**
- **We will show you this database on our browser**



Illinois Department of Labor - Resolution

- 3 resolutions:
- 1) IDOL finds no violation
- 2) IDOL records a violation and orders the contractor to pay back wages/fine
- 3) IDOL orders contractor to pay back wages/fine, but does not record a violation
- (The distinction between #2 and #3 is important, because if a contractor gets two violations in five years, it may get debarred from any further state contracts.)



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Resolution

PREVAILING

- If IDOL finds no violation, we release funds
- If IDOL orders payment, we release funds upon confirmation of payment
- Contractor must show us payment to workers

WAGE



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Resolution

PREVAILING

- Pressure on contractors that violate the law
- Prevailing Wage Portal prevents prolonged investigation and costs
- Financial incentive to resolve the investigation ASAP
- Oversight on contractors thwarts bad actors
- Public bodies increase oversight on contractors
- I'm never afraid to go to the press to call out bad actors!

WAGE



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Any Questions?

PREVAILING WAGE



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Contact My Staff

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- **IOC Prevailing Wage Portal:**
<https://illinoiscomptroller.gov/vendors/prevailing-wage/>