

**IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION**

DISTRICT OF COLUMBIA,

a municipal corporation
400 6th Street, N.W.
Washington, D.C. 20001,

Plaintiff,

v.

**W.G./WELCH MECHANICAL
CONTRACTORS, LLC**

260 Interstate Ct,
Frederick, MD 21704

Serve on:

National Registered Agents Inc.
1015 15th Street NW, Suite 1000
Washington, D.C. 20005,

**THE WHITING-TURNER
CONTRACTING COMPANY,**

300 East Joppa Road
Baltimore, MD 21286

Serve on:

CT Corp. System
1015 15th Street N.W., Suite 1000
Washington, D.C. 20005,

**MECHANICAL
PLUMBING CREW, CO.,**

13312 Sturno Dr.
Clifton, VA 20124

Serve on:

Abriel Hernandez
13312 Sturno Dr.
Clifton, VA 20124,

RAMIREZ PLUMBING, INC.,

12209 Emerald Way
Germantown, MD 20876

Serve on:

Baltazar Ramirez
12209 Emerald Way
Germantown, MD 20876,

Case No.:

Judge:

COMPLAINT

JURY TRIAL DEMANDED

GINCO HVAC, LLC,
10921 Wild Ginger Cir Apt 101
Manassas, VA 20109

Serve on:
Gertrudis Giron Hernandez
11227 Soldiers Ridge Cir., Apt. 304
Manassas, VA 20109,

Defendants.

COMPLAINT

Plaintiff District of Columbia (“District”), through the Office of the Attorney General, brings this action against Defendants W.G./Welch Mechanical Contractors, LLC, The Whiting-Turner Contracting Company, Mechanical Plumbing Crew, Co., Ramirez Plumbing, Inc., and GINCO HVAC, LLC for violations of the District’s Workplace Fraud Act (“WFA”), Minimum Wage Revision Act (“MWRA”), and Sick and Safe Leave Act (“SSLA”). *See* D.C. Code § 32-1331.01, *et seq.*; § 32-1001, *et seq.*; and § 32-531.01, *et seq.* In support of its claims, the District states as follows:

INTRODUCTION

1. This is a worker misclassification case. An employer engages in worker misclassification when a worker who should be classified as an employee is instead unlawfully classified as an independent contractor.

2. Worker misclassification directly harms workers by denying them their employment rights and earned benefits. The District’s employment protections are robust—the WFA provides construction workers with heightened protection against worker misclassification; the MWRA guarantees workers the right to a minimum wage and overtime pay; and the SSLA provides workers with accrued paid sick leave. Misclassification strips workers of these benefits

and allows unscrupulous employers to undercut their law-abiding competitors by evading labor costs.

3. At the center of this case is Defendant W.G./Welch Mechanical Contractors, LLC, (“Welch”), a trade subcontractor. General contractors regularly contract with Welch to handle mechanical projects throughout the country, including in the District. Welch generates tens of millions of dollars in revenue each year from projects located in the District.

4. Defendant Welch systemically violates District law to bolster its profits through its reliance on hundreds of mechanical workers who are misclassified as independent contractors and denied overtime pay and other earned benefits.

5. Welch obtains these misclassified workers through a rotating cast of subcontractors (hereinafter referred to as “labor subcontractors”) who exist primarily to provide construction workers for Welch’s projects. Welch’s labor subcontractors include, but are not limited to, codefendants Mechanical Plumbing Crew, Co., (“MPC”), Ramirez Plumbing, Inc., (“Ramirez”), and GINCO HVAC, LLC, (“GINCO”) (together, the “Labor Subcontractor Defendants”).

6. Critically, the Labor Subcontractor Defendants misclassify their employees as independent contractors, denying them their rights to minimum wage, overtime pay, and paid sick leave in violation of the WFA, MWRA, and SSLA.

7. Welch’s systemic worker misclassification scheme results in unlawfully suppressed labor costs. These illegal cost reductions benefit Welch and its labor subcontractors, and they are also passed up through the contracting chain to the general contractors who contract with Welch, such as codefendant The Whiting-Turner Contracting Company, (“Whiting-Turner”).

8. Defendants Welch, Whiting-Turner, MPC, Ramirez, and GINCO are jointly and severally liable for the violations of the WFA, MWRA, and SSLA, resulting from the unlawful misclassification of workers as independent contractors.

9. The District brings this action to enjoin all Defendants from continuing to engage in this unlawful worker misclassification scheme that systemically violates the WFA, MWRA, and SSLA. The District seeks to recover all damages and penalties available under law for these violations.

JURISDICTION

10. This Court has subject matter jurisdiction over this civil action, pursuant to D.C. Code § 11-921(a).

11. This Court has personal jurisdiction over Defendants due to their transaction of business in the District of Columbia, pursuant to D.C. Code § 13-423(a).

PARTIES

12. Plaintiff District of Columbia, a municipal corporation empowered to sue and be sued, is the local government entity for the territory constituting the seat of the federal government. The District brings this action through its chief legal officer, the Attorney General for the District of Columbia. The Attorney General has general charge and conduct of all legal business of the District and all suits initiated by the District and is responsible for upholding the public interest. D.C. Code § 1-301.81(a)(1).

13. Defendant Welch is a Delaware corporation that provides mechanical contracting services in multiple states and the District.

14. Defendant Whiting-Turner is a Maryland corporation that provides general contracting services in multiple states and the District.

15. Defendant MPC is a Virginia corporation that provides labor services relating to mechanical installation and does business in the District.

16. Defendant Ramirez is a Maryland corporation that provides labor services relating to mechanical installation and does business in the District.

17. Defendant GINCO is a Virginia corporation that provides labor services relating to mechanical installation and does business in the District.

FACTUAL ALLEGATIONS

A. Worker misclassification represents a serious problem in the District.

18. Misclassification harms workers by denying them rights they are entitled to as employees under the MWRA and SSLA, such as minimum wage, overtime pay, and paid sick leave.

19. Misclassification also causes harm to the industry because it allows employers to unlawfully reduce their labor costs and gain an anticompetitive edge over law-abiding competitors. For example, employers are required to pay numerous payroll taxes calculated as a percentage of wages paid to employees, including federal Social Security and Medicare taxes, as well as federal and District unemployment insurance taxes. Employers evade these payroll taxes entirely when they misclassify workers as independent contractors.

20. An economic analysis of worker misclassification in the District's construction industry estimated that employers who misclassified workers unlawfully reduced their labor costs by at least 16.7%. These unlawful labor cost reductions are especially significant in the construction industry, where contracts are often awarded through competitive bidding processes.

21. Finally, worker misclassification harms the public. For example, employers who misclassify employees undermine public benefit programs such as unemployment insurance, which are funded by employer-paid payroll taxes.

B. Defendants have different roles in the construction industry.

22. A typical construction project involves multiple entities, who are connected through a series of contracts and subcontracts.

23. Defendant Whiting-Turner, as a general contractor, holds the primary contract with the property owner and is responsible for managing the construction project from start to finish.

24. Whiting-Turner regularly handles large-scale construction projects across the nation and has a significant presence in the District.

25. A general contractor such as Whiting-Turner typically subcontracts out the installation of major building systems (*e.g.*, mechanical, drywall, plumbing, etc.) to trade subcontractors, such as Welch, who specialize in the specific trade necessary to install a particular system.

26. Defendant Welch is a trade subcontractor that subcontracts with Whiting-Turner and other general contractors to handle the installation of mechanical systems, which includes the installation of HVAC systems, plumbing pipes and fixtures, and sheet metal work (hereinafter referred to as “mechanical work”).

27. Welch operates in multiple states and has a significant presence in the District. Welch has worked or continues to work on multiple construction projects in the city with several general contractors, including Whiting-Turner.

28. Defendants MPC, Ramirez, and GINCO are labor subcontractors that exist primarily to provide upstream contractors (such as Defendant Welch) with actual workers who perform the mechanical work.

29. Unlike their upstream contractors, labor subcontractors are significantly smaller in scale. Labor subcontractors are often less-sophisticated corporate entities, run by a single individual or a handful of officers. Their annual revenues are also much smaller, often topping out in the low seven-figure range.

30. Welch holds a disproportionate amount of leverage in dealing with its labor subcontractors, many of whom are economically dependent upon the company. Work with Welch represents a substantial percentage of their annual business for the Labor Subcontractor Defendants.

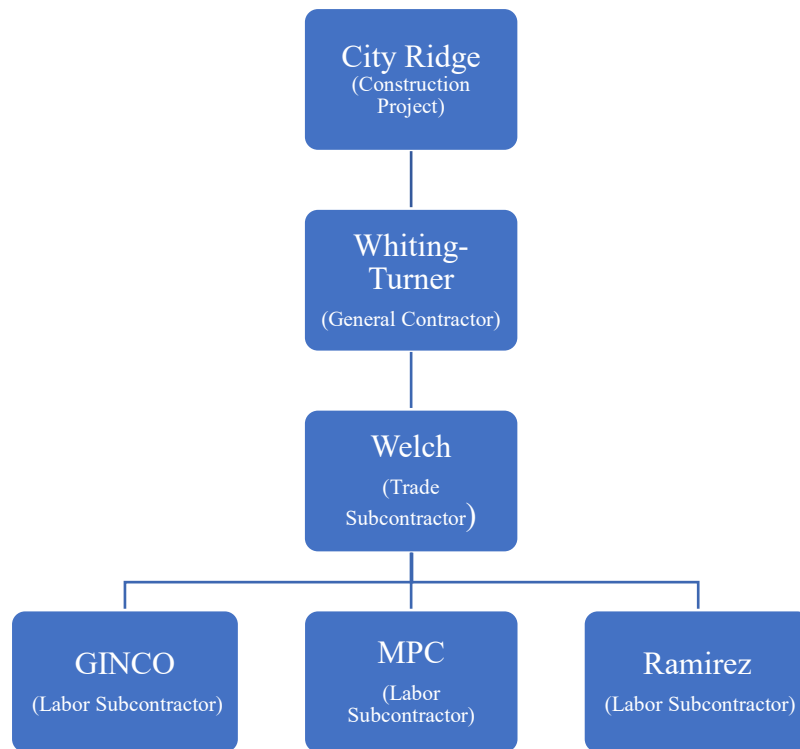
31. Welch routinely subcontracts with a rotating cast of labor subcontractors, including but not limited to the Labor Subcontractor Defendants, to obtain workers to perform mechanical work on Welch's worksites. These worksites are overseen by general contractors that include, but are not limited to, Whiting-Turner.

C. Defendant Welch conducts substantial business in the District.

32. Defendant Welch has a significant presence on construction worksites in the District and has entered into contracts worth tens of millions of dollars to perform mechanical services work on these projects across the District.

33. Some of Welch's recent high-profile projects include the City Ridge mixed-used development ("City Ridge") at 3900 Wisconsin Ave NW, Washington DC 20016, an apartment building complex ("40 Patterson") at 40 Patterson St. NE, Washington DC 20002, and another apartment building complex ("1000 South Capitol") at 1000 S Capitol St. SE, Washington DC 20003.

34. The City Ridge project is a mixed-use development, consisting of 360,000 square feet of commercial space, including the District’s first Wegmans Food Market, and a 690-unit residential building. Defendant Whiting-Turner, the general contractor, held the primary contract with the property owner for the construction of the City Ridge project. Whiting-Turner then executed a \$19 million contract with Welch, a trade subcontractor, for mechanical services. Welch, in turn, contracted with labor subcontractors, including MPC, GINCO, and Ramirez, who provided workers to complete the mechanical work at City Ridge. This contracting chain is depicted in more detail in the diagram below.



35. Similarly, Welch executed contracts to provide mechanical services worth over \$11 million and \$5 million on the 40 Patterson and 1000 South Capitol projects, respectively. Welch again turned to labor subcontractors, including MPC and Ramirez, who provided workers for one or both of these projects.

D. Welch is liable for its labor subcontractors' violations of the District's wage-and-hour laws as a joint employer.

36. Welch relies on hundreds of misclassified workers provided by labor subcontractors, including MPC, Ramirez, and GINCO, to perform work on its projects in the District while these workers are systematically denied the minimum wage, overtime pay, and paid sick leave in violation of the WFA, MWRA, and SSLA.

i. Welch is a joint employer of its labor subcontractors' workers.

37. Welch maintains similar relationships with all its labor subcontractors, including MPC, Ramirez, and GINCO, and exercises extensive supervision and control over subcontracted workers, who perform mechanical work integral to Welch's business.

38. Welch exercises hiring authority in requesting specific numbers of workers from labor subcontractors, depending on a project's needs.

39. Welch exercises the authority to fire workers. For example, Welch ordered MPC workers off the City Ridge worksite for various reasons, including poor performance or safety violations.

40. Welch supervises and controls the subcontracted workers, including MPC, Ramirez, and GINCO workers, on its worksites and treats them as the company's own employees. For example, Welch closely supervised workers for all Labor Subcontractor Defendants, providing direction and instruction on the completion of their work.

41. Welch exercises authority over subcontracted workers' work product. On more than one occasion, for example, Welch instructed MPC and Ramirez workers to correct and redo work to Welch's satisfaction.

42. Welch's control over its labor subcontractors and their workers is particularly demonstrated by an incident where, after Welch terminated its subcontract with Defendant MPC,

Welch instructed MPC's workers to continue working on Welch worksites and reassigned these workers to work with Defendant Ramirez.

43. Welch provides the subcontracted workers with all the necessary heavy tools and materials for the completion of work, such as sheet metals, ducts, and other materials.

44. Welch provides vests to subcontracted workers emblazoned with the Welch logo, which they wear while working on Welch worksites.

45. Welch has control over the subcontracted workers' rate of pay. For some projects where subcontracted workers are paid on an hourly basis, Welch dictates hourly rates that are not negotiable by labor subcontractors. For example, Welch set specifically hourly rates for workers provided by Ramirez.

46. Welch records the subcontracted workers' time with daily sign-in sheets that bear its logo, including workers provided by MPC, Ramirez, and GINCO. Welch requires these subcontracted workers to record their name, and their time-in and time-out for each workday on these sign-in sheets. Welch authorizes payment directly to subcontracted workers based on these daily sign-in sheets.

47. Welch also directly authorizes payment to certain subcontracted workers on its worksites. For example, following a dispute with MPC, Welch directly received MPC's payroll and authorized payment to MPC's workers. These payments and oversight continued after Welch transferred MPC's workers to Ramirez.

iii. Welch and the Labor Subcontractor Defendants repeatedly violated the WFA.

48. Defendant Welch is directly liable for its labor subcontractors' misclassification of their workers because it is a joint employer of the subcontracted workers, and in addition, Welch directly benefited from the exploitation of these workers.

49. Welch's labor subcontractors, including but not limited to the Labor Subcontractor Defendants MPC, Ramirez, and GINCO, routinely misclassified their workforces, as demonstrated by reporting workers' wages on IRS Form 1099-MISC and failing to make appropriate payroll deductions.

50. MPC employed at least 130 workers to staff Welch worksites in the District. MPC systemically misclassified these workers as independent contractors, but contrary to this classification, workers were under MPC's control, they were not engaged in an independently established business, and they performed work squarely within MPC's usual course of business. MPC and Welch jointly employed these workers and exercised joint control over these workers as they performed their work.

51. Ramirez employed at least 75 workers to staff Welch worksites in the District. Ramirez systemically misclassified these workers as independent contractors, but contrary to this classification, workers were under Ramirez's control, they were not engaged in an independently established business, and they performed work squarely within Ramirez's usual course of business. Ramirez and Welch jointly employed these workers and exercised joint control over these workers as they performed their work.

52. GINCO employed at least 80 workers to staff Welch worksites in the District. GINCO systemically misclassified these workers as independent contractors, but contrary to this classification, workers were under GINCO's control, they were not engaged in an independently established business, and they performed work squarely within GINCO's usual course of business. GINCO and Welch jointly employed these workers and exercised joint control over these workers as they performed their work.

53. Moreover, Welch was aware that its labor subcontractors misclassified workers as independent contractors. For example, Ramirez's owner communicated to Welch that he classified his workers as independent contractors.

54. The extent of the worker misclassification scheme uncovered to date indicates that such unlawful activities are widespread among Welch's labor subcontractors in the District and that Welch exercises the same level of supervision and control over the subcontracted workers on all of its worksites, and as such, is liable as a joint employer for the harm to the subcontracted workers.

iv. The Defendants repeatedly violated the MWRA and SSLA.

55. Welch's labor subcontractors, including but not limited to certain Labor Subcontractor Defendants, routinely violated the minimum wage provisions of the MWRA, which requires employers to pay employees statutory delineated hourly rates for work performed within the District.

56. Welch's labor subcontractors, including but not limited to all the Labor Subcontractor Defendants, routinely violated the overtime provisions of the MWRA, which requires employers to pay employees rates of at least one-and-half times their regular wage for hours worked in excess of 40 hours per week.

57. Welch's labor subcontractors, including but not limited to all the Labor Subcontractor Defendants, routinely violated the paid sick leave provisions of the SSLA, which requires employers to provide employees with accrued paid sick leave at a rate that depends on the employer's total number of employees.

58. MPC repeatedly failed to pay workers at the District's minimum wage rate for hours worked. For example, MPC's own payroll records for pay periods from November 2021 to March

2022 show at least 18 workers were paid sub-minimum wages of \$13/hour, \$14/hour, or \$15/hour when the District's minimum wage at the time was \$15.20/hour.

59. MPC repeatedly failed to pay workers overtime rates when they worked hours in excess of 40 hours per week. For example, MPC's own pay records from November 2021 to March 2022 show more than 200 occasions where its workers were not paid an overtime premium for hours worked in excess of 40 hours per week.

60. Ramirez repeatedly failed to pay workers at the District's minimum wage rate for hours worked. For example, Ramirez's own payroll records for pay periods from February 2022 to March 2022 show at least 9 workers were paid sub-minimum wages of \$13/hour or \$15/hour when the District's minimum wage at the time was \$15.20/hour.

61. Ramirez repeatedly failed to pay workers overtime rates when they worked hours in excess of 40 hours per week. For example, Ramirez's own pay records from February 2022 to March 2022 show more than 40 occasions where its workers were not paid an overtime premium for hours worked in excess of 40 hours per week.

62. GINCO repeatedly failed to pay workers overtime rates when they worked in excess of 40 hours per week.

63. MPC, Ramirez, and GINCO do not provide their workers with paid sick leave because these workers are improperly misclassified as independent contractors.

64. The extent of wage violations—such as denial of minimum wage, overtime pay, and paid sick leave—uncovered to date indicates that such unlawful activity is widespread among Welch's labor subcontractors in the District and that Welch exercises the same level of supervision and control over these subcontract workers, and as such, is liable as a joint employer for the harm to the subcontracted workers.

E. Defendants Whiting-Turner and Welch are strictly liable for their labor subcontractors' violations of the District's wage-and-hour laws.

65. Under District law, general contractors and intermediate contractors are jointly and severally liable for a subcontractor's owed wages and damages resulting from the misclassification of a subcontractor's employees. *See* D.C. Code § 32-1012(c); §32-1303(5).

66. Whiting-Turner, as the general contractor, is therefore jointly and severally liable for the wage-and-hour violations of the labor subcontractors on its worksites in the District, including those of MPC, Ramirez, and GINCO, and specifically for the unlawful misclassification of workers, the failure to pay the minimum wage and overtime pay, and the failure to provide paid sick leave.

67. Welch, as the intermediate subcontractor, is jointly and severally liable for the wage-and-hour violations of the labor subcontractors on its worksites in the District, including those of MPC, Ramirez, and GINCO, and specifically for the unlawful misclassification of workers, the failure to pay the minimum wage and overtime pay, and the failure to provide paid sick leave.

CLAIMS FOR RELIEF

**COUNT I: WORKER MISCLASSIFICATION –
VIOLATION OF THE WORKPLACE FRAUD ACT**

68. The District re-alleges the foregoing paragraphs of this Complaint as if fully set forth herein.

69. The WFA prohibits employers from improperly classifying workers as independent contractors when they should be classified as employees. D.C. Code § 32-1331.04.

70. Defendants MPC, Ramirez, and GINCO are “employers” as defined by the WFA and are liable for violating the WFA by misclassifying their workers as independent contractors when they should have been classified as employees. D.C. Code §§ 32-1331.01(2)-(3); 1331.04.

71. Defendant Welch is also an “employer” as defined by the WFA (i.e., a joint employer) of the subcontracted workers who worked on its worksites in the District, including but not limited to the misclassified MPC, Ramirez, and GINCO workers. D.C. Code § 32-1331.01(3).

72. In addition, D.C. Code § 32-1303(5) provides that parties in a contracting chain, including the general contractor and the intermediate subcontractor, are jointly and severally liable for a subcontractor’s violations of the WFA.

73. Thus, under D.C. Code § 32-1303(5), upstream contractors Welch and Whiting-Turner are jointly and severally liable for any violations of the WFA committed by their lower-tier subcontractors.

74. The Attorney General is authorized to bring a civil action in the Superior Court for violations of the WFA and may recover restitution, injunctive relief, statutory penalties, attorneys’ fees, and other authorized relief. D.C. Code § 32-1306(a)(2)(A).

75. Under the WFA, misclassified employees are entitled to damages of \$500 for each violation of the WFA. D.C. Code § 32-1331.09(a)(2).

76. Under the WFA, a court may award misclassified employees back wages and treble damages of lost wages or benefits. D.C. Code § 32-1331.09(b).

77. Under the WFA, employers are subject to a civil penalty of between \$1,000 and \$5,000 for each violation of the WFA, where each misclassified employee shall be considered a separate violation. D.C. Code § 32-1331.07(a).

78. The District brings this claim for relief against all Defendants to recover damages and penalties for violations of the WFA, in an amount to be proven at trial.

**COUNT II: FAILURE TO PAY OVERTIME –
VIOLATION OF THE MINIMUM WAGE REVISION ACT**

79. The District re-alleges the foregoing paragraphs of this Complaint as if fully set forth herein.

80. The MWRA requires employers to pay employees an overtime wage rate of at least 1.5 times the employee’s regular rate for hours worked in excess of 40 hours per week. D.C. Code § 32-1003(c).

81. MPC, Ramirez, and GINCO are “employers,” and their workers are “employees” as defined by the MWRA. D.C. Code § 32-1002(1A), (2), (3).

82. MPC, Ramirez, and GINCO violated the MWRA by failing to pay overtime rates to their employees for hours worked in excess of 40 hours per week.

83. Defendant Welch is also an “employer” as defined by the MWRA (i.e., a joint employer) of the subcontracted workers who worked on its worksites in the District, including but not limited to the MPC, Ramirez, and GINCO workers. D.C. Code § 32-1002(3).

84. In addition, D.C. Code § 32-1012(c) provides that parties in a contracting chain, including the general contractor and the intermediate subcontractor, are jointly and severally liable for a subcontractor’s violations of the MWRA.

85. Thus, under D.C. Code § 32-1012(c), upstream contractors Welch and Whiting-Turner are jointly and severally liable for any violations of the MWRA committed by their lower-tier subcontractors.

86. The Attorney General is authorized to bring a civil action in the Superior Court for violations of the MWRA and may recover restitution, injunctive relief, statutory penalties, attorneys’ fees, and other authorized relief. D.C. Code § 32-1306(a)(2)(A).

87. For violations of the MWRA, the Attorney General is authorized to recover the

payment of overtime wages unlawfully withheld and an additional amount of liquidated damages equal to treble the amount of unlawfully withheld wages. D.C. Code § 32-1306(a)(2)(A)(iii).

88. For violations of the MWRA, the law provides for penalties of \$50 (for first violations) or \$100 (for subsequent violations) for each employee or person whose rights under the MWRA are violated for each day that the violation occurred or continued. D.C. Code § 321011(d)(1)(A)-(B).

89. The District brings this claim for relief against all Defendants to recover damages and penalties for overtime violations of the MWRA, in an amount to be proven at trial.

**COUNT III: FAILURE TO PAY THE MINIMUM WAGE –
VIOLATION OF THE MINIMUM WAGE REVISION ACT**

90. The District re-alleges the foregoing paragraphs of this Complaint as if fully set forth herein.

91. The MWRA required employers to pay employees a minimum wage rate of \$14 per hour from July 1, 2019 to June 30, 2020; \$15 per hour from July 1, 2020 to June 30, 2021; \$15.20 per hour from July 1, 2021 to June 30, 2022; \$16.10 per hour from July 1, 2022 to June 30, 2023; and \$17 per hour from July 1, 2023 to June 30, 2024. *See* D.C. Code § 32-1003(c).

92. MPC and Ramirez are “employers,” and their workers are “employees” as defined by the MWRA. D.C. Code § 32-1002(1A), (2), (3).

93. MPC and Ramirez violated the MWRA by failing to pay the minimum wage to their employees.

94. Defendant Welch is also an “employer” as defined by the MWRA (i.e., a joint employer) of the subcontracted workers who worked on their worksites in the District, including but not limited to the MPC and Ramirez workers. D.C. Code § 32-1002(3).

95. In addition, D.C. Code § 32-1012(c) provides that parties in a contracting chain, including the general contractor and the intermediate subcontractor, are jointly and severally liable for a subcontractor's violations of the MWRA.

96. Thus, under D.C. Code § 32-1012(c), upstream contractors Welch and Whiting-Turner are jointly and severally liable for any violations of the MWRA committed by their lower-tier subcontractors, including MPC and Ramirez.

97. The Attorney General is authorized to bring a civil action in the Superior Court for violations of the MWRA and may recover restitution, injunctive relief, statutory penalties, attorneys' fees, and other authorized relief. D.C. Code § 32-1306(a)(2)(A).

98. For violations of the MWRA, the Attorney General is authorized to recover the payment of wages unlawfully withheld and an additional amount of liquidated damages equal to treble the amount of unlawfully withheld wages. D.C. Code § 32-1306(a)(2)(A)(iii).

99. For violations of the MWRA, the law provides for penalties of \$50 (for first violations) or \$100 (for subsequent violations) for each employee or person whose rights under the MWRA are violated for each day that the violation occurred or continued. D.C. Code § 321011(d)(1)(A)-(B).

100. The District brings this claim for relief against Defendants Welch, Whiting-Turner, MPC, and Ramirez to recover damages and penalties for minimum wage violations of the MWRA, in an amount to be proven at trial.

**COUNT IV: FAILURE TO PROVIDE PAID SICK LEAVE –
VIOLATION OF THE SICK AND SAFE LEAVE ACT**

101. The District re-alleges the foregoing paragraphs of this Complaint as if fully set forth herein.

102. The SSLA requires employers to provide employees with paid sick leave, which is accrued based upon hours worked at a rate that depends on the employer's total number of employees. D.C. Code § 32-531.02.

103. Defendants MPC, Ramirez, and GINCO are "employers" as defined by the SSLA. D.C. Code § 32-531.01(3).

104. Defendant Welch is also an "employer" as defined by the SSLA (i.e., a joint employer) of the subcontracted workers who worked on their worksites in the District, including but not limited to the MPC, Ramirez, and GINCO workers. D.C. Code § 32-531.01(3).

105. In addition, D.C. Code § 32-1303(5) provides that parties in a contracting chain, including the general contractor and the intermediate subcontractor, are jointly and severally liable for a subcontractor's violations of the SSLA.

106. Thus, under D.C. Code § 32-1303(5), upstream contractors Welch and Whiting-Turner are jointly and severally liable for any violations of the SSLA committed by their lower-tier subcontractors.

107. The Attorney General is authorized to bring a civil action for violations of the SSLA and may recover restitution, injunctive relief, statutory penalties, attorneys' fees, and other authorized relief. D.C. Code § 32-1306(a)(2)(A).

108. Under the SSLA, Employees are entitled to damages of \$500 for each accrued paid sick leave day denied. D.C. Code § 32-531.12(b).

109. Employers are subject to a penalty of \$1,000 (for the first offense), \$1,500 (for the second offense), and \$2,000 (for the third and each subsequent offense) for each violation of the SSLA. D.C. Code § 32-531.12(c).

110. The District brings this claim for relief against all Defendants to recover damages and penalties for violations of the SSLA, in an amount to be proven at trial.

REQUESTED RELIEF

WHEREFORE, Plaintiff District of Columbia respectfully requests:

- a. A declaratory judgment that the worker misclassification scheme alleged herein is unlawful and the subcontracted workers are employees as defined by the Workplace Fraud Act, Minimum Wage Revision Act, and Sick and Safe Leave Act;
- b. An injunction enjoining all Defendants from continuing to violate the Workplace Fraud Act, Minimum Wage Revision Act, and Sick and Safe Leave Act through the worker misclassification scheme alleged herein;
- c. An award of damages and treble damages for lost wages or benefits against all Defendants for misclassifying workers as independent contractors in violation of the Workplace Fraud Act, in an amount to be proven at trial;
- d. An award of damages and liquidated damages against all Defendants for failing to pay minimum wage and/or overtime pay in violation of the Minimum Wage Revision Act, in an amount to be proven at trial;
- e. An award of damages against all Defendants for failing to provide accrued paid sick leave to the subcontracted workers in violation of the Sick and Safe Leave Act, in an amount to be proven at trial;
- f. Statutory penalties against all Defendants for each violation of the Workplace Fraud Act, the Minimum Wage Revision Act, and Sick and Safe Leave Act;
- g. An award of costs and reasonable attorneys' fees; and
- h. Such other and further relief as this Court deems just and proper.

JURY DEMAND

The District demands a jury trial on all issues triable of right by a jury in this matter.

Respectfully submitted,

Dated: June 18, 2024

BRIAN L. SCHWALB
Attorney General for the District of Columbia

JENNIFER C. JONES
Deputy Attorney General
Public Advocacy Division

/s/ James Graham Lake
JAMES GRAHAM LAKE [D.C. Bar No. 1028853]
Chief, Workers' Rights and Antifraud Section

/s/ Jude C. Nwaokobia
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