



Department of Labor Puts Colorado Construction Industry in the Crosshairs

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The chances that a construction company in Colorado will be the target of a Department of Labor (DOL) compliance audit is far greater than ever before. Earlier this year, the DOL announced an enforcement initiative for 2010 focusing on the construction industry in the Denver area. The agency noted that the industry tends to have low compliance rates with federal minimum wage and overtime requirements.

So, what should you do? First, immediately review your pay practices for potential vulnerabilities. Then decide what changes you need to make and how best to make those changes. Evaluating the situation now could substantially reduce potential liability later. Employers should pay particular attention to the following areas, which seem to cause recurring problems in the construction industry.

Misclassification of Workers: Construction companies sometimes mistakenly believe they do not have to comply with the Fair Labor Standards Act (FLSA) because they consider their workers to be "independent contractors" rather than employees.

Minimum Wage and Overtime Requirements: FLSA regulations require employers to keep accurate records of the hours worked by nonexempt employees.

Child Labor: Construction employers must comply with the FLSA's child-labor restrictions for workers under 18.

The Dept. of Labor has made no secret of its intentions. It is targeting construction companies in the Denver area for compliance audits. Don't wait until the wolf is at the door. The time is now to get your house in order.

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Darin L. Mackender
Of Counsel
303.218.3650
Email