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## Attorney General Martha Coakley



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### **Arizona Trash Disposal Company to Pay Over \$1.3 Million to Employees for Miscalculations on Overtime and Prevailing Wage Rates**

**BOSTON** – An Arizona-based trash disposal company has reached an agreement with Attorney General Martha Coakley’s Office to pay over \$1.3 million to their workers for not paying the correct overtime and prevailing wage rates. Allied Waste Services of Massachusetts, LLC (Allied Waste), headquartered in Phoenix, Arizona, has agreed to a supplemental settlement to compensate employees for miscalculated prevailing wage and overtime rates for work performed throughout the Commonwealth. Allied Waste has agreed to pay an additional \$1,327,567 in restitution to the affected employees.

“Our office is working diligently to make sure that workers are paid what they are entitled to under the law and to level the playing field so that providers of waste management services that follow the rules are not at a competitive disadvantage,” said Attorney General Coakley.

In August 2007, the AG’s Office received complaints from employees of Allied Waste alleging they had not been paid properly for trash disposal work performed at the Oak Bluffs/Tisbury Transfer Station. Investigators from the AG’s Fair Labor Division discovered that from October 2005 through December 2007, Allied Waste had failed to properly pay prevailing wage and overtime to certain employees. In March 2009, the AG’s Office reached an agreement with Allied Waste to settle the prevailing wage and overtime violations, in which the company paid over \$404,000 in restitution and a \$50,000 penalty to the Commonwealth. As part of that settlement, Allied Waste agreed to a supplemental audit of their prevailing wage and overtime calculations for all employees in the Commonwealth.

As a result of the supplemental audit (performed by national accounting firm Deloitte and Touche), it was determined that approximately 350 of Allied Waste’s employees were owed a total of \$1,327,567 in restitution for miscalculated prevailing wage and overtime rates.

Allied Waste cooperated with the Attorney General’s Office throughout the investigation.

The Massachusetts Prevailing Wage Laws apply to certain types of public work construction projects and public service contracts in the state. The Prevailing Wage Law creates a “level playing field” for contractors and subcontractors engaged in public works by standardizing the rate of pay the workers must receive. A company’s failure to pay prevailing wages can result in both civil and criminal penalties against the company and its owners. Massachusetts law also requires that most hourly employees who work more than 40 hours in a week be paid one and one-half times their regular rate of pay for hours worked over 40. For work for which a prevailing wage rate applies, overtime must be calculated based on the hourly prevailing wage.

The Attorney General’s Office is responsible for enforcing the laws regulating the payment of wages laws, overtime and misclassification of employees in the Commonwealth. Workers who believe they have not been paid all their wages, including earned vacation pay or that their rights have been violated are strongly urged to call the Attorney General’s Fair Labor Hotline at (617) 727-3465. More information about the wage and hour laws is also available in multiple languages at the Attorney General’s Workplace Rights website: [www.massworkrights.com](http://www.massworkrights.com).

The matter was settled by Assistant Attorney General Jocelyn B. Jones, Acting Chief, Assistant Attorney General Bruce Trager and was investigated by Amy L. Goyer, Chief of Investigations, all of the Attorney General’s Fair Labor Division.

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