



OFFICE OF FIELD POLICY
AND MANAGEMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-0050

Special Attention of:
Regional and Field Davis-Bacon and Labor
Standards Staff;
Public Housing Regional and Office
Directors;
Public Housing Agencies;
Community Planning and Development
Regional and Field Office Directors;
Community Development Block Grant
Grantees;
HOME Investment Partnership Program
Grantees
Office of Native American Programs
Administrators;
Tribes; Tribally Designated Housing Entities;
Indian Housing Authorities
Department of Hawaiian Home Lands

Notice: LR-23-01
Issued: January 12, 2023
Expires: This Notice is effective until it is
amended, superseded, or
rescinded.
Supersedes: LR-92-02

Cross References: HUD Handbook 1344.1
REV-2, Chapter 10; 29 CFR Section 5.7, and
Reorganization Plan No. 14 of 1950

SUBJECT: Submission Requirements for Section 5.7 Labor Standards Enforcement Reports
(Davis-Bacon and Related Acts).

I. PURPOSE

To notify public housing agencies, Community Development Block Grant grantees, HOME Investment Partnership Program grantees, tribally designated housing entities, the Department of Hawaiian Home Lands (collectively the Agencies or Local Contracting Agencies (LCAs)), and HUD staff of guidance that clarifies the reporting requirements contained in Chapter 10 of HUD Handbook 1344.1 REV-3 and 29 CFR § 5.7.

II. BACKGROUND

The U.S. Department of Labor (DOL) regulations at 29 CFR § 5.7 describe the four types of reports that HUD must submit to the Secretary of Labor:

1. Enforcement reports, which cover wage underpayments by contractors and subcontractors. Note that enforcement reports concern only wage violations associated with projects or contracts subject to the labor standards provisions of the Davis-Bacon and Related Acts (DBRA).
2. Semi-annual enforcement reports, which cover... under the provisions of the Davis-Bacon and F Reorganization Plan No. 14 of 1950.

3. Additional information reports, which cover contracting activity by contractors and subcontractors upon request by DOL.
4. Contract termination reports, which cover contract terminations due to violations of labor standards provisions or other statutes.

III. ENFORCEMENT REPORTS

Enforcement reports, as described at 29 CFR § 5.7(a), may or may not need to be submitted to DOL based on certain parameters.

- A. Reports Not Sent to DOL. An enforcement report does not need to be submitted to DOL when the following parameters are met:
 1. Underpayments totaled less than \$1,000; and
 2. There is no reason to believe the violations were aggravated or willful; and
 3. Restitution has been affected and future compliance assured; and
 4. The investigation was not made at the request of the DOL.

All four of these conditions must be met before determining that the report does not need to be sent to DOL. In all other situations, a report must be filed with DOL.

- B. Reports Sent to DOL. An enforcement report must be sent to DOL when the following parameters are met. Please note this section is unlike Section A above where all four parameters must be met. In this Section, if any one of the conditions are met, a report must be submitted to DOL.
 1. Underpayments by a contractor or subcontractor total \$1,000 or more (Note: The \$1,000 threshold refers to the underpayments of a single employer to its entire workforce and not to individual employees.); or
 2. There is reason to believe that labor standards violations are aggravated or willful; or
 3. Restitution has not been affected and future compliance is not assured; or
 4. The investigation was made at the request of DOL.

If at least one of the conditions listed above is met, the report must be sent to DOL.

IV. SUBMISSION PROTOCOLS

When enforcement reports are required to be submitted to the DOL in accordance with Section B above, the enforcement report must be submitted to DOL through HUD. LCAs shall submit enforcement reports to the Labor Standards Specialist (LSS) for their jurisdiction. Reports received or prepared by the LSS shall be submitted to the HUD Regional Labor Standards Officer (RLSO). The RLSO shall submit the report directly to the DOL Regional Enforcement Coordinator and shall send a copy to HUD Office of Davis-Bacon and Labor Standards Headquarters (HQLS) for its information.

V. TIMING OF THE REPORT

Enforcement reports that require or request further action or review must be submitted to DOL within 60 days after the completion of the investigation. "Investigation" in this context includes all compliance monitoring, including routine payroll reviews, and all actions taken by the agency or contractor toward disposition of the case such as agreement to pay restitution, refusal to pay, and/or request for a hearing.

Therefore, the report should not be prepared until after final disposition is reached at the local level. It is not necessary to wait until all the underpaid workers have received the restitution found due to prepare the report.

Where the report must be submitted to DOL through HQLS, the RLSO shall furnish the report to HQLS not later than 45 days after completion of the investigation. This allows adequate time to complete its review and submit the report within the overall 60-day deadline.

VI. CONTENT OF THE REPORT

The amount of detail needed in the report and any supporting documentation is dependent on the report's purpose. Each enforcement report must contain basic coverage information: project identification and location, the contractor and any subcontractors involved, the nature of the violations, the number of underpaid workers and the total amount calculated due, the disposition of the case, and schedule of back wages due.

Reports that refer a request for further action, i.e., a hearing or debarment recommendation, must be detailed in narrative and must be accompanied by exhibits which, together, are sufficient to substantiate the violations and document the investigative actions of the agency.

VII. SEMI-ANNUAL ENFORCEMENT REPORTS

HUD is required to furnish to DOL semi-annual reports (SAR) concerning the volume of DBRA covered activities and the compliance and enforcement of DBRA labor standards provisions in HUD programs. The reports are due to DOL by April 30 and October 31 of each calendar year and cover the periods of October 1 through March 31 and April 1 through September 30, respectively. (See DOL regulations at 29 CFR § 5.7(b) and All Agency Memorandum 189.)

To prepare the SAR, HQLS collects data on internal projects from the HUD labor standards information system, LR2000, and collects data on LCA activities from each RLSO. The RLSO collects the information from the LCAs in their jurisdiction and compiles the data for submission to HQLS. HQLS then compiles the data for all regions and submits a consolidated report to DOL.

- A. LCA-administered projects.** LCAs must maintain the data necessary for the SAR and submit the data to HUD on form HUD-4710 (OMB Control Number 2501-0019). The LSS/RLSO collects the data (HUD-4710) during first week of April and October from the LCAs in their jurisdiction. RLSOs shall compile the LCA data for their region and

submit the compiled data to HQLS no later than six (6) working days in advance of the due date to DOL. The HUD-4710 and instructions are available online at HUDClips. The HUD-4710 is on-screen fillable and can be transmitted to HUD electronically.

- B. **HUD-administered projects.** SAR data relative to projects administered by HUD DBLS staff are recorded in and drawn from the LR2000 system. RLSOs must ensure that the SAR data in LR2000 are correct and complete not later than six (6) workdays in advance of the due date to DOL. HQLS shall begin drawing the LR2000 SARs on the 5th workday in advance of the due date to DOL.

VIII. ADDITIONAL INFORMATION REPORTS

Upon request by DOL, HUD shall transmit a report that contains the information it has available with respect to contractor and subcontractor activities and the labor standards provisions referenced in this Notice.

IX. CONTRACT TERMINATION REPORTS

Whenever a contract is terminated because of violations of DBRA labor standards provisions, a report must be promptly submitted to DOL. The report must include:

1. The name and address of the contractor or subcontractor whose contract has been terminated;
2. The name and address of the contractor or subcontractor, if any, who will complete the work;
3. The contract number and the amount; and
4. A description of the work to be performed.

The agency (HUD or LCA) generating the report shall complete it within 30 days after the contract is terminated. LCAs shall submit contract termination reports to the LSS for their jurisdiction. All termination reports must be submitted to HQLS through the respective RLSO. (See also DOL regulations at 29 CFR § 5.7(d).)

X. PAPERWORK REDUCTION ACT

The information collection requirements contained in this Notice are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3520). In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The active information collections contained in this Notice are approved under the OMB Control Number 2501-0019.

XI. CONTACTS

If you have questions about this Notice, contact the DBLS staff with jurisdiction in your area. A list of DBLS contacts is available on the national webpage.¹



Michele P. Perez
Assistant Deputy Secretary
Office of Field Policy and Management

¹ Find your local DBLS contact at https://www.hud.gov/program_offices/davis_bacon_and_labor_standards/laborrelstf

