



**U.S. Department of Housing and
Urban Development, Office of Davis-
Bacon and Labor Standards,
Washington, DC**

**Wage Determinations for FHA-Insured Multifamily
Construction Projects**



OFFICE OF INSPECTOR GENERAL
U.S. Department of Housing and Urban Development

To: Pamela Glekas Spring, Director, Office of Davis-Bacon and Labor Standards, M
//signed//
From: David E. Kasperowicz
Regional Inspector General for Audit, Philadelphia Region, 3AGA
Subject: HUD Did Not Always Implement the Correct Davis-Bacon Wage Determinations and Maintain Documentation to Support Its Determinations

Attached is the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) final results of our review of HUD's implementation of the prevailing wage provisions of the Davis-Bacon Act for Federal Housing Administration (FHA)-insured multifamily construction projects.

HUD Handbook 2000.06, REV-4, sets specific timeframes for management decisions on recommended corrective actions. For each recommendation without a management decision, please respond and provide status reports in accordance with the HUD Handbook. Please furnish us copies of any correspondence or directives issued because of the audit.

The Inspector General Act, Title 5 United States Code, appendix 8M, requires that OIG post its reports on the OIG website. Accordingly, this report will be posted at <https://www.hudoig.gov>.

If you have any questions or comments about this report, please do not hesitate to call me at 215-430-6735.



Audit Report Number: 2021-PH-0001

Date: October 6, 2020

HUD Did Not Always Implement the Correct Davis-Bacon Wage Determinations and Maintain Documentation to Support Its Determinations

Highlights

What We Audited and Why

We audited the U.S. Department of Housing and Urban Development's (HUD) implementation of the prevailing wage provisions of the Davis-Bacon Act for its Federal Housing Administration (FHA)-insured multifamily construction projects. We conducted the audit because we received an anonymous complaint alleging that HUD did not implement correct wage determinations for a \$33 million multifamily construction project located in Oxnard, CA. Our audit objectives were to determine whether (1) the allegation in the complaint had merit and (2) HUD implemented the correct Davis-Bacon wage determinations for its multifamily construction projects.

What We Found

The allegation that HUD did not implement correct wage determinations for the FHA-insured multifamily construction project in Oxnard, CA, had merit. HUD's use of incorrect wage determinations caused wage rates paid to laborers and mechanics to be incorrect. Additionally, our review of wage determinations associated with four other FHA-insured multifamily construction projects not mentioned in the complaint showed that HUD also did not implement correct wage determinations for them. This condition occurred because HUD lacked controls and did not implement guidance provided by the U.S. Department of Labor's longstanding policy regarding the application of multiple wage determinations for construction categories in construction projects covered by prevailing wage provisions of the Davis-Bacon Act. As a result, workers could have been underpaid.

What We Recommend

We recommend that HUD (1) seek guidance from the Department of Labor to correct the wage determinations for the five projects addressed in this report; (2) determine the correct wages to be paid to workers and ensure that appropriate actions are taken to pay the workers; (3) update HUD's guidance to comply with the Department of Labor's policies and guidance on the application of multiple wage determinations for construction projects; and (4) develop and implement controls to ensure that the appropriate Davis-Bacon wage rate determinations are implemented in the contracts of FHA-insured multifamily construction projects that require multiple wage determinations, including the requirement that contract specifications clearly identify the portions of the contract subject to each assigned wage determination.

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Background and Objectives

The Davis-Bacon Act was enacted in 1931 to ensure that local workers received a fair wage and to provide local contractors a fair opportunity to compete for local Federal Government contracts. The Act applies to all contractors and subcontractors performing work on federally funded or assisted contracts in excess of \$2,000, for which the United States or District of Columbia is a party for the construction, alteration, or repair of public building or public works to pay their laborers and mechanics not less than the locally prevailing wage rates and fringe benefits for corresponding work on similar projects in the area. The Davis-Bacon prevailing wage provisions apply to the National Housing Act, which is a related act.¹ The National Housing Act requires that the U.S. Department of Housing and Urban Development (HUD) ensure that prevailing wages are paid to laborers and mechanics who perform contract work on Federal Housing Administration (FHA)-insured multifamily projects based upon the number of dwelling units involved.

The U.S. Department of Labor has overall regulatory and oversight authority to determine prevailing wage rates and fringe benefits and to investigate compliance with the Act. The day-to-day project-specific responsibilities for administration and enforcement of the Davis-Bacon labor standards provisions reside with the specific contracting agencies, such as HUD. The Department of Labor is also authorized to coordinate the administration of legislation relating to wages and hours on federally financed or assisted projects by prescribing standards, regulations, and procedures to govern the enforcement activities of the various Federal agencies.

As a matter of longstanding policy, the Department of Labor has distinguished four general types of construction categories for purposes of making prevailing wage determinations: (1) building construction, (2) residential construction, (3) heavy construction, and (4) highway construction. The Department of Labor's all-agency memorandums 130 and 131 provide guidance in applying this policy. In addition, pertinent information can be found in the Department of Labor's Prevailing Wage Resource Book on the applicability of multiple wage determinations for more than one type of construction category when items that fall into a separate construction category type comprise at least 20 percent of the total project costs or cost at least \$1 million, which is defined as substantial. Contracting agencies such as HUD should use these descriptions and illustrations in meeting their responsibilities to ensure a uniform and consistent administration of the Act's prevailing wage statutes. Davis-Bacon wage determinations are to be used in accordance with the provision of regulations at 29 CFR (Code of Federal Regulations) parts 1, 3, and 5. Copies of the applicable wage determinations must be included in the contract documentation.

HUD's Office of Davis-Bacon and Labor Standards is responsible for the administration and enforcement of Davis-Bacon standards provisions in HUD programs. It has staff located in HUD

¹ Related acts are those acts under which Federal agencies apply the Davis-Bacon Act prevailing wage provisions to construction projects that they assist through grants, loans, loan guarantees, and insurance. For HUD, the related act is the National Housing Act.

headquarters and in each HUD region. The Department of Labor requires HUD's Office of Davis-Bacon and Labor Standards to

- Ensure that the proper Davis-Bacon wage determination(s) is applied to such bid solicitations, construction contracts, and contract specifications.
- Advise contractors on which schedule of prevailing wage applies to various construction items if a contract includes a multiple wage schedule.

The Department of Labor's wage determinations are defined by geographic areas, usually by county or group of counties, and can be accessed via a website available to the general public.² A wage determination is the listing of wage rates and fringe benefit rates for each classification of laborers and mechanics (workers) as determined by the administrator of the Wage and Hour Division of the Department of Labor to be prevailing in a given area for a particular type of construction.

We received an anonymous complaint that HUD did not implement the correct wage determinations for a \$33 million multifamily FHA-insured construction project located in Oxnard, CA.

Our audit objectives were to determine whether (1) the allegation in the complaint had merit and (2) HUD implemented the correct Davis-Bacon wage determinations for its multifamily construction projects.

² As of June 14, 2019, this information can be found at <https://beta.sam.gov/>

Results of Audit

Finding: HUD Did Not Always Implement the Correct Davis-Bacon Wage Determinations and Maintain Documentation to Support Its Determinations

HUD did not always implement the correct wage determinations and maintain documentation to support wage determinations in five of six multifamily construction projects that required multiple wage determinations. The complaint had merit. Specifically, HUD did not correctly identify the character and category of construction work for the FHA-insured multifamily projects; thus, the wage determinations implemented in contracts did not comply with prevailing wage provisions of the Davis-Bacon Act. This condition occurred because HUD lacked controls and did not implement the guidance it received from the Department of Labor to comply with its longstanding policy on the application of multiple wage determinations for separate construction categories when the cost of the work involved is substantial in multifamily construction projects. As a result, workers could have been underpaid.

Wage Determinations Used in Multifamily FHA-Insured Contracts Did Not Always Meet Davis-Bacon Standards and Were Not Supported

HUD did not ensure that wage determinations included in five of six FHA-insured multifamily contracts were correct, always supported, and complied with prevailing wage provisions of the Davis-Bacon Act. Specifically, HUD did not implement the correct wage determinations or maintain documentation to support its wage determinations for five of six construction projects reviewed, including the project mentioned in the complaint. Department of Labor regulations at 29 CFR 1.5(a) and 1.6(b) required contracting agencies such as HUD to access its website and ensure that only the appropriate wage determinations were applied to construction projects. Any questions regarding application of wage rate schedules were to be referred to the Department of Labor, which would give foremost consideration to area practice in resolving the matter.

Although HUD accessed the appropriate website, it did not apply the correct wage determinations in its FHA-insured multifamily construction contracts to ensure that wage rates were fair and accurate. Below are summaries of the construction projects reviewed in which incorrect wage determinations were incorporated into contracts, which caused wage rates paid to workers to be incorrect and could have caused workers to have been underpaid.

- Las Cortes Apartments – This construction project, located in Oxnard, CA, was the subject of the complaint. HUD could not provide documentation supporting (1) implementation of a multiple wage determination, (2) the increased wage rates and their effect on the contract, (3) its analysis of certified payrolls to ensure that the contractor complied with Davis-Bacon prevailing wage rates, and (4) its zero cost impact change

order. Wages totaling more than \$11.1 million were paid to workers. Some workers could have been underpaid.³

In July 2017, the Department of Labor advised HUD that it did not include the applicable multiple wage determinations in the contract. HUD inappropriately included only a residential wage determination in the contract when it should have also applied wage determinations for the building, heavy, and highway construction categories. The Department of Labor required HUD to use multiple wage determinations and modify the contract. HUD performed an internal review of the project's certified payroll in which it compared the lower single residential determination wage rates to the multiple wage determinations with higher wage rates to determine whether workers were paid the correct wage rates.

In January 2018, HUD's Office of Davis-Bacon and Labor Standards sent a letter to the San Francisco Regional Office of Multifamily Housing Programs informing it that the internal review had been completed. A labor specialist from the Office of Davis-Bacon and Labor Standards reviewed the construction project's certified payroll reports from the start of construction on June 29, 2016, through approximately October 15, 2017, before construction completion, to determine the impact of the multiple wage determinations selected. The labor specialist concluded and reported to the multifamily office that it did not find that labor costs were impacted as a result of the applied multiple wage determinations. However, the specialist noted in a separate email that an accessory structure on which construction had not started was not included in the reviewed labor costs and it would require higher wage rates for workers.

The Office of Multifamily Housing Programs required the contractor to modify the contract to show that multiple wage determinations were to be implemented. The general contractor confirmed to the Department of Labor that he intended to pay the "highest" rate applicable because he did not want to track when an employee crossed over from one type of construction category to another, thereby requiring different rates of pay for the same classification. The contractor said the additional wage determinations had no impact on wages paid through August 2017. He reached this conclusion by asking several subcontractors to verify all past, present, and future wage rates for this project with either a no-cost change or the changed amount due to the additional wage determination applied. The contractor agreed with the no-cost change order, which he signed and dated on October 18, 2017, while the project was under construction. However, neither HUD nor the contractor could provide a complete set of records to support the no-cost change order. The no-cost change order was not supported.

- Berkleigh Apartments – HUD used a single residential wage determination, although multiple wage determinations of residential, building, and heavy construction categories

³ Only the Department of Labor can make an after-the-fact determination of whether the correct wage determinations were made and whether employees were underpaid. For this reason, we made recommendations 1A and 1B.

should have been included in the contract because the project included the construction of a parking garage, pool, and outdoor kitchen structure totaling more than \$7.3 million. Wages totaling nearly \$5.6 million were paid to workers. Some workers could have been underpaid.

- Georgia King Apartments – HUD initially used a single residential wage determination and then added a building construction category wage determination 2 months later. The highway construction and heavy construction wage determination categories would have applied because the work items of roads totaling \$1.1 million, land improvements, and storm sewers totaling \$1.5 million were not incidental in function to the overall character of the project. Wages totaling nearly \$3.2 million were paid to workers. Some workers could have been underpaid.
- Larkridge Apartments – HUD used a single residential wage determination, although multiple wage determinations of residential, building, highway, and heavy construction would have applied because the project included an outdoor pool, clubhouse, and detached garage spaces totaling \$2.7 million; construction of roads and walkways totaling more than \$1.7 million; and other land improvements totaling more than \$5.4 million, which was a different construction category and a substantial amount in the construction category. Wages totaling \$439,389 were paid to workers. Some workers could have been underpaid.
- Sole Mia Apartments⁴ – Initially, HUD agreed to use multiple wage determinations of building and heavy construction categories. However, HUD rescinded it and used a single-building wage determination, although multiple wage determinations of building and heavy construction applied because the project included land improvements, including unusual site conditions, totaling \$4 million and accessory structures totaling more than \$13 million. The components within land improvements involved characteristics of heavy construction, including concrete grade beams and pile caps, methane gas mitigation system ground water extraction wells, soil removal and treatment, and dewatering that surpassed the \$1 million threshold and may be considered a substantial amount within the heavy category. Wages totaling nearly \$23 million were paid to workers. Some workers could have been underpaid.

For the five projects described above, wage determinations were incorrect because HUD lacked controls over its wage determination process. It had not developed standard operating procedures for its review of multifamily projects. It also lacked adequate records, files, and processes applicable to wage determinations and did not immediately follow guidance provided by the Department of Labor. In November 2013 and May 2019, the Department of Labor informed HUD that its wage determination process did not meet labor standards. Specifically, it informed HUD that guidance in HUD Handbook 1344.1, REV-2, CHG-2,⁵ and HUD Labor

⁴ Formerly known as the Biscayne Landing site in Miami, FL

⁵ Title: Federal Labor Standards Requirements in Housing and Urban Development Programs

Relations Letter No. LR-96-03⁶ did not comply with established guidelines on issuing multiple wage determinations based on projects of a similar character and four types of construction categories as documented in the Department of Labor’s all-agency memorandums 130 and 131, dated March and July 1978. In both instances, the Department of Labor requested that HUD review and revise the guidance as appropriate to ensure that the handbook and letter conformed to the applicable Department of Labor guidance. The Department of Labor also requested that HUD provide a report of the actions it had taken to accomplish its request. However, as of January 2020, HUD had not complied with the Department of Labor’s direction. It had not responded to the Department of Labor regarding this issue. It also had not revised Handbook 1344.1, REV-2, CHG-2, and Labor Relations Letter No. LR-96-03. Because HUD did not use correct wage determinations in multifamily construction contracts, workers potentially were paid lower wages.

Conclusion

HUD did not always implement the correct wage determinations and maintain documentation to support wage determinations in multifamily construction projects that required multiple wage determinations because it lacked controls and failed to update its guidance and handbooks as advised by the Department of Labor to comply with prevailing wage provisions. As a result, there was no assurance that workers were paid the correct wages. Some workers could have been underpaid.

Recommendations

We recommend that the Director of HUD’s Office of Davis-Bacon and Labor Standards

- 1A. Seek guidance from the Department of Labor to correct the wage determinations where applicable for the five projects addressed in this report.
- 1B. Based on the outcome of recommendation 1A, determine the correct wages to be paid to workers and ensure that appropriate actions are taken to pay the workers.
- 1C. Update HUD Handbook 1344.1, REV-2, CHG-2, and Labor Relations Letter No. LR-96-03 to comply with the Department of Labor’s policies and guidance on the application of wage determinations for construction projects.
- 1D. Develop and implement controls to ensure that the appropriate Davis-Bacon wage rate determinations are implemented in the contracts of FHA-insured multifamily construction projects that require multiple wage determinations, including the requirement that contract specifications clearly identify the portions of the contract subject to each assigned wage determination, and that adequate documentation to support wage determinations is maintained.

⁶ Subject: Application of Department of Labor guidance concerning “projects of a similar character”

Scope and Methodology

We conducted the audit from December 2018 through August 2020 at HUD's offices located in Washington, DC, and our offices located in Pittsburgh, PA, and Baltimore, MD. The audit covered the period May 1, 2016, through November 30, 2018, but was expanded to August 2019 to include the increase in wages. Specifically, for some of the projects reviewed, workers did not earn wages until after November 2018. Thus, we expanded our scope to ensure that we captured those amounts paid to workers.

To accomplish our objectives, we

- Reviewed applicable HUD guidance, including HUD's Federal Labor Standards Compliance Handbook 1344.1, REV-2, CHG-2, Federal Labor Standards Requirements in Housing and Urban Development Programs; HUD Labor Relations Letter No. 96-03, Application of Department of Labor guidance concerning "projects of a similar character"; and other guidance.
- Reviewed Department of Labor regulations at 29 CFR parts 1, 3, 5, 6, and 7, including its Labor Prevailing Wage Resource Book and all-agency memorandums 130 and 131.
- Obtained and reviewed construction project files for six FHA-insured multifamily projects, which include documents such as lender narratives, cost breakdowns, wage determination documentation, and other project-related records.
- Conducted interviews with HUD's labor relations staff and officials to gain an understanding of policies and procedures governing prevailing wage provisions of the Davis-Bacon Act.
- Engaged in discussion with the Department of Labor's Wage and Hour Division concerning application of wage determinations and construction categories.
- Accessed wage rate decision documentation from a certified payroll system, the Elation System, used by the Department of Labor, to determine whether wage determinations and wage rates for the FHA-insured projects covered under prevailing wage provisions of the Davis-Bacon Act complied with Federal prevailing wage requirements.

To achieve our audit objectives, we relied in part on computer-processed data in HUD's Development Application Processing System. We used data from HUD's system to identify the universe of FHA-insured multifamily projects and select a sample of construction projects for review to determine whether they complied with prevailing wage provisions of the Davis-Bacon Act. Although we did not perform a detailed assessment of the reliability of the data, we did perform a minimal level of testing and found the data to be adequate for our purposes.

HUD's Office of Davis-Bacon and Labor Standards has staff located in each HUD region. For the audit period, HUD provided wage rate decisions for 620 FHA-insured multifamily construction projects nationwide with an initial endorsement loan value of nearly \$14 billion. From the universe, we selected a high dollar-value project from every HUD region for review.

Specifically, we identified the construction projects with the largest loan value in each of HUD's 10 regions and the construction project identified in the complaint which resulted in a sample of 11 projects with loans valued at nearly \$692 million. Of the 11 projects, we selected and reviewed 6 projects. The six projects that we reviewed were the first six projects for which HUD was able to provide wage determination documentation for us to review.⁷ We limited our review to only these six projects due to the voluminous size of the files related to the projects and the significant amount of time it took to review the files. This approach did not allow us to make a statistical projection to the population. We believe that the result of our review of six projects was sufficient to address the complaint and meet the audit objectives. We obtained the construction cost sheet (form HUD-2328), lender narrative, and wage determination documentation from both HUD staff and the certified payroll system used by HUD⁸ to determine whether wage determinations and rates for the FHA-insured projects complied with the prevailing wage provisions of the Davis-Bacon Act.

We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective(s). We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁷ Appendix B provides details on the six projects we reviewed.

⁸ The certified payroll system used by HUD is known as the Elation System. It is a third-party, cloud-based system that allows monitoring and enforcement of both Federal Davis-Bacon and local prevailing wage projects.

Internal Controls

Internal control is a process adopted by those charged with governance and management, designed to provide reasonable assurance about the achievement of the organization's mission, goals, and objectives with regard to

- effectiveness and efficiency of operations,
- reliability of financial reporting, and
- compliance with applicable laws and regulations.

Internal controls comprise the plans, policies, methods, and procedures used to meet the organization's mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations as well as the systems for measuring, reporting, and monitoring program performance.

Relevant Internal Controls

We determined that the following internal controls were relevant to our audit objectives:

- Effectiveness and efficiency of program operations – Policies and procedures that management has implemented to reasonably ensure that a program meets its objectives.
- Validity and reliability of data – Policies and procedures that management has implemented to reasonably ensure that valid and reliable data are obtained, maintained, and fairly disclosed in reports.
- Compliance with applicable laws and regulations – Policies and procedures that management has implemented to reasonably ensure that program participants comply with laws and regulations.

We assessed the relevant controls identified above.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, the reasonable opportunity to prevent, detect, or correct (1) impairments to effectiveness or efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations on a timely basis.

Significant Deficiency

Based on our review, we believe that the following item is a significant deficiency:

- HUD lacked adequate controls to ensure that appropriate wage determinations were included in FHA-insured multifamily construction contracts. (finding)

Appendixes

Appendix A

Auditee Comments and OIG's Evaluation


Ref to OIG Evaluation

Auditee Comments

Comment 1

Comment 1

Comment 1

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

OFFICE OF FIELD POLICY AND MANAGEMENT

August 31, 2020

SENT VIA ELECTRONIC MAIL

MEMORANDUM FOR: David Kasperowicz, Regional Inspector General for Audit, Philadelphia Region, 3AGA

FROM: Pamela Glekas, National Director, Office of Davis-Bacon Labor Standards, M

SUBJECT: Response to OIG Report – Wage Determinations for FHA-Insured Multifamily Construction Projects

Pamela Glekas
Spring
Digitally signed by Pamela Glekas
Spring
Date: 2020.08.31 14:42:52 -0400

Thank you for giving our office the opportunity to speak with you on Monday, August 17, 2020 regarding the subject draft report as well as your invitation to respond in writing to the Office of the Inspector General's Finding 1 reiterated below. HUD and the Department of Labor (DOL) agree that it is in the public interest that Federal agencies' policies and procedures comport, as applicable, and that policies are consistent and clear. Our office has had a change in leadership since 2017, which is the period when most of these projects were reviewed. We take the OIG concerns seriously and will work with OIG and DOL to address the items outlined below. To that end, HUD proposes the following actions to resolve Finding 1.

Finding 1: HUD Did Not Always Implement the Correct Davis-Bacon Wage Determinations and Maintain Documentation to Support Its Determinations

Wage Determinations Used in Multifamily FHA-Insured Contracts Did Not Always Meet Davis-Bacon Standards and Were Not Supported

OIG 1A. Seek guidance from the Department of Labor to correct the wage determinations where applicable for the five projects addressed in this report.

HUD Response: HUD will engage the DOL to discuss the factual circumstances of the five FHA-insured projects in this report. In the absence of any appeals filed with the DOL and insufficient supporting documentation of authorized wages in the HUD files, HUD will discuss procedural avenues that may be available to remedy this Finding, if any exist.

OIG 1B. Based on the outcome of recommendation 1A, determine the correct wages to be paid to workers and ensure that proper actions are taken to pay the workers.

HUD Response: Consistent with the outcome of the procedural avenues discussed with the DOL to address 1A for proceeding in the absence of an appeal, complaint, or other supporting documentation, HUD will seek to confirm whether the workers were actually paid less than the appropriate wages and take appropriate steps to ensure all workers were paid appropriate wages.

www.hud.gov esnano@hud.gov

OIG 1C. Update HUD Handbook 1344.1, REV-2, CHG-2, and Labor Relations Letter No. LR-95-03 to comply with the Department of Labor's policies and guidance on the application of wage determinations for construction projects.

Comment 1

HUD Response: HUD will consult with the DOL to determine appropriate policy and procedural changes that need to be made to HUD's policy documents to address the application of wage determinations and take appropriate steps to promulgate revised policy documents setting forth the official HUD policy with respect to the application of wage determinations.

OIG 1D. Develop and implement controls to ensure that the appropriate Davis-Bacon wage rate determinations are implemented in the contracts of FHA-insured multifamily construction projects that require multiple wage determinations, including the requirement that contract specifications clearly identify the portions of the contract subject to each assigned wage determination, and that adequate documentation to support wage determinations is maintained.

Comment 1

HUD Response: Consistent with the revised policy promulgated under 1C, HUD will take steps to identify a consistent process to ensure consistent application of that policy for FHA-insured construction projects. HUD will institute a quality control operating procedure to ensure it imposes the correct DOL prevailing wage rate schedules and requires appropriate documentation of such schedules where a higher local wage rate schedule is being used in connection with any project. HUD will require documentation to be sufficient to prove that the highest applicable wage was determined to be paid.

If additional information is required, please contact me at [REDACTED]

OIG Evaluation of Auditee Comments

Comment 1 HUD agreed to work with us and the Department of Labor to address the four recommendations. HUD's comments included proposed corrective actions for each recommendation. The planned actions meet the intent of the recommendations. However, to reach management decisions under HUD's Audits Management System, HUD needs to identify the evidence it will provide to show that the planned actions for each recommendation have been implemented as well as target dates for completing the actions. We look forward to working with HUD in the audit resolution process to resolve the recommendations.

For privacy reasons, we redacted the contact information for the Director, Office of Davis-Bacon and Labor Standards.

Appendix B

List of Projects Reviewed

#	HUD region	Name of construction project	State	Multifamily mortgage insurance type	HUD OIG wage determinations	Wages paid as of August 2019
1	IV	Sole Mia Apartments	FL	220	Building and heavy	\$22,886,582
2	V	Wheeling Town Center	IL	221d4	Residential, building, heavy, and highway; Building landscape, heavy landscape, highway landscape, and residential landscape	18,093,261
3	IX	Las Cortes Apartments	CA	221d4	Residential, building, heavy, and highway	11,110,406
4	III	Berkleigh Residences	MD	221d4	Residential, building, and heavy	5,553,279
5	II	Georgia King Village	NJ	221d4	Residential, building, heavy, and highway	3,192,306
6	VIII	Larkridge Apartments	CO	221d4	Residential, building, heavy, and highway	439,389
		Totals				61,275,223