INTRODUCED BY WARD, BREWSTER, SCARNATI, McILHINNEY, EICHELBERGER, D. WHITE, VOGEL, RAFFERTY, BRUBAKER, ORIE, FONTANA, ALLOWAY, GREENLEAF, WAUGH, ARGALL, PICCOLA AND WASHINGTON, FEBRUARY 24, 2011

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES, JUNE 29, 2012

AN ACT

Amending Title 62 (Procurement) of the Pennsylvania Consolidated Statutes, in contracts for public works, providing for verification of the employment eligibility of all employees for purposes of wage reporting and employment eligibility; AND prescribing penalties; and establishing good faith immunity under certain circumstances.

REQUIRING PUBLIC WORKS CONTRACTORS AND SUBCONTRACTORS TO VERIFY EMPLOYMENT ELIGIBILITY; PROVIDING FOR THE POWERS AND DUTIES OF THE DEPARTMENT OF GENERAL SERVICES; PRESCRIBING SANCTIONS; AND ESTABLISHING GOOD FAITH IMMUNITY UNDER CERTAIN CIRCUMSTANCES.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Chapter 39 of Title 62 of the Pennsylvania Consolidated Statutes is amended by adding a subchapter to read:

SUBCHAPTER F

EMPLOYMENT VERIFICATION

Sec. 3951. Scope of subchapter.

Sec. 3952. Definitions.
§ 3951. Scope of subchapter.
This subchapter relates to verification of employment on certain public works projects.

§ 3952. Definitions.
The following words and phrases when used in this subchapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Department." The Department of Labor and Industry of the Commonwealth.

"Employee." An individual hired by a public works contractor after the effective date of this subchapter for whom a public works contractor is required by law to file a Form W-2 with the Internal Revenue Service.

"EVP." The E-Verify Program operated by the Department of Homeland Security that electronically verifies employment eligibility for employees.


"Public body." The Commonwealth of Pennsylvania, any of its political subdivisions, any authority created by the General Assembly of the Commonwealth and any instrumentality or agency of the Commonwealth.

"Public work." Construction, reconstruction, demolition, alteration and repair work other than maintenance work, done under contract and paid for in whole or in part out of the funds...
of a public body where the estimated cost of the total project
is in excess of $25,000. The term shall not include work
performed under a rehabilitation or manpower training program.

"Public works contractor." A contractor that provides goods
or services under a contract involving a public works project.

"Public works project." A project involving a public work.

"Secretary." The Secretary of Labor and Industry of the
Commonwealth.

"Subcontractor." A person, other than a natural person,
regardless of its tier, including, but not limited to, a
staffing agency, that performs work for a public works
contractor under a contract for a public work.

"Willful." Action or conduct undertaken intentionally or
with reckless disregard for or deliberate ignorance of the
requirements and obligations established by this subchapter.

§ 3953. Verification.

(a) General rule.—As a precondition of being awarded a
contract for a public work, and prior to the execution of the
contract, a public works contractor shall provide the public
body with which the contract will be made a verification
statement in which it shall represent the following subject to
and consistent with Federal immigration law:

(1) The public works contractor will verify the
employment eligibility of a new employee for employment
purposes prior to the commencement of work by the new
employee through EVP in accordance with Federal law governing
the use of EVP HAS REGISTERED WITH AND PARTICIPATES IN EVP
AND WILL CONTINUE TO PARTICIPATE IN EVP THROUGHOUT THE LENGTH
OF THE CONTRACT.

(2) The public works contractor will provide the public
body with the verification statement required under subsection (b) from each subcontractor it uses or intends to use on the public works project prior to the commencement of any work by the subcontractor on the public works project.

(3) The public works contractor will provide a certification from the department verifying that the contractor has not previously violated this subchapter.

(b) Subcontractor verification statements. Prior to the execution of a subcontract with a public works contractor, a subcontractor shall provide the public works contractor with a verification statement containing substantially the same information about the subcontractor as required under subsection (a) about the public works contractor. The subcontractor shall submit the verification statement to the contractor prior to the commencement of any work by the subcontractor on the public works project.

(c) Form. The verification statement required by this section shall be on a form prescribed by the secretary and shall comply with the following additional requirements:

(1) The statement shall include a certification that the information in the statement is true and correct and that the person signing the statement understands that the submission of false or misleading information in connection with the verification shall subject the person and the public works contractor or subcontractor, as the case may be, to sanctions provided by law.

(2) The statement shall be signed by a representative of the public works contractor or subcontractor, as applicable, who has sufficient knowledge and authority to make the representations and certifications contained in the
statement.

(d) Discrimination prohibited.--In conducting the employment eligibility required by this section, a public works contractor or its subcontractor, IN PERFORMING THE DUTIES UNDER THIS SUBCHAPTER, shall not discriminate against any employee on the basis of race, ethnicity, color or national origin.

§ 3954. Violations.
The following shall constitute a violation of this subchapter:

1. Employment by a public works contractor or subcontractor of an employee whose employment eligibility has not been verified by EVP as required by this subchapter.

2. Use by a public works contractor of a subcontractor on a public works project prior to the submission by the subcontractor of a verification statement required by this subchapter.

3. Commencement of work by a subcontractor on a public works project prior to submitting to the public works contractor a verification statement required by this subchapter.

4. Making a false statement or misrepresentation in a verification statement required by this subchapter.

5. THE PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR DOES NOT PARTICIPATE IN EVP THROUGHOUT THE LENGTH OF THE CONTRACT AS STATED AS TRUE AND CORRECT UNDER THE VERIFICATION STATEMENT REQUIRED BY THIS SUBCHAPTER.

§ 3955. Enforcement and sanctions.

(a) General rule.--The secretary shall enforce the provisions of this subchapter.

(b) Investigation of complaints.--The secretary shall
accept, review and investigate in a timely manner any credible complaint that a public works contractor or subcontractor has violated a provision of this subchapter.

(c) Audits.—To ensure compliance with the requirements of this subchapter, the secretary shall conduct complaint based and random audits of public works contractors and subcontractors in this Commonwealth. In conducting such audits, the secretary shall evaluate the process utilized by the public works contractors and subcontractors in complying with the requirements of this subchapter.

(d) Sanctions.—A public works contractor or subcontractor that willfully engages in violations described in section 3954(1), (2) or (3):

(1) For a first offense relating to the public contract, a warning letter may be issued by the secretary detailing the violation. The letter shall be posted on the department's Internet website.

(2) For a second offense relating to the public contract:

(i) At the discretion of the public body with which the public works contractor has contracted, may be subject to termination of the contract by the public body without recourse against or penalty to the public body and a fine of up to $2,000. The right of the public body to terminate the contract under this subparagraph may not be waived.

(ii) At the discretion of the public works contractor with whom the subcontractor has contracted, may be subject to termination of the subcontract by the public works contractor without recourse against or penalty to the public works contractor.
penalty to the public works contractor. The right of the
public works contractor to terminate the subcontract
under this subparagraph may not be waived.

(3) For a third or subsequent offense relating to the
public contract, at the discretion of the secretary, in
addition to the sanctions in paragraph (2), shall be subject
to debarment under section 531 (relating to debarment or
suspension) for one year THREE YEARS.

§ 3956. Protection from retaliation.

(a) General rule. It shall be unlawful for a public works
contractor or subcontractor to discharge, threaten or otherwise
retaliate or discriminate against an employee regarding-
compensation or other terms or conditions of employment because
the employee

   (1) participates in an investigation, hearing or inquiry
   held by the secretary or any other governmental authority
   under this subchapter, or

   (2) reports or makes a complaint regarding the violation
   of this subchapter to a public works contractor, 
   subcontractor or governmental authority.

(b) Actions.

   (1) Any employee who suffers retaliation or
discrimination in violation of this section may bring an
action in a court of common pleas in accordance with-
established civil procedures of this Commonwealth.

   (2) The action must be brought within three years from
the date the employee knew of the retaliation or
discrimination.

(c) Relief. If an employee prevails in an action commenced
under this section, the employee shall be entitled to the
following relief:

(1) Reinstatement of the employee, if applicable.
(2) Restitution equal to three times the amount of the employee's wages and fringe benefits calculated from the date of the violation or discrimination.
(3) Reasonable attorney fees and costs of the action.
(4) Any other legal and equitable relief as the court deems appropriate.

§ 3957. Good faith immunity.
A public works contractor or subcontractor that relies in good faith on EVP procedures to verify the employment eligibility of employees shall be immune from the sanctions authorized under section 3955 (relating to enforcement and sanctions) in the event that incorrect information has been provided to the public works contractor or subcontractor.

Section 2. This act shall take effect in 60 days.

SECTION 1. SHORT TITLE.

THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE PUBLIC WORKS EMPLOYMENT VERIFICATION ACT.

SECTION 2. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY STATES OTHERWISE:

"DEPARTMENT." THE DEPARTMENT OF GENERAL SERVICES OF THE COMMONWEALTH.

"EMPLOYEE." AN INDIVIDUAL HIRED BY A PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR FOR WHOM A PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR IS REQUIRED BY LAW TO FILE A FORM W-2 WITH THE INTERNAL REVENUE SERVICE.

"EVP." THE E-VERIFY PROGRAM OPERATED BY THE DEPARTMENT OF
HOMELAND SECURITY THAT ELECTRONICALLY VERIFIES EMPLOYMENT ELIGIBILITY FOR EMPLOYEES.

"PUBLIC BODY." THE COMMONWEALTH OF PENNSYLVANIA, ANY OF ITS POLITICAL SUBDIVISIONS, ANY AUTHORITY CREATED BY THE GENERAL ASSEMBLY OF THE COMMONWEALTH AND ANY INSTRUMENTALITY OR AGENCY OF THE COMMONWEALTH.


"PUBLIC WORKS CONTRACTOR." A CONTRACTOR THAT PROVIDES WORK UNDER A CONTRACT INVOLVING A PUBLIC WORK.

"SECRETARY." THE SECRETARY OF GENERAL SERVICES OF THE COMMONWEALTH.

"SUBCONTRACTOR." A PERSON, OTHER THAN A NATURAL PERSON, REGARDLESS OF ITS TIER, INCLUDING, BUT NOT LIMITED TO, A STAFFING AGENCY THAT PERFORMS WORK FOR A PUBLIC WORKS CONTRACTOR UNDER A CONTRACT FOR A PUBLIC WORK. THE TERM SHALL NOT INCLUDE PERSONS THAT ARE MATERIAL SUPPLIERS FOR A PROJECT.

"WILLFUL." ACTION OR CONDUCT UNDERTAKEN INTENTIONALLY OR WITH RECKLESS DISREGARD FOR OR DELIBERATE IGNORANCE OF THE REQUIREMENTS AND OBLIGATIONS ESTABLISHED UNDER THIS ACT.

SECTION 3. DUTY OF PUBLIC WORKS CONTRACTORS AND SUBCONTRACTORS.

(A) GENERAL RULE.--A PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR SHALL PARTICIPATE IN EVP AND SHALL, SUBJECT TO THE REQUIREMENTS OF FEDERAL LAW GOVERNING THE USE OF EVP, USE EVP TO VERIFY EMPLOYMENT ELIGIBILITY OF EACH NEW EMPLOYEE. THE DEPARTMENT SHALL POST ON ITS PUBLICLY ACCESSIBLE INTERNET WEBSITE INFORMATION REGARDING THE REQUIREMENTS OF FEDERAL LAW GOVERNING THE USE OF EVP.

(B) DISCRIMINATION PROHIBITED.--IN CONDUCTING THE
VERIFICATION REQUIRED BY THIS SECTION, A PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR SHALL NOT DISCRIMINATE AGAINST AN EMPLOYEE ON THE BASIS OF RACE, ETHNICITY, COLOR OR NATIONAL ORIGIN.

SECTION 4. VERIFICATION FORM.

(A) GENERAL RULE FOR PUBLIC WORKS CONTRACTORS.--AS A PRECONDITION OF BEING AWARDED A CONTRACT FOR A PUBLIC WORK, OR WITH RESPECT TO A CONTRACT THAT WAS AWARDED PRIOR TO THE EFFECTIVE DATE OF THIS SUBSECTION BUT HAS NOT YET BEEN EXECUTED, PRIOR TO THE EXECUTION OF THE CONTRACT, A PUBLIC WORKS CONTRACTOR SHALL PROVIDE THE PUBLIC BODY WITH A VERIFICATION FORM DESCRIBED IN SUBSECTION (C), ACKNOWLEDGING ITS RESPONSIBILITIES UNDER AND ITS COMPLIANCE WITH SECTION 3. CONTRACTS BETWEEN A PUBLIC WORKS CONTRACTOR AND ITS SUBCONTRACTORS SHALL CONTAIN INFORMATION ABOUT THE REQUIREMENTS OF THIS ACT.

(B) GENERAL RULE FOR SUBCONTRACTORS.--PRIOR TO COMMENCING WORK ON A PUBLIC WORKS PROJECT, A SUBCONTRACTOR SHALL PROVIDE THE PUBLIC BODY WITH A VERIFICATION FORM DESCRIBED IN SUBSECTION (C) ACKNOWLEDGING ITS RESPONSIBILITIES AND ITS COMPLIANCE WITH SECTION 3. CONTRACTS BETWEEN A SUBCONTRACTOR AND ITS SUBCONTRACTORS SHALL CONTAIN INFORMATION ABOUT THE REQUIREMENTS OF THIS ACT.

(C) FORM.--THE VERIFICATION FORM REQUIRED BY THIS SECTION SHALL BE ON A FORM PRESCRIBED BY THE SECRETARY, AND POSTED ON THE INTERNET, AND SHALL COMPLY WITH THE FOLLOWING ADDITIONAL REQUIREMENTS:

(1) THE STATEMENT SHALL INCLUDE A CERTIFICATION THAT THE INFORMATION IN THE STATEMENT IS TRUE AND CORRECT AND THAT THE INDIVIDUAL SIGNING THE STATEMENT UNDERSTANDS THAT THE SUBMISSION OF FALSE OR MISLEADING INFORMATION IN CONNECTION
WITH THE VERIFICATION SHALL SUBJECT THE INDIVIDUAL AND THE
PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR, AS THE CASE MAY BE,
TO SANCTIONS PROVIDED BY LAW.

(2) THE STATEMENT SHALL BE SIGNED BY A REPRESENTATIVE OF
THE PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR, AS APPLICABLE,
WHO HAS SUFFICIENT KNOWLEDGE AND AUTHORITY TO MAKE THE
REPRESENTATIONS AND CERTIFICATIONS CONTAINED IN THE
STATEMENT.

SECTION 5. VIOLATIONS.

IT IS A VIOLATION OF THIS ACT FOR A PUBLIC WORKS CONTRACTOR
OR SUBCONTRACTOR ON A PUBLIC WORK TO:

(1) FAIL TO VERIFY THE EMPLOYMENT ELIGIBILITY OF A NEW
EMPLOYEE THROUGH EVP IN ACCORDANCE WITH FEDERAL LAW.

(2) NOT PROVIDE THE VERIFICATION FORM AS REQUIRED UNDER
SECTION 4, OR TO MAKE A FALSE STATEMENT OR MISREPRESENTATION
WITH RESPECT TO COMPLETING THE FORM.

SECTION 6. ENFORCEMENT AND SANCTIONS.

(A) GENERAL RULE.--THE DEPARTMENT SHALL ENFORCE THIS ACT.

(B) INVESTIGATION OF COMPLAINTS.--THE DEPARTMENT SHALL
ACCEPT, REVIEW AND INVESTIGATE IN A TIMELY MANNER ANY CREDIBLE
COMPLAINT THAT A PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR HAS
VIOLATED A PROVISION OF THIS ACT.

(C) AUDITS.--TO ENSURE COMPLIANCE WITH THE REQUIREMENTS OF
THIS ACT, THE DEPARTMENT SHALL CONDUCT COMPLAINT-BASED AND
RANDOM AUDITS OF PUBLIC WORKS CONTRACTORS AND SUBCONTRACTORS IN
THIS COMMONWEALTH.

(D) SANCTIONS.--THE FOLLOWING SANCTIONS SHALL APPLY ONLY TO
A VIOLATION UNDER SECTION 5(1):

(1) FOR A FIRST VIOLATION, A PUBLIC WORKS CONTRACTOR OR
SUBCONTRACTOR SHALL RECEIVE A WARNING LETTER FROM THE
DEPARTMENT DETAILING THE VIOLATION. THE LETTER SHALL BE POSTED ON THE DEPARTMENT'S INTERNET WEBSITE.

(2) FOR A SECOND VIOLATION, A PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR SHALL BE DEBARRED FROM PUBLIC WORK FOR 30 DAYS.

(3) FOR A THIRD VIOLATION AND SUBSEQUENT VIOLATIONS, A PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR SHALL BE DEBARRED FROM PUBLIC WORK FOR NOT LESS THAN 180 DAYS AND NOT MORE THAN ONE YEAR.

(4) IN THE CASE OF AN ALLEGED WILLFUL VIOLATION, THE SECRETARY SHALL FILE A PETITION IN COMMONWEALTH COURT SEEKING TO HAVE THE COURT ISSUE A RULE TO SHOW CAUSE WHY A PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR DID NOT ENGAGE IN THE WILLFUL VIOLATION. IF THE COURT FINDS THAT THE PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR ENGAGED IN A WILLFUL VIOLATION, THE COURT SHALL ORDER THAT THE PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR BE DEBARRED FROM PUBLIC WORK FOR A PERIOD OF THREE YEARS.

(5) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1), (2) OR (3), A VIOLATION BY A PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR THAT OCCURS TEN YEARS OR MORE AFTER A PRIOR VIOLATION SHALL BE DEEMED TO BE A FIRST VIOLATION.

(6) FOR THE PURPOSES OF ASSESSING SANCTIONS, VIOLATIONS COMMITTED BY A CONTRACTOR OR SUBCONTRACTOR SUBJECT TO THIS ACT INVOLVING A SINGLE PUBLIC WORKS CONTRACT SHALL BE CONSIDERED A SINGLE VIOLATION DESPITE THE NUMBER OF EMPLOYEES THAT ARE THE SUBJECT OF THE VIOLATIONS.

(E) CIVIL PENALTY.--A PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR THAT VIOLATES SECTION 5(2) SHALL BE SUBJECT TO A CIVIL PENALTY OF NOT LESS THAN $250 AND NOT MORE THAN $1,000 FOR EACH VIOLATION, TO BE IMPOSED BY THE DEPARTMENT.
(F) NOTICE AND APPEAL.—ACTIONS TAKEN BY THE DEPARTMENT
UNDER SUBSECTIONS (D)(1), (2) AND (3) AND (E) SHALL BE SUBJECT
TO THE NOTICE, APPEAL AND OTHER PROVISIONS OF 2 PA.C.S.
(RELATING TO ADMINISTRATIVE LAW AND PROCEDURE).

SECTION 7. PROTECTION FROM RETALIATION.

(A) GENERAL RULE.—IT SHALL BE UNLAWFUL FOR A PUBLIC WORKS
CONTRACTOR OR SUBCONTRACTOR TO DISCHARGE, THREATEN OR OTHERWISE
RETALIATE OR DISCRIMINATE AGAINST AN EMPLOYEE REGARDING
COMPENSATION OR OTHER TERMS OR CONDITIONS OF EMPLOYMENT BECAUSE
THE EMPLOYEE:

(1) PARTICIPATES IN AN INVESTIGATION, HEARING OR INQUIRY
HELD BY THE SECRETARY OR ANY OTHER GOVERNMENTAL AUTHORITY
UNDER THIS ACT; OR

(2) REPORTS OR MAKES A COMPLAINT REGARDING THE VIOLATION
OF THIS ACT TO A PUBLIC WORKS CONTRACTOR OR SUBCONTRACTOR OR
TO ANY GOVERNMENTAL AUTHORITY.

(B) ACTIONS.—

(1) AN EMPLOYEE WHO SUFFERS RETALIATION OR
DISCRIMINATION IN VIOLATION OF THIS SECTION MAY BRING AN
ACTION IN A COURT OF COMMON PLEAS IN ACCORDANCE WITH
ESTABLISHED CIVIL PROCEDURES OF THIS COMMONWEALTH.

(2) THE ACTION MUST BE BROUGHT WITHIN 180 DAYS FROM THE
DATE THE EMPLOYEE KNEW OF THE RETALIATION OR DISCRIMINATION.

(C) RELIEF.—IF AN EMPLOYEE PREVAILS IN AN ACTION COMMENCED
UNDER THIS SECTION, THE EMPLOYEE SHALL BE ENTITLED TO THE
FOLLOWING RELIEF:

(1) REINSTATEMENT OF THE EMPLOYEE, IF APPLICABLE.

(2) RESTITUTION EQUAL TO THREE TIMES THE AMOUNT OF THE
EMPLOYEE'S WAGES AND FRINGE BENEFITS CALCULATED FROM THE DATE
OF THE RETALIATION OR DISCRIMINATION.
(3) reasonable attorney fees and costs of the action.

(4) any other legal and equitable relief as the court deems appropriate.

SECTION 8. GOOD FAITH IMMUNITY.

A public works contractor or subcontractor that relies in good faith on EVP procedures to verify employment eligibility of new employees under this act shall be immune from the sanctions authorized under section 6 and shall have no liability to an individual who is not hired or who is discharged from employment in the event that incorrect information has been provided to the public works contractor or subcontractor. A public works

employer contractor or subcontractor that can produce written acknowledgment provided by an applicable federal agency of use of EVP is considered to have acted in good faith.

SECTION 9. PUBLIC WORKS CONTRACTOR AND SUBCONTRACTOR LIABILITY.

Nothing in this act may be construed to render a public works contractor liable for the action of a subcontractor or a subcontractor liable for an action of another subcontractor.

SECTION 10. RULES AND REGULATIONS.

The department may promulgate rules and regulations necessary to administer and enforce this act.

SECTION 11. COOPERATION AMONG DEPARTMENTS.

The department may enter into agreements with the department of labor and industry or any other commonwealth agency to provide for the cooperative enforcement of the provisions of this act.

SECTION 20. EFFECTIVE DATE.

This act shall take effect January 1, 2013.