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Worker Says Co. Inflated Deductions To Duck Prevailing Wage

By Irene Spezzamonte · Listen to article

Law360 (June 20, 2024, 5:39 PM EDT) -- An electrical contracting firm overdeducted fringe benefits from the pay of employees who worked on publicly funded projects, dragging down their prevailing wages, a former electrician said in a proposed class action in Pennsylvania state court.

In a <u>complaint</u> filed Wednesday, Patrick E. Cosgrove claimed Westmoreland Electric Services LLC inflated the healthcare benefits amounts it deducted from workers only when they worked on publicly funded jobs. This resulted in lower pay and violations of the Pennsylvania Prevailing Wage Act and the Pennsylvania Wage Payment and Collection Law, according to the complaint.

Cosgrove said he worked as an electrician for Westmoreland from April 2021 to February 2023.

From April 2021 to June 2022, Cosgrove said, he mainly worked on privately funded construction projects, which don't need to abide by prevailing wage requirements, and during that time Westmoreland deducted about \$34 for healthcare benefits.

Cosgrove said that in the pay period that started June 24, 2022, he "began consistently working" on the company's publicly funded projects, which are subject to prevailing wage requirements.

In Allegheny County, where Cosgrove filed the complaint, the prevailing wage for an electrician as of Dec. 26, 2022, was set at a base rate of about \$48 per hour and a fringe benefit rate of approximately \$29, for an overall total of a little more than \$76 per hour, according to the suit.

Cosgrove said that when he started working on publicly funded projects, Westmoreland deducted about \$200 on average from his wages in what the electrician called "artificially inflated deductions."

"These over-deductions resulted in an underpayment of prevailing wages to plaintiff and class members, in violation of the PPWA and the public contracts requiring the payment of prevailing wages," Cosgrove said.

Cosgrove also said that Westmoreland never actually paid any insurance provider for the amounts it deducted from his pay, leaving him "without health insurance, despite thousands of dollars being deducted from his wages for healthcare."

Cosgrove seeks to represent a class of all current and former employees who performed publicly funded construction work for the company in any week in the past four years.

Representatives of the parties did not immediately respond to requests for comment Thursday.

Cosgrove is represented by James E. Goodley of Goodley McCarthy LLC.

Counsel information for Westmoreland Electric Services was not available Thursday.

The case is Cosgrove v. Westmoreland Electric Services LLC, case number GD-24-006753, in the Court of Common Pleas of Allegheny County, Pennsylvania.

--Editing by Nick Petruncio.

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James Goodley

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