Taking Note - The Editorial Page Editor's Blog

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When Federal Contractors Break Federal Labor Laws

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Every year, the federal government awards contracts worth about $500 billion to private sector companies that employ some 26 million workers, or 22 percent of the nation's work force.

You might assume that a job funded with taxpayer dollars would be reasonably well paid, but recent studies have shown how federal dollars increasingly flow to companies that pay low wages and provide few if any benefits, requiring many employees to rely on public assistance — even as executive pay among federal contractors rises.

And that is not the worst of it.

Federal contractors also are among the worst violators of federal labor laws.

A recent congressional report found that government contracts are routinely granted to companies cited for flagrant and repeat violations of federal statutes on both safety and wages in the workplace.

Safety violations include lack of proper training, failure to conduct safety evaluations or drills, or faulty equipment, which have resulted in sickness, injury, disability and even death. Wage violations include failing to pay required or agreed-upon wages, overtime and benefits, and breaking visa and child labor laws.

From 2007 to 2012, the report found that 49 federal contractors were cited 1,776 times for large violations and paid $196 million in penalties and assessments. Those same employers were awarded $81 billion in federal contracts in 2012 alone.

The report, summarized here by The Times's Steven Greenhouse , also names names. Among the "severe violators" of health and safety standards are Bridgford Foods Corporation, Tyson Foods, Johnson Controls and Verizon Communications. Among "severe violators" of wage standards are Sprint Nextel, UnitedHealth Group and Marriott International.

Perhaps not surprisingly, most of the companies in the report are equal opportunity violators, disobeying both safety and wage laws. Among the 35 dual violators are household names including AT&T, Nestle, Lockheed Martin and Hewlett-Packard.

The report makes several recommendations. The most immediate and potentially far-reaching are challenges to President Obama to issue three executive orders. One would ensure that contracting officials have access to up-to-date information about a company's labor record. Another would require those officials to take that information into account when awarding contracts. A third would put in place corrective steps that violators must take in order for a contract to be continued or renewed.

While he is at it, the president should also issue an executive order to help raise pay by requiring contracting officials to consider the quality of jobs that a prospective contractor will offer. That would challenge the damaging notion that the best contractor is the one with the lowest labor costs. President Obama has said that more jobs and higher pay should be at the top of the national agenda. He has acknowledged that the degraded politics of Washington make that a tough sell and has challenged Republicans to come up with their own ideas instead of simply opposing his.

He has also said that he would do whatever he could without Congress to further a jobs-and-pay agenda. Well, he doesn't need Congress to issue executive orders to improve wage and safety protections or to help boost pay for the employees of federal contractors.

So what is he waiting for?
