

U. S. DEPARTMENT OF LABOR  
Wage and Hour and Public Contracts Divisions  
Washington 25, D. C.

COURT UPFOLDS SECRETARY IN FIRST PUBLIC CONTRACTS ACT JUDGMENT ACTION

In the first Public Contracts Act enforcement case which was contested in a Federal court, Secretary of Labor L. B. Schwellenbach today announced full satisfaction of judgment for \$950 obtained against a Denver, Colorado, manufacturer who had refused to pay liquidated damages in that amount to the Government for the illegal employment of a minor in violation of the Act.

Payment was made by Carl A. Wagner, doing business as the Wagner Manufacturing Company, 1243 West Alameda, Denver.

The case arose out of the firm's performance on two Government contracts, for \$30,000 and \$28,000, for the fabrication of waterproof bedding rolls for the Army during the war. Inspection of the establishment by the Wage and Hour and Public Contracts Divisions of the U. S. Department of Labor revealed that a boy under 16 years of age had been employed in violation of the Public Contracts Act for a total of 95 days.

The Act requires that payment of \$10 for each day of such illegal employment be made to the Government as liquidated damages. The firm refused to make payment, both on the basis of the inspection and on the decisions of the Secretary of Labor and the Administrator of the Wage and Hour and Public Contracts Divisions, following a hearing before a trial examiner.

The Secretary then referred the case to the U. S. Attorney General, who filed action against the firm in U. S. District Court for the District of Colorado, where judgment was entered against the firm on the basis of the Secretary's findings.

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