

# PUBLICATION

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## **Can a General Contractor Get More Than It Bargained For? The Risk of Subcontractors' Wage Law Violations**

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In the wake of any disaster, be it a hurricane or a single house fire, one of the most immediate challenges is that of rebuilding. In normal times, there is more than enough capacity in the local construction industry to accommodate recovery from an event that affects a few houses or buildings. Federally declared disasters, on the other hand, can simply overwhelm local contractors. The construction industry depends on a number of resources in order to operate, available labor, available materials, housing for a workforce, an infrastructure of roads and utilities, functioning governmental agencies, a functioning local economy, population, and so on. After a disaster, some or all of these resources can be dramatically reduced or even absent.

The availability of labor is of particular importance after a disaster. The mandatory evacuation of New Orleans in advance of Katrina, coupled with the flooding and rescue efforts in Katrina's wake, left New Orleans with practically no population at all to begin a rebuilding process. Rather, the people who would rebuild New Orleans had to travel to New Orleans. Many were evacuees attempting to return to the area, but – especially in the initial days and weeks – much of the workforce came from outside of the area. These transplants came alone or in groups, often coordinated by contractors and subcontractors who wanted to participate in the rebuilding effort. And with them came a number of legal issues: immigration, licensing, wage and hour laws, to name a few. Can a General Contractor Get More Than It Bargained For? The Risk of Subcontractors' Wage Law Violations Page 2 Moreover, while Katrina was unique in the scope of its destruction and disruption, it was by no means unique in attracting workers to a disaster-affected region. This paper, then, is intended to present a basic primer on some of the construction industry worker-related issues that proved to be most common in the wake of disasters.