
Subject: FOR IMMEDIATE RELEASE: AG RACINE RESOLVES TWO WAGE-AND-HOUR INVESTIGATIONS AGAINST CONSTRUCTION AND PROPERTY MANAGEMENT COMPANIES, SECURING \$731,000; REAFFIRMS THAT RETURNING CITIZENS MUST BE PROVIDED FAIR ACCESS TO HOUSING OPPORTUNITIES



GOVERNMENT OF THE DISTRICT OF COLUMBIA
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FOR IMMEDIATE RELEASE:

December 8, 2022

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AG RACINE RESOLVES TWO WAGE-AND-HOUR INVESTIGATIONS AGAINST CONSTRUCTION AND PROPERTY MANAGEMENT COMPANIES, SECURING \$731,000; REAFFIRMS THAT RETURNING CITIZENS MUST BE PROVIDED FAIR ACCESS TO HOUSING OPPORTUNITIES

AG Racine's Continues to Stand Up for District Workers, Hold Employers Who Violate District Employment Laws Accountable & Ensure Fair Housing Opportunities for Returning Citizens

WASHINGTON, D.C. – Attorney General Karl A. Racine today announced that two companies, Manganaro Midatlantic LLC (Manganaro) and Nomadic Real Estate Investments (Nomadic), will pay a total of \$731,000 to resolve allegations that they violated District wage-and-hour laws and, in Nomadic's case, unlawfully discriminated against prospective tenants through the use of criminal background checks.

"Every day, my office fights to make sure DC workers are paid the wages they are owed and are given the benefits they deserve," said AG Racine. **"The District's laws are in place to protect all residents and ensure everyone has access to essential human rights, such as housing. Just as we did today, my office will use every tool at our disposal to hold companies accountable and make sure that District residents, including returning citizens, are not denied fair housing opportunities."**

To date, the Office of the Attorney General (OAG) has secured over \$11 million for workers and the District through its workers' rights enforcement actions.

OAG's Investigation of Manganaro

Manganaro is a construction company that specializes in drywall work and operates throughout the mid-Atlantic region, including the District. OAG's investigation alleged that Manganaro and numerous subcontractors, in violation of the District's Workplace Fraud Act (WFA), misclassified hundreds of

construction workers as independent contractors when they should have been classified as employees. When workers are misclassified as independent contractors, they are denied rights that are entitled to employees, such as minimum wage, overtime, and paid sick leave.

As a result of OAG’s action, Manganaro must:

- **Pay \$575,000 in total to the District and affected workers.** This amount includes \$345,000 in restitution, which will be paid out to affected workers, and \$230,000 in civil penalties, which will be paid to the District. A claims process will be separately established to notify and distribute restitution to affected workers.
- **Implement improved compliance measures.** Manganaro will implement compliance improvements, including requiring its subcontractors to submit certified payrolls to confirm compliance with the WFA, conduct randomized audits to ensure compliance, and submit annual reports to the District for the next four years regarding subcontractor compliance.

A copy of the settlement agreement is available [here](#).

OAG’s Investigation of Nomadic

Nomadic provides property management and maintenance services in the District. OAG began investigating Nomadic in 2020, looking into allegations that it was engaging in improper employment practices including denying employees overtime pay and sick leave. The investigation was jointly conducted by members of the Workers’ Rights and Antifraud Section, Civil Rights Section, and Office of Consumer Protection.

After conducting a thorough investigation, OAG alleged Nomadic violated District employment, consumer protection, and civil rights laws by:

- **Improperly classifying some employees** as exempt from minimum wage and overtime laws and failing to provide them with overtime wages they were owed, in violation of the District’s Minimum Wage Revision Act (MWRA).
- **Improperly conducting criminal background checks** on applicants prior to making a conditional offer of housing, in violation of the District’s Fair Criminal Record Screening for Housing Act (FCRSHA) and the Consumer Protection Procedures Act (CPPA).
- **Facilitating source-of-income discrimination** by property owners in violation of the D.C. Human Rights Act (DCHRA).
- **Failing to keep proper records** of employee’s hours worked and to provide required notices, also in violation of the MWRA.

This case highlights limitations on how criminal background checks can be used during the housing application process, as the District’s Fair Criminal Record Screening for Housing Act (FCRSHA) mandates that such checks may only be conducted after conditional approval by the property owner and must be [sufficiently limited in scope](#).

As a result of OAG’s action, Nomadic must:

- **Pay \$131,061.18 to 78 employees denied overtime wages** (which reflects more than the amount of overtime wages improperly withheld).
- **Pay \$24,938.82 in civil penalties** to the District.
- **Properly classify employees** as exempt and non-exempt consistent with DC law and ensure that nonexempt employees receive earned overtime wages.
- **Maintain detailed records of hours worked by each employee**, as required by DC law.
- **Only conduct criminal background checks after a housing applicant has received conditional** approval by the property owner and ensure all background checks are limited in scope as required by DC law.
- **Conduct training for staff** and update the employee handbook on the FCRSHA and the DC Human Rights Act requirements.

This injunctive relief will ensure Nomadic’s compliance with District antidiscrimination and employment laws going forward.

A copy of the settlement agreement is available [here](#).

The Manganaro matter was handled by Assistant Attorneys General Randy Chen, Jessica Micciolo, and Sarah Levine and Section Chief Graham Lake.

The Nomadic matter was handled by Assistant Attorneys General Nicole Tortoriello, Emily Barth, and Samantha Miyahara Hall, and Section Chiefs Graham Lake and Alicia Lendon.

DC Wage & Hour Laws

The District’s [Minimum Wage Revision Act](#) (MWRA) establishes a minimum wage, which is presently \$16.10 per hour. If an employee works more than 40 hours per week, the MWRA requires the employer to pay them an overtime rate of 1.5 times their regular rate. The District’s [Sick and Safe Leave Act](#) (SSLA) requires employers to provide paid sick leave, accrued at rates that are keyed to the size of the employer. Workers can learn about their rights under District law and how they can get help if their rights are being violated [here](#).

OAG’s Efforts to Protect Workers

In 2021, OAG established the Workers’ Rights & Antifraud Section, which is dedicated to fighting wage theft and protecting District workers. Since gaining wage theft enforcement authority in 2017, OAG has recovered over \$11 million for workers and the District by bringing investigations and lawsuits against employers who violate District law. OAG’s wage theft enforcement efforts have focused on industries with high populations of vulnerable workers, such as [construction](#), [restaurants and hospitality](#), [healthcare](#), and the [gig economy](#). AG Racine also [testified before Congress](#) to highlight findings from an [OAG report](#) about how worker misclassification hurts workers, undercuts law-abiding businesses, and cheats taxpayers. This past September, OAG released a [Labor Day report](#) highlighting efforts to protect DC workers.

How to Report Wage and Hour Violations

Workers who believe that their rights have been violated, or that they have experienced wage theft or other wage and hour violations, can contact OAG by calling (202) 442-9828 or emailing workers@dc.gov or trabajadores@dc.gov.

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The Office of the Attorney General (OAG) works to protect and defend District residents, enforce District laws, and provide legal advice to D.C. government agencies. Karl A. Racine leads OAG as the first elected Attorney General of the District of Columbia. Visit www.oag.dc.gov to learn more.