

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF:



**POLICE CRIMINAL COMPLAINT**  
**COMMONWEALTH OF PENNSYLVANIA**

Magisterial District Number: 49-2-01  
MDJ: Hon. Casey M. McClain  
Address: 1524 W. College Ave Box11  
State College, PA 16801

DEFENDANT:

(NAME and ADDRESS):

GLENN O. HAWBAKER, INC.  
First Name Middle Name Last Name Gen

1952 Waddle Road, State College, PA 16803

Telephone: (814)237-4981

**NCIC Extradition Code Type**

<input type="checkbox"/> 1-Felony Full	<input type="checkbox"/> 5-Felony Pending Extradition	<input type="checkbox"/> C-Misdemeanor Surrounding States	<input type="checkbox"/> Distance: _____
<input type="checkbox"/> 2-Felony Limited	<input type="checkbox"/> 6-Felony Pending Extradition Determ.	<input type="checkbox"/> D-Misdemeanor No Extradition	
<input type="checkbox"/> 3-Felony Surrounding States	<input type="checkbox"/> A-Misdemeanor Full	<input type="checkbox"/> E-Misdemeanor Pending Extradition	
<input checked="" type="checkbox"/> 4-Felony No Extradition	<input type="checkbox"/> B-Misdemeanor Limited	<input type="checkbox"/> F-Misdemeanor Pending Extradition	

**DEFENDANT IDENTIFICATION INFORMATION**

Docket Number <b>CR-89-2021</b>	Date Filed <b>4/08/2021</b>	OTN/LiveScan Number	Complaint/Incident Number <b>43-1351</b>	Request Lab Services? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
GENDER <input type="checkbox"/> Male <input type="checkbox"/> Female	DOB / /	POB	Add'l DOB / /	Co-Defendant(s) <input type="checkbox"/>
First Name		Middle Name		Last Name
AKA				
RACE <input type="checkbox"/> White <input type="checkbox"/> Asian <input type="checkbox"/> Black <input type="checkbox"/> Native American <input type="checkbox"/> Unknown	ETHNICITY <input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic <input type="checkbox"/> Unknown			
Hair Color <input type="checkbox"/> GRY (Gray) <input type="checkbox"/> BLK (Black) <input type="checkbox"/> BLN (Blonde / Strawberry)	<input type="checkbox"/> RED (Red/Aubn.)	<input type="checkbox"/> SDY (Sandy)	<input type="checkbox"/> BLU (Blue) <input type="checkbox"/> XXX (Unk./Bald)	<input type="checkbox"/> PLE (Purple) <input type="checkbox"/> GRN (Green)
Eye Color <input type="checkbox"/> BLK (Black) <input type="checkbox"/> HAZ (Hazel)	<input type="checkbox"/> BLU (Blue)	<input type="checkbox"/> BRO (Brown)	<input type="checkbox"/> GRN (Green)	<input type="checkbox"/> GRY (Gray) <input type="checkbox"/> XXX (Unknown)
DNA <input type="checkbox"/> YES <input type="checkbox"/> NO	DNA Location			WEIGHT (lbs.)
FBI Number	MNU Number			
Defendant Fingerprinted <input type="checkbox"/> YES <input type="checkbox"/> NO				Ft. HEIGHT In.
Fingerprint Classification:				

**DEFENDANT VEHICLE INFORMATION**

Plate #	State	Haz mat <input type="checkbox"/>	Registration Sticker (MM/YY) /	Comm'l Veh. Ind. <input type="checkbox"/>	School Veh. <input type="checkbox"/>	Oth. NCIC Veh. Code	Reg. same as Def. <input type="checkbox"/>
VIN	Year	Make	Model	Style	Color		

Office of the attorney for the Commonwealth  Approved  Disapproved because: \_\_\_\_\_

(The attorney for the Commonwealth may require that the complaint, arrest warrant affidavit, or both be approved by the attorney for the Commonwealth prior to filing. See Pa.R.Crim.P. 507).

DAG PHILIP M. MCCARTHY  
(Name of the attorney for the Commonwealth)

(Signature of the attorney for the Commonwealth)

4 / 8 / 2021  
(Date)

I, THOMAS J. MOORE II  
(Name of the Affiant)

437  
(PSP/MP/ETC -Assigned Affiant ID Number & Badge #)

of Pennsylvania Office of Attorney General  
(Identify Department or Agency Represented and Political Subdivision)

PA0222400  
(Police Agency ORI Number)

do hereby state: (check appropriate box)

- I accuse the above named defendant who lives at the address set forth above  
 I accuse the defendant whose name is unknown to me but who is described as \_\_\_\_\_
- I accuse the defendant whose name and popular designation or nickname are unknown to me and whom I have therefore designated as John Doe or Jane Doe with violating the penal laws of the Commonwealth of Pennsylvania at [ ] 1952 Waddle Road, State College, Pa 16803 (Subdivision Code) (Place-Political Subdivision)

in County [14] on or about BETWEEN 09/01/2015 THROUGH 12/31/2018  
(County Code)



# POLICE CRIMINAL COMPLAINT

Docket Number: <b>C.R.-89-2021</b>	Date Filed: <b>4/8/21</b>	OTN/LiveScan Number	Complaint/Incident Number <b>43-1351</b>
Defendant Name:	First: <b>GLENN</b>	Middle: <b>O.</b>	Last: <b>HAWBAKER, INC.</b>

The acts committed by the accused are described below with each Act of Assembly or statute allegedly violated, if appropriate. When there is more than one offense, each offense should be numbered chronologically.

(Set forth a brief summary of the facts sufficient to advise the defendant of the nature of the offense(s) charged. A citation to the statute(s) allegedly violated, without more, is not sufficient. In a summary case, you must cite the specific section(s) and subsection(s) of the statute(s) or ordinance(s) allegedly violated. The age of the victim at the time of the offense may be included if known. In addition, social security numbers and financial information (e.g. PINs) should not be listed. If the identity of an account must be established, list only the last four digits. 204 PA.Code §§ 213.1 – 213.7.)

Inchoate Offense	<input type="checkbox"/> Attempt 18 901 A	<input type="checkbox"/> Solicitation 18 902 A	<input type="checkbox"/> Conspiracy 18 903	Number of Victims Age 60 or Older _____
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<input checked="" type="checkbox"/>	<b>1</b>	<b>3927</b>	<b>A</b>	<b>of the</b>	<b>18</b>	<b>1</b>	<b>F1</b>		
Lead?	Offense #	Section	Subsection		PA Statute (Title)	Counts	Grade	NCIC Offense Code	UCR/NIBRS Code

PennDOT Data (if applicable)	Accident Number _____	<input type="checkbox"/> Interstate	<input type="checkbox"/> Safety Zone	<input type="checkbox"/> Work Zone
------------------------------	-----------------------	-------------------------------------	--------------------------------------	------------------------------------

Statute Description (include the name of statute or ordinance): **THEFT BY FAILURE TO MAKE REQUIRED DISPOSITION OF FUNDS RECEIVED**

Acts of the accused associated with this Offense: In that the above named defendant, on or about/between September 01, 2015 and December 31, 2015, did obtain property upon agreement, or subject to a known legal obligation, to make specified payments or other disposition, whether from such property or its proceeds or from its own property to be reserved in equivalent amount to wit, the defendant failed to remit U.S. Currency in the form of required fringe benefits owed to Glenn O. Hawbaker, Inc. employees working prevailing wage jobs, as required by prevailing wage law, to such employees and did intentionally deal with the property as its own, with the amount involved being in excess of \$500,000, in violation of 18 Pa.C.S. § 3927(a).

Inchoate Offense	<input type="checkbox"/> Attempt 18 901 A	<input type="checkbox"/> Solicitation 18 902 A	<input type="checkbox"/> Conspiracy 18 903	Number of Victims Age 60 or Older _____
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<input type="checkbox"/>	<b>2</b>	<b>3927</b>	<b>A</b>	<b>of the</b>	<b>18</b>	<b>1</b>	<b>F1</b>		
Lead?	Offense #	Section	Subsection		PA Statute (Title)	Counts	Grade	NCIC Offense Code	UCR/NIBRS Code

PennDOT Data (if applicable)	Accident Number _____	<input type="checkbox"/> Interstate	<input type="checkbox"/> Safety Zone	<input type="checkbox"/> Work Zone
------------------------------	-----------------------	-------------------------------------	--------------------------------------	------------------------------------

Statute Description (include the name of statute or ordinance): **THEFT BY FAILURE TO MAKE REQUIRED DISPOSITION OF FUNDS RECEIVED**

Acts of the accused associated with this Offense: In that the above named defendant, on or about/between January 01, 2016 and December 31, 2016, did obtain property upon agreement, or subject to a known legal obligation, to make specified payments or other disposition, whether from such property or its proceeds or from its own property to be reserved in equivalent amount to wit, the defendant failed to remit U.S. Currency in the form of required fringe benefits owed to Glenn O. Hawbaker, Inc. employees working prevailing wage jobs, as required by prevailing wage law, to such employees and did intentionally deal with the property as its own, with the amount involved being in excess of \$500,000, in violation of 18 Pa.C.S. § 3927(a).

Inchoate Offense	<input type="checkbox"/> Attempt 18 901 A	<input type="checkbox"/> Solicitation 18 902 A	<input type="checkbox"/> Conspiracy 18 903	Number of Victims Age 60 or Older _____
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<input type="checkbox"/>	<b>3</b>	<b>3927</b>	<b>A</b>	<b>of the</b>	<b>18</b>	<b>1</b>	<b>F1</b>		
Lead?	Offense #	Section	Subsection		PA Statute (Title)	Counts	Grade	NCIC Offense Code	UCR/NIBRS Code

PennDOT Data (if applicable)	Accident Number _____	<input type="checkbox"/> Interstate	<input type="checkbox"/> Safety Zone	<input type="checkbox"/> Work Zone
------------------------------	-----------------------	-------------------------------------	--------------------------------------	------------------------------------

Statute Description (include the name of statute or ordinance): **THEFT BY FAILURE TO MAKE REQUIRED DISPOSITION OF FUNDS RECEIVED**

Acts of the accused associated with this Offense: In that the above named defendant, on or about/between January 01, 2017 and December 31, 2017, did obtain property upon agreement, or subject to a known legal obligation, to make specified payments or other disposition, whether from such property or its proceeds or from its own property to be reserved in equivalent amount to wit, the defendant failed to remit U.S. Currency in the form of required fringe benefits owed to Glenn O. Hawbaker, Inc. employees working prevailing wage jobs, as required by prevailing wage law, to such employees and did intentionally deal with the property as its own, with the amount involved being in excess of \$500,000, in violation of 18 Pa.C.S. § 3927(a).



# POLICE CRIMINAL COMPLAINT

Docket Number: <b>CR-89-21</b>	Date Filed: <b>4/8/21</b>	OTN/LiveScan Number	Complaint/Incident Number 43-1351
Defendant Name:	First: GLENN	Middle: O.	Last: HAWBAKER, INC.

The acts committed by the accused are described below with each Act of Assembly or statute allegedly violated, if appropriate. When there is more than one offense, each offense should be numbered chronologically. (Set forth a *brief* summary of the facts sufficient to advise the defendant of the nature of the offense(s) charged. A citation to the statute(s) allegedly violated, without more, is not sufficient. In a summary case, you must cite the specific section(s) and subsection(s) of the statute(s) or ordinance(s) allegedly violated. The age of the victim at the time of the offense may be included if known. In addition, social security numbers and financial information (e.g. PINs) should not be listed. If the identity of an account must be established, list only the last four digits. 204 PA.Code §§ 213.1 – 213.7.)

<b>Inchoate Offense</b>	<input type="checkbox"/> Attempt 18 901 A	<input type="checkbox"/> Solicitation 18 902 A	<input type="checkbox"/> Conspiracy 18 903	Number of Victims Age 60 or Older _____					
<input type="checkbox"/>	4	3927	A	of the	18	1	F1		
Lead?	Offense #	Section	Subsection	PA Statute (Title)	Counts	Grade	NCIC Offense Code	UCR/NIBRS Code	
<b>PennDOT Data (if applicable)</b>	Accident Number			<input type="checkbox"/> Interstate	<input type="checkbox"/> Safety Zone	<input type="checkbox"/> Work Zone			
Statute Description (include the name of statute or ordinance): <b>THEFT BY FAILURE TO MAKE REQUIRED DISPOSITION OF FUNDS RECEIVED</b>									
Acts of the accused associated with this Offense: In that the above named defendant, on or about/between January 01, 2018 and December 31, 2018, did obtain property upon agreement, or subject to a known legal obligation, to make specified payments or other disposition, whether from such property or its proceeds or from its own property to be reserved in equivalent amount to wit, the defendant failed to remit U.S. Currency in the form of required fringe benefits owed to Glenn O. Hawbaker, Inc. employees working prevailing wage jobs, as required by prevailing wage law, to such employees and did intentionally deal with the property as its own, with the amount involved being in excess of \$500,000, in violation of 18 Pa.C.S. § 3927(a).									

<b>Inchoate Offense</b>	<input type="checkbox"/> Attempt 18 901 A	<input type="checkbox"/> Solicitation 18 902 A	<input type="checkbox"/> Conspiracy 18 903	Number of Victims Age 60 or Older _____					
<input type="checkbox"/>				of the					
Lead?	Offense #	Section	Subsection	PA Statute (Title)	Counts	Grade	NCIC Offense Code	UCR/NIBRS Code	
<b>PennDOT Data (if applicable)</b>	Accident Number			<input type="checkbox"/> Interstate	<input type="checkbox"/> Safety Zone	<input type="checkbox"/> Work Zone			
Statute Description (include the name of statute or ordinance):									
Acts of the accused associated with this Offense:									

<b>Inchoate Offense</b>	<input type="checkbox"/> Attempt 18 901 A	<input type="checkbox"/> Solicitation 18 902 A	<input type="checkbox"/> Conspiracy 18 903	Number of Victims Age 60 or Older _____					
<input type="checkbox"/>				of the					
Lead?	Offense #	Section	Subsection	PA Statute (Title)	Counts	Grade	NCIC Offense Code	UCR/NIBRS Code	
<b>PennDOT Data (if applicable)</b>	Accident Number			<input type="checkbox"/> Interstate	<input type="checkbox"/> Safety Zone	<input type="checkbox"/> Work Zone			
Statute Description (include the name of statute or ordinance):									
Acts of the accused associated with this Offense:									



# POLICE CRIMINAL COMPLAINT

Docket Number: <b>CR-89-21</b>	Date Filed: <b>4/8/21</b>	OTN/LiveScan Number	Complaint/Incident Number 43-1351
Defendant Name:	First: GLENN	Middle: O.	Last: HAWBAKER, INC.

- I ask that a warrant of arrest or a summons be issued and that the defendant be required to answer the charges I have made.
- I verify that the facts set forth in this complaint are true and correct to the best of my knowledge or information and belief. This verification is made subject to the penalties of Section 4904 of the Crimes Code (18 Pa.C.S. § 4904) relating to unsworn falsification to authorities.
- This complaint consists of the preceding page(s) numbered 1 through    .
- I certify that this filing complies with the provisions of the *Case Records Public Access Policy of the Unified Judicial System of Pennsylvania* that require filing confidential information and documents differently than non-confidential information and documents.

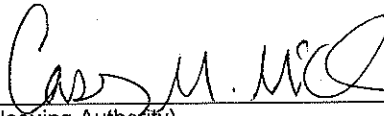
The acts committed by the accused, as listed and hereafter, were against the peace and dignity of the Commonwealth of Pennsylvania and were contrary to the Act(s) of the Assembly, or in violation of the statutes cited.  
**(Before a warrant of arrest can be issued, an affidavit of probable cause must be completed, sworn to before the issuing authority, and attached.)** \_\_\_\_\_

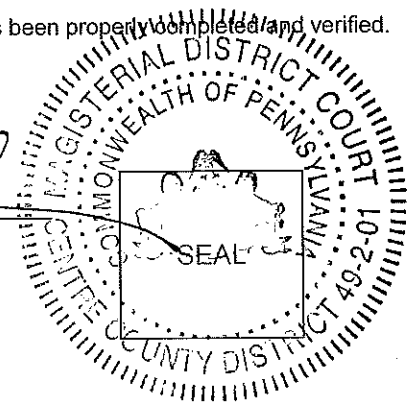
(Date)

  
 (Signature of Affiant) 4/8/21

AND NOW, on this date April 8, 2021 I certify that the complaint has been properly completed and verified.  
 An affidavit of probable cause must be completed before a warrant can be issued.

49-2-01  
 (Magisterial District Court Number)

  
 (Issuing Authority)





# POLICE CRIMINAL COMPLAINT

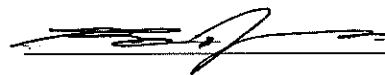
Docket Number: <b>CR-89-21</b>	Date Filed: <b>4/8/21</b>	OTN/LiveScan Number	Complaint/Incident Number 43-1351
Defendant Name:	First: GLENN	Middle: O.	Last: HAWBAKER, INC.

## AFFIDAVIT of PROBABLE CAUSE

See attached Affidavit of Probable Cause.

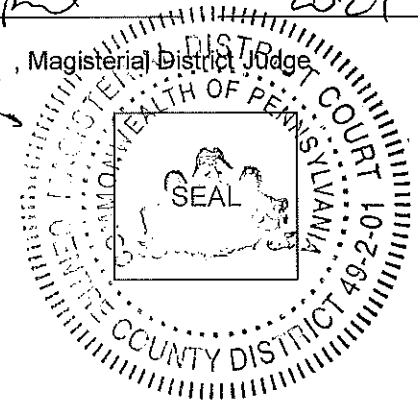
I, THOMAS J. MOORE II, BEING DULY SWORN ACCORDING TO THE LAW, DEPOSE AND SAY THAT THE FACTS SET FORTH IN THE FOREGOING AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

I CERTIFY THAT THIS FILING COMPLIES WITH THE PROVISIONS OF THE CASE RECORDS PUBLIC ACCESS POLICY OF THE UNIFIED JUDICIAL SYSTEM OF PENNSYLVANIA THAT REQUIRE FILING CONFIDENTIAL INFORMATION AND DOCUMENTS DIFFERENTLY THAT NON-CONFIDENTIAL INFORMATION AND DOCUMENTS.

 04/08/2021  
 (Signature of Affiant)

Sworn to me and subscribed before me this 8<sup>th</sup> day of April, 2021  
 \_\_\_\_\_ Date Cass M. McC, Magisterial District Judge

My commission expires first Monday of January, 2024



**AFFIDAVIT OF PROBABLE CAUSE**

Your affiant, Supervisory Narcotics Agent Thomas J. Moore II, Pennsylvania Office of Attorney General, Bureau of Narcotics Investigation and Drug Control, submits there is probable cause to charge Glenn O. Hawbaker, Inc. for theft by failure to make required disposition of funds received.

**Affiant's Background**

Your Affiant, Thomas J. Moore II is a narcotics agent employed by the Pennsylvania Office of Attorney General, Bureau of Narcotics Investigation and Drug Control. I am presently assigned to the Strategic Response Team in Harrisburg.

Prior to my employment with the Pennsylvania Office of Attorney General, I was employed as a patrolman with the Cresson Borough Police Department from 1998 to 2001. I served as the Officer in Charge of the Cresson Borough Police Department between 2001 and 2004.

From 2001 through 2008, I was a member of the Cambria County Drug Task Force and worked as an undercover officer and a case officer. From 2004 to 2008, I was also employed by the Cambria County District Attorney's Office as a detective.

In my law enforcement career, I have investigated over one thousand felony cases, including homicides, assaults, armed robberies, sex crimes, child abuse, elder abuse, human trafficking, domestic violence and numerous other felony and non-felony crimes. I have made hundreds of arrests, testified at a multitude of trials and have attended a myriad of trainings on subjects covering all aspects of criminal investigations.

As a member of the Office of Attorney General, Bureau of Narcotics Investigation and Drug Control, I am empowered by law to conduct investigations of, and to make arrests for,

offenses involving violations of the Pennsylvania Controlled Substance, Drug, Device and Cosmetic Act and certain enumerated offenses of the Pennsylvania Crimes Code.

### **Background**

Glenn O. Hawbaker, Inc. ("GOH") is a family-owned, heavy construction contractor headquartered in State College, Centre County. GOH was founded in 1952 by Glenn and Thelma Hawbaker as a small excavation company. Over the years, the company has vastly expanded to include heavy highway construction, asphalt and aggregate materials production, and quarrying operations. Since 1990, GOH has completed numerous bridge construction projects throughout the Commonwealth for the Pennsylvania Department of Transportation ("PennDOT"), counties, and municipalities. GOH has a number of facilities throughout the Commonwealth and in New York and Ohio.

Since 1978, Daniel Hawbaker, one of Glenn and Thelma Hawbaker's sons, has been the president of GOH. Daniel's sons, D. Michael ("Michael") and Patrick Hawbaker, serve GOH as vice presidents. GOH is currently owned by Daniel, Michael, and Patrick Hawbaker (collectively "the Hawbakers") and family trusts established for the benefit of the Hawbakers.

At any given time, GOH employs up to approximately 1,200 employees, including roughly 100 employees who work at the company's corporate headquarters, located at 1952 Waddle Road, State College, and approximately 600 to 800 employees who work at construction sites throughout the Commonwealth and surrounding states on both public and private projects. A large percentage of the company's construction projects are government-funded public works projects requiring compliance with state and/or federal prevailing wage laws. PennDOT is GOH's largest government client.

## Prevailing Wage Laws

Public works projects funded by \$2,000 or more of federal funds are subject to the Davis-Bacon Act (“DBA”).<sup>1</sup> The DBA is intended to ensure that wages paid to workers on federally funded construction projects comport with the wages that prevail in that particular geographical region. Public works projects funded by \$25,000 or more of state funds are subject to the Prevailing Wage Act (“PWA”), Pennsylvania’s version of the DBA. The laws create a level playing field by ensuring that every bidder on a project that receives federal or state funds pays the same wage rates, as required by a prevailing wage determination. Prevailing wage determinations are issued by the United States Department of Labor or Pennsylvania’s Department of Labor & Industry—depending on whether the project is subject to federal or state prevailing wage laws—on an individual project basis. Contractors bidding on public works projects are notified in the Request for Proposal that the project is subject to prevailing wage law requirements.

When a contractor is selected to complete a public works project subject to the DBA or PWA, the contractor agrees that it will pay its workers in accordance with prevailing wage laws. It is fulfillment of this agreement, as verified by the submission of sworn certified payroll reports to contracting government agencies, along with successful completion of other project requirements, that entitles the contractor to be paid for the job. Thus, contractors on public works projects are required to use a portion of moneys received to pay their workers the applicable prevailing wage.

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<sup>1</sup> These projects may also be subject to the Davis-Bacon Related Acts. The Related Acts are federal statutes which authorize federal assistance in the form of contributions, grants, loans, insurance, or guarantees for programs such as the construction of hospitals, housing complexes, sewage treatment plants, highways, and airports. Included in the language of these statutes are references to the DBA labor standards provisions and the requirement that laborers and mechanics be paid prevailing wage rates.



Wage determinations specify the different wages that a contractor must pay each classification of worker, such as equipment operators, carpenters, laborers, etc., on a project. Generally, classifications that entail a higher degree of expertise or training have higher wage determination rates. All workers must be paid the applicable wage determination rate for all wages and benefits earned in each classification each week. Each wage determination consists of both an hourly base rate and an amount allowable as a fringe benefit credit. The hourly base rate is the amount that is paid in wages directly to workers.

The fringe benefit component is intended to offset employers' total wage obligation by crediting them for costs incurred for providing benefits to prevailing wage workers in lieu of wages. Contractors have three options for paying the fringe benefit component. They may pay the fringe benefit component to the worker entirely in wages; contribute the full amount into bona fide fringe benefit programs, such as health insurance, retirement plans, or paid time off; or use some combination of cash and contributions to bona fide benefits. The entire fringe benefit component must be used for the sole benefit of the worker who earned the money.

There are limitations to the costs that a contractor may assess to prevailing wage fringe benefit funds. For instance, contractors may not use prevailing wage fringe benefit funds to cover internal administrative fees, and the amount of fringe benefit money contributed into a bona fide fringe benefit program must be reasonably anticipated to cover the actual cost of the benefit. Prevailing wage fringe benefit money cannot be used to fund benefits for anyone other than the individual worker who earned the money.

Both the DBA and PWA require employers to annualize fringe benefit credits taken for contributions to employee benefits. Employers are required to annualize fringe benefit credits to ensure that they are only offsetting their prevailing wage obligations by the proportion of

contributions actually attributable to time employees spend on public works projects. Therefore, an employer may only claim a fringe benefit credit for the actual hourly rate of contributions for all hours worked in a year by each worker on both prevailing wage and non-prevailing wage work. For example, presume that an employer contributes \$2,000 to a particular employee's pension fund in a calendar year. If that employee worked 1,500 hours on prevailing wage jobs and 500 hours on jobs not covered by the DBA or PWA, only \$1,500.00, or \$1.00 per hour, could be creditable as a fringe benefit. However, employers are not required to annualize contributions to employees' retirement accounts under a plan that provides for immediate participation and "essentially immediate vesting."<sup>2</sup>

Every week, contractors working on public works projects must submit certified payrolls, which are sworn certifications attesting that wages and fringe benefits were paid in accordance with prevailing wage laws, to the contracting government entity for every public works project as part of their application for payment.

### **GOH's Prevailing Wage Practices**

As explained below, GOH stole fringe benefit funds that were supposed to go into prevailing wage workers' pensions and to pay for prevailing wage workers' health and welfare benefits.

GOH reported how it claimed to be paying its prevailing wage workers by creating a fringe benefit letter that was submitted to the contracting government agency for each project.<sup>3</sup> Those letters listed each job classification for a particular project and a representation as to how workers

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<sup>2</sup> The U.S. Department of Labor defines "essentially immediate vesting" to mean 100% vesting after an employee works no more than 500 hours.

<sup>3</sup> A sample Fringe Benefit Letter is attached as Attachment A.

in each classification would be paid. It listed a "Base Rate," which is the hourly rate workers would receive in their paychecks. For the fringe benefit component, the letter included the following columns: "Health & Welfare," "Cash Pd In addition (sic) to Health," "Pension,"<sup>4</sup> and "Total Fringes." Every fringe benefit letter reviewed during the course of this investigation listed the amount of cash paid in addition to health as zero. The letters listed the same health and welfare cost for all job classifications on the project. The pension amount listed varied by job classification.

GOH payroll and accounting employees have explained how GOH calculated the amounts listed on the fringe benefit letters and how those amounts differed from what was recorded in the company's payroll and accounting system. Wage determinations list the total hourly cash equivalent of fringe benefits due to workers in each job classification. In its payroll and accounting system, GOH attributed 50% of the total fringe amount to pension and 50% to health and welfare. In the fringe benefit letter, GOH reported that it was allocating 50% of the fringe amount listed in the wage determination to pension.

The health and welfare amount reported in the fringe benefit letter, however, bore no relation to the fringe benefit amount listed on the wage determination. Instead, GOH concocted a grossly exaggerated health and welfare hourly credit by including inflated health insurance costs and nonqualifying expenses in its health and welfare credit calculation. The figure GOH reported in the fringe benefit letter under "Total Fringes" was the sum of the inflated hourly health and welfare rate and the hourly pension rate. The pension amount listed on the fringe benefit letter per

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<sup>4</sup> GOH maintains a defined contribution retirement plan, but the company refers to the retirement benefit it offers as a "pension." Although the term "pension" is generally understood to refer to a defined *benefit* plan—not a defined *contribution* plan—it is used here for the sake of continuity.

employee per hour was put into one big pot and then used to fund all employees', executives', and owners' pension accounts.

As explained below, what GOH reported on the fringe benefit letters never reflected how GOH was actually using the prevailing wage workers' money. While GOH boasted that it provided great employee benefits and used that supposed "fact" as a recruiting tool, in actuality, GOH was stealing its prevailing wage workers' pension and health and welfare money. GOH used its prevailing wage workers' fringe benefit funds to lower its costs, thereby helping GOH to win more government bids, and increase the company's profits.

Forensic accountants from Stout, a forensic accounting firm retained by the Office of Attorney General ("OAG"), have reviewed GOH's fringe benefit contributions and found that between 2015 and 2018, GOH stole just under \$20.7 million of prevailing wage workers' fringe benefit money:<sup>5</sup>

<u>Year</u>	<u>Pension Underfunding</u>	<u>H&amp;W Underfunding</u>	<u>Total</u>	<u>Net Combined Underfunding</u>
2015	\$3,454,303	\$426,430	\$3,880,733	\$3,875,246
2016	\$3,858,623	\$2,063,459	\$5,922,082	\$5,916,948
2017	\$3,848,721	\$1,583,202	\$5,431,923	\$5,406,300
2018	\$4,330,141	\$1,233,866	\$5,564,007	\$5,497,959
<b>Total</b>	<b>\$15,491,788</b>	<b>\$5,306,957</b>	<b>\$21,651,605</b>	<b>\$20,696,453</b>

**Theft of Pension Money**

Both the DBA and the PWA allow employers to use prevailing wage fringe benefit money to fund retirement contributions. As with all prevailing wage fringe money, the contributions must go into the individual retirement account of the worker who earned the money. However, GOH

<sup>5</sup> The theft scheme began over a decade before 2015. However, these charges are based on conduct beginning on September 1, 2015 due to the applicable statute of limitations, which was extended based on a tolling agreement entered into between the OAG and GOH.

used its prevailing wage workers' contributions to fund all GOH pension contributions for all employees, including hundreds of non-prevailing wage employees.

GOH's retirement benefit program has two components: a profit sharing component and an elective contribution 401(k) component.<sup>6</sup> GOH represented to its employees that the profit sharing program was designed to reward eligible employees and that contributions were funded by the company. While GOH claimed that it was funding the profit sharing plan, it was actually using fringe benefit moneys from the prevailing wage workers' wages to foot the bill. Further, not all employees were eligible to receive profit sharing contributions; in order to receive them, an employee must have worked a minimum number of hours<sup>7</sup> and be employed on the last day of the calendar year.

Prior to 2019, GOH's pension plan did not provide for immediate vesting. As explained above, GOH was required to annualize prevailing wage pension contributions because its plan did not provide for immediate participation and essentially immediate vesting until 2019. However, GOH failed to do so.

On fringe benefit letters submitted to contracting government agencies, GOH claimed that it was contributing as much as \$15.12 per hour into prevailing wage workers' pension accounts, which, according to law, must be made to workers' accounts no less frequently than quarterly. In its payroll and accounting system, GOH allocated half of the total fringe amount listed on the wage determination toward pensions. However, instead of paying that money over to the retirement account owned by the worker who earned the money, GOH transferred that money into one big, unallocated account. The money sat in that big pot throughout the year. Just prior to the end of

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<sup>6</sup> Employees who made elective contributions were eligible to receive matching contributions.

<sup>7</sup> This minimum number varied as the plan was amended over the course of the years examined in this investigation.

the first quarter of the following year, that pot of prevailing wage workers' money was spread out across all GOH employees', executives', and owners' retirement accounts.

Stout has reviewed GOH pension contributions and determined the amount of pension money stolen from prevailing wage workers. Using information obtained from GOH payroll and accounting personnel, reports from the company's payroll and accounting system, and data from third-party fund administrators, Stout found that the difference between what GOH was legally required to pay into prevailing wage workers' pension accounts and what was actually contributed between 2015 and 2018 was just under \$15.5 million. Stout calculated the pension underfunding by year as follows:<sup>8</sup>

<u>Year</u>	<u>Pension Underfunding</u>
2015	\$3,454,303
2016	\$3,858,623
2017	\$3,848,721
2018	\$4,330,141
<b>Total</b>	<b>\$15,491,788</b>

Instead of putting all of the prevailing wage workers' pension funds into the account of the worker who actually earned it, GOH stole that money and used it to pay for all GOH employees', executives', and owners' pensions. As a result of this theft, the company's prevailing wage workers have been left with vastly short-changed pension accounts.

#### **Theft of Health and Welfare Money**

Both the DBA and PWA permit contractors to allocate prevailing wage fringe benefit funds to bona fide health and welfare benefits such as health insurance, life insurance, disability insurance, and paid time off. Contribution amounts may only be used to pay for benefits for the

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<sup>8</sup> The 2015 pension underfunding amount was not prorated because the final distribution of 2015 pension funds into all employees' individual retirement accounts was not completed until the first quarter of 2016.

prevailing wage worker who earned the money and must be reasonably anticipated to cover the cost of that worker's benefits.

GOH provides various health and welfare benefits to its employees, including medical, vision, prescription, short-term disability, and life insurances. The company also provides paid time off and an employee assistance plan.

Since GOH was claiming a full fringe benefit credit for all prevailing wage workers per hour, it was obliged to provide that amount in fringe benefits to those workers. In reality, GOH was only paying a fraction of the required amount in the form of health and welfare benefits for prevailing wage workers and was stealing the rest to pay for everyone else's health and welfare benefits. GOH disguised the theft by reporting to government agencies that it was paying well in excess of what was required by law, using an hourly health and welfare cost based on grossly inflated costs and nonqualifying expenses.

Prior to 2019, GOH accounting employees conducted a so-called "Benefits Analysis" annually to determine the hourly credit the company would take for providing health and welfare benefits to employees.<sup>9</sup> This analysis lists what GOH claims were the costs of providing health and welfare benefits in the previous year. The sum of those costs was inserted into a formula used to determine what GOH claimed to be the hourly cost of providing health and welfare benefits to its employees. However, this investigation has revealed that many of the costs GOH included in this calculation were either grossly inflated or were not allowable costs, and that GOH failed to employ an appropriate annualization calculation.

Based on these false numbers, GOH reported the hourly cost of its health and welfare benefits to be between approximately \$14 and \$19, depending on the year. By claiming these

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<sup>9</sup> Benefits Analysis for the years 2015-2018, based on costs for the prior year, are attached as Attachments B-E.

exorbitant credits when submitting fringe benefit letters and certified payroll records to public agencies, GOH obscured the reality: the actual cost of providing health and welfare benefits to employees ranged from \$4 to \$7 per hour, and was heavily subsidized by funds stolen from prevailing wage workers.

GOH operates a self-funded health insurance plan. This means that GOH pays health insurance claims itself instead of paying insurance premiums to an insurance company that would then be responsible for paying claims.<sup>10</sup> GOH purchased re-insurance that would cover the cost of any large, unanticipated claims, thereby limiting the company's potential costs. Between 2015 and 2018, GOH contracted with a third-party administrator, Cigna, to administer its health insurance plan. Beginning in 2018, GOH contracted with Aetna to serve as a third-party administrator. Large employers often choose to self-insure because the cost of paying claims is usually much lower than paying premiums for all employees.

By contracting with a third-party administrator, like Cigna or Aetna, companies with self-funded health insurance plans receive the benefit of the third-party administrator's network of participating providers. Participating providers agree to accept a set payment, which is usually much less than the provider's typical fee, as full payment. Therefore, the amount the company pays out in claims is substantially lower than the amount billed on claims. These agreements vastly lower self-funded insurance plans' costs.

When calculating the hourly cost of providing medical benefits, GOH used the total amount of claims considered—rather than what it actually paid out—in its Benefits Analysis calculation. Use of the total claims considered amount rather than the claims actually paid means that GOH took credit for not only millions of dollars in contractual write-offs that were never paid by anyone, but

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<sup>10</sup> GOH's self-funded plan is a voluntary employee beneficiary association ("VEBA") plan, where the company and employees make contributions into a trust fund from which claims are paid.



also for money paid by the prevailing wage workers and other employees in the form of deductibles, copays, and employee payroll contributions. Between 2015 and 2018, GOH included over \$50 million in costs it never paid into the health and welfare calculations:

<u>Year</u>	<u>Claims Submitted</u>	<u>Claims Paid</u>	<u>Difference</u>
2015	\$24,723,446	\$12,756,422	-\$11,967,024
2016	\$21,891,122	\$11,065,510	-\$10,825,612
2017	\$27,310,916	\$13,096,921	-\$14,213,995
2018	\$26,647,775	\$12,887,585	-\$13,760,190
<b>Total</b>	<b>100,573,259</b>	<b>49,806,438</b>	<b>-50,766,821</b>

Even though it was already attributing millions of dollars of expenses it never paid to the prevailing wage workers, GOH did not stop there. GOH also included a number of ineligible expenses in the health and welfare hourly cost calculation.

Timothy Helm, former Director of Government Contracts for the United States Department of Labor (“DOL”), managed DOL’s Wage and Hour Division and was responsible for enforcement of federal prevailing wage laws throughout the entire United States. Helm was retained by the OAG to render his expert opinion on various aspects of prevailing wage laws and to review the fringe benefit credits taken by GOH. In addition to the use of claims considered instead of claims paid, Helm found that GOH included ineligible expenses in its health and welfare calculation.

Specifically, Helm found that GOH wrongly included the cost of paying the company’s own human resources employees in the health and welfare calculation. The DBA and PWA allow contractors with self-insured health plans to include external administrative costs, like third-party plan administrators’ fees, in their health and welfare cost calculation. However, contractors are not permitted to include internal administrative costs, including employee wages. GOH included the cost of paying wages for GOH employees who purportedly had some involvement in benefits administration, plus ten percent to cover employer payroll taxes. Beyond the fact that prevailing

wage laws prohibit passing any of these costs on to prevailing wage workers, GOH included the salaries of employees who had little, if any, real involvement with administering fringe benefits. Between 2015 and 2018, GOH added approximately \$1.8 million in ineligible personnel wages to its health and welfare cost calculation:

<u>Year</u>	<u>GOH Benefits Personnel Wages</u>
2015	\$410,637.81
2016	\$441,778.51
2017	\$488,769.70
2018	\$457,490.57
<b>Total</b>	<b>\$1,798,676.59</b>

GOH also included a line item called “Additional Costs that support (sic) Plan” in its health and welfare cost calculation. GOH accounting employees have explained that those additional costs had nothing to do with health and welfare. Instead, GOH added 401(k) match funds into its health and welfare cost calculation. Between 2015 and 2018, GOH lumped over \$3.9 million of 401(k) matching funds into its health and welfare calculation:<sup>11</sup>

<u>Year</u>	<u>Additional Costs that Support Plan</u>
2015	\$619,054.00
2016	\$1,015,476.41
2017	\$1,122,595.50
2018	\$1,154,053.70

Further conflating its hourly credit, GOH completely ignored employee health insurance payroll contributions when calculating the health and welfare cost. Depending on the health plan

<sup>11</sup> In its calculations, Stout removed this entire amount from the health and welfare calculation. Any portion of the 401(k) match that was paid into prevailing wage workers’ retirement accounts was used to offset those workers’ pension underfunding.

option the worker selected, whether the worker had dependents covered by the health plan, whether the worker participated in a wellness plan, and whether the worker was a tobacco user, many GOH workers were required to make contributions toward the health plan. However, these contributions, totaling over \$10.8 million, were simply ignored by GOH. Between 2015 and 2018, the following employee contributions were deducted from workers' paychecks, but GOH did not acknowledge the offset to the company's burden for health care costs:

<u>Year</u>	<u>Employee Contributions</u>
2015	\$3,086,441
2016	\$2,919,411
2017	\$2,494,139
2018	\$2,357,867
<b>Total</b>	<b>\$10,857,858</b>

Finally, GOH included the cost of providing all of its employees paid time off in the health and welfare calculation. Although some of that money was allocated toward paid time off for prevailing wage workers, GOH failed to annualize that benefit as required by law. Stout removed that total amount from the calculation and, instead, used an annualized, per-worker cost based on the amount of paid leave prevailing wage workers actually used in the calculation.

Using the actual amount of money GOH paid out in health insurance claims, removing ineligible expenses, and giving workers credit for their own contributions, Stout was able to determine the actual hourly health and welfare cost:

<u>Year</u>	<u>GOH H&amp;W Hourly Rate</u>	<u>Actual H&amp;W Hourly Rate</u>	<u>Difference</u>
2015	\$14.65	\$5.03	-\$9.62
2016	\$14.01	\$4.19	-\$9.85
2017	\$17.50	\$5.23	-\$12.27
2018	\$18.65	\$6.67	-\$11.98

Stout applied the actual health and welfare hourly rate to the hours worked by prevailing wage workers. To determine the amount stolen from prevailing wage workers, Stout compared the amount of fringe benefit funds actually spent on providing health and welfare benefits to prevailing wage workers to what GOH was required to pay based on the wage determination.<sup>12</sup> Between 2015 and 2018, the total health and welfare underfunding was approximately \$5.3 million:<sup>13</sup>

<u>Year</u>	<u>H&amp;W Underfunding</u>
2015	\$426,430
2016	\$2,063,459
2017	\$1,583,202
2018	\$1,233,866
<b>Total</b>	<b>\$5,306,957</b>

This money should have been paid to the prevailing wage workers either as additional pension contributions or in cash.

### GOH Response

GOH officials have admitted that the company used prevailing wage fringe benefit funds to pay for all employees', executives', and owners' benefits. The company claims that it relied on bad advice of former counsel.

<sup>12</sup> The theft amount was calculated by comparing what the company was required to pay, not the inflated hourly rate the company claimed to have paid in fringe benefits letters, to what was actually paid. Here is a hypothetical illustration:

- a. The company claimed to have paid \$18.00 per hour in health and welfare benefits.
- b. The company was required to have paid \$10.00 per hour in health and welfare benefits.
- c. The company actually paid \$8.00 per hour in health and welfare benefits.
- d. The theft amount would be the difference between what the company was required to have paid (\$10.00 per hour) and what it actually paid (\$8.00), not the inflated rate it claimed to have paid (\$18.00), resulting in a theft amount of \$2.00 per hour.

<sup>13</sup> The 2015 health and welfare underfunding was prorated based on the applicable statute of limitations, as modified by the tolling agreement between the OAG and GOH.

Since this investigation began, GOH has changed the way it handles prevailing wage fringe benefit funds. The OAG executed a search warrant at GOH's corporate headquarters in June 2018. Since GOH was aware of the investigation, the company retained a consultant to review its prevailing wage practices and changed the way that it handled prevailing wage fringe benefits funds in 2019.<sup>14</sup> Pension money earned by prevailing wage workers is now contributed directly into those workers' individual retirement accounts as required. GOH also made changes to the method used to calculate the hourly health and welfare rate. The company now uses the actual amount of health insurance claims paid in its health and welfare calculation and other allowable costs, and it excludes internal administrative and other impermissible costs.

### Conclusion

The evidence shows that GOH stole \$20,696,453 in fringe benefit funds from prevailing wage workers between September 1, 2015 and 2018 and used that money to pay for all GOH benefits and otherwise to lower the company's costs. GOH was required to use that money for the sole benefit of the prevailing wage workers who earned the money, but it failed to do so. Therefore, there is probable cause, for each year between 2015 and 2018, that GOH committed the crime of Theft by Failure to Make Required Disposition of Funds Received, 18 Pa.C.S. § 3927(a), and that the amount involved for each year exceeds \$500,000.

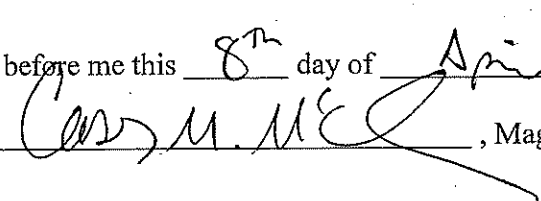
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<sup>14</sup> Despite these changes, it appears that GOH continued to underfund prevailing wage fringe benefits. Since GOH made efforts to correct its practices starting in 2019, no criminal conduct is alleged for that year.

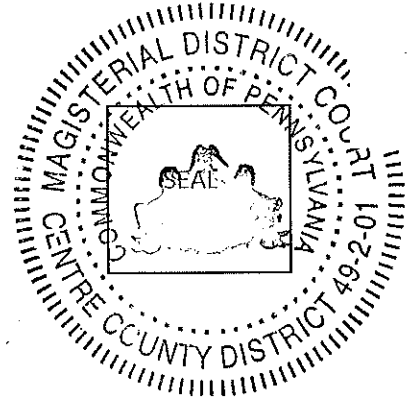
I, THOMAS J. MOORE II, BEING DULY SWORN ACCORDING TO THE LAW, DEPOSE AND SAY THAT THE FACTS SET FORTH IN THE FOREGOING AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

I CERTIFY THAT THIS FILING COMPLIES WITH THE PROVISIONS OF THE CASE RECORDS PUBLIC ACCESS POLICY OF THE UNIFIED JUDICIAL SYSTEM OF PENNSYLVANIA THAT REQUIRE FILING CONFIDENTIAL INFORMATION AND DOCUMENTS DIFFERENTLY THAN NON-CONFIDENTIAL INFORMATION AND DOCUMENTS.

  
(Signature of Affiant) 04/08/2021

Sworn to me and subscribed before me this 8<sup>th</sup> day of April 2021  
Date , Magisterial District Judge

My commission expires first Monday of January, 2024



# Attachment A

Since 1952



Project: 18078- SR 422 (19A) Armstrong 91249, 91249

Work Classification	Base Rate	Health & Welfare*	Cash Pd in addition to Health	Pension**	Total Fringes
OPERATOR CL 1	31.29	18.65	0.00	10.39	29.04
OPERATOR CL 2	31.03	18.65	0.00	10.39	29.04
OPERATOR CL 3	27.38	18.65	0.00	10.39	29.04
LABOR CL 1	24.85	18.65	0.00	11.18	29.83
LABOR CL 2	25.01	18.65	0.00	11.18	29.83
LABOR CL 3	25.40	18.65	0.00	11.18	29.83
LABOR CL 6	23.10	18.65	0.00	11.18	29.83
TRUCK DRIVER CL 1	28.52	18.65	0.00	9.20	27.85
TRUCK DRIVER CL 2	28.66	18.65	0.00	9.24	27.89
TRUCK DRIVER CL 3	29.13	18.65	0.00	9.39	28.04
CARPENTER	33.17	18.65	0.00	8.89	27.54
IRONWORKER/STRUCTURAL	33.54	18.65	0.00	15.12	33.77
CEMENT MASON	31.04	18.65	0.00	9.95	28.60
PILEDRIVERMEN	33.55	18.65	0.00	9.28	27.93
PILE DRIVEMAN/WELDER	33.55	18.65	0.00	9.28	27.93
FOREMAN (OPER CL 1 RATE)	32.29	18.65	0.00	10.39	29.04
SUPERINTENDENT-OP CL 1	33.29	18.65	0.00	10.39	29.04

\* Third Party Administrator

Aetna  
P.O. Box 981106  
El Paso, TX 79998-1106

\*\* RecordKeeper / Fund Manager

Principal Financial Group  
PO Box 9394  
Des Moines, Iowa 50306-9394

Overnight Mailing Address

711 High Street  
Des Moines, Iowa 50392

Employee Deductions:

FICA	6.20%
Medicare	1.45%
State Income Tax	3.07%
State Unemployment	0.07%
Local Tax	1.0% to 3.4% dependent upon residence.

Print Date: 8/9/2018

An Equal Opportunity Employer

PAOAGHC: 2272

1952 Waddle Road, Suite 203, State College, PA 16803

Phone: 814-237-1444 Fax: 814-272-2459 www.goh-inc.com



# Attachment B

**GLENN O. HAWBAKER, INC. BENEFIT ANALYSIS**  
For Calander Year Ended December 31, 2014

BENEFIT	Total Costs		Per Hour Costs	Reciever of Funds
Health Plan Claims	\$24,723,446.27	\$20,517.38	\$11.50	Hawbaker Employee Welfare Benefit Trust
Vision Plan	\$124,287.69	\$103.14	\$0.06	Hawbaker Employee Welfare Benefit Trust
HSA plan contributions by GOH	\$774,255.00	\$642.54	\$0.36	GOH EWBT then to Employees HSA accts
Prescription Costs	\$1,648.84	\$1.37	\$0.00	Hawbaker Employee Welfare Benefit Trust
Admin Fees	\$975,553.92	\$809.59	\$0.45	Hawbaker Employee Welfare Benefit Trust
GOH Benefits Personnel Wages	\$410,637.81	\$340.78	\$0.19	Hawbaker Personnel Employees
UNUM Life Insurance (LTC, LTD & Life Ins)	\$423,818.59	\$351.72	\$0.20	UNUM Life Ins. Co.
Short Term Disability	\$153,365.31	\$127.27	\$0.07	Direct to employees utilizing STD
Employee Assistance Program	\$45,439.96	\$37.71	\$0.02	Health Management Corp
Additional Costs that support Plan	\$619,054.00	\$513.74	\$0.29	Hawbaker P/S Plan
<b>TOTAL COST OF BENEFITS</b>	<b>\$28,251,507.39</b>	<b>\$23,445.23</b>	<b>\$13.14</b>	

\$1.51 vacation/holiday

TOTAL NUMBER OF FULL TIME EQUIVALENT EMPLOYEES

1205

\$14.65

COST PER EMPLOYEE PER YEAR

\$23,445.23

TOTAL NUMBER OF PEOPLE WORKING DAVIS BACON JOBS WITH MORE THAN 40 HOURS OF DAVIS BACON WORK

707

TOTAL HOURS WORKED BY DAVIS BACON EMPLOYEES THAT WORKED MORE THAN 40 HOURS OF DAVIS BACON WORK

1,261,130

TOTAL VACATION/HOLIDAY LIABILTY FOR DAVIS BACON EMPLOYEES LESS THOSE WITH 40 OR LESS DAVIS BACON HOURS

\$1,899,994.84

Total Benefit per hour for Davis Bacon Employees = total number of employees working more than 40 hours of Davis Bacon work X benefit cost per year / total hours worked by Davis Bacon employees that worked more than 40 Davis Bacon hours plus vacation and holiday cost per hour

Total Benefit per hour for Davis Bacon Employees = (707 X 23,445.23 / 1,261,130) + (1,899,994.84 / 1,261,130)

Total Benefit per hour for Davis Bacon Employees = \$14.65

# Attachment C

**GLENN O. HAWBAKER, INC. BENEFIT ANALYSIS**  
For Calendar Year Ended December 31, 2015

BENEFIT	Total Costs	Per Hour Costs	Receiver of Funds
Health Plan Claims	\$21,891,122.00	\$17,928.85	\$10.55 Hawbaker Employee Welfare Benefit Trust
Vision Plan	\$136,667.59	\$111.93	\$0.07 Hawbaker Employee Welfare Benefit Trust
HSA plan contributions by GOH	\$818,625.00	\$670.45	\$0.39 GOH EWBT then to Employees HSA accts
Prescription Costs	\$0.00	\$0.00	\$0.00 Hawbaker Employee Welfare Benefit Trust
Admin Fees	\$772,018.11	\$632.28	\$0.37 Hawbaker Employee Welfare Benefit Trust
GOH Benefits Personnel Wages	\$441,778.51	\$361.82	\$0.21 Hawbaker Personnel Employees
UNUM Life Insurance (LTC, LTD, STD & Life Ins)	\$667,708.37	\$546.85	\$0.32 UNUM Life Ins. Co.
Employee Assistance Program	\$0.00	\$0.00	\$0.00 ESI - Employee Service EAP <small>Oct 2014-Dec 2015 paid in 2014</small>
Additional Costs that support Plan	\$1,015,476.41	\$831.68	\$0.49 Hawbaker P/S Plan
<b>TOTAL COST OF BENEFITS</b>	<b>\$25,743,395.99</b>	<b>\$21,083.86</b>	<b>\$12.41</b>
			\$1.63 vacation/holiday
<b>TOTAL NUMBER OF FULL TIME EQUIVALENT EMPLOYEES</b>	<b>1221</b>	<b>\$14.04</b>	
<b>COST PER EMPLOYEE PER YEAR</b>	<b>\$21,083.86</b>		

TOTAL NUMBER OF PEOPLE WORKING DAVIS BACON JOBS WITH MORE THAN 40 HOURS OF DAVIS BACON WORK 717

TOTAL HOURS WORKED BY DAVIS BACON EMPLOYEES THAT WORKED MORE THAN 40 HOURS OF DAVIS BACON WORK 1,218,087

TOTAL VACATION/HOLIDAY LIABILITY FOR DAVIS BACON EMPLOYEES LESS THOSE WITH 40 OR LESS DAVIS BACON HOURS \$1,984,537.72

**Total Benefit per hour for Davis Bacon Employees**= total number of employees working more than 40 hours of Davis Bacon work X benefit cost per year / total hours worked by Davis Bacon employees that worked more than 40 Davis Bacon hours plus vacation and holiday cost per hour

**Total Benefit per hour for Davis Bacon Employees**= (717 X 21,083.86/1,218,087) + (1,984,537.72/1,218,087)

**Total Benefit per hour for Davis Bacon Employees**= \$14.65

# Attachment D

**GLENN O. HAWBAKER, INC. BENEFIT ANALYSIS**  
 For Calander Year Ended December 31, 2016

BENEFIT	Total Costs	Per Hour Costs	Receiver of Funds
Health Plan Claims	\$27,310,916.00	\$23,727.99	\$13.92 Hawbaker Employee Welfare Benefit Trust
Vision Plan	\$136,502.07	\$118.59	\$0.07 Hawbaker Employee Welfare Benefit Trust
HSA plan contributions by GOH	\$570,535.93	\$495.69	\$0.29 GOH EWBT then to Employees HSA accts
Prescription Costs	\$0.00	\$0.00	\$0.00 Hawbaker Employee Welfare Benefit Trust
Admin Fees	\$819,171.20	\$711.70	\$0.42 Hawbaker Employee Welfare Benefit Trust
GOH Benefits Personnel Wages	\$488,769.70	\$424.65	\$0.25 Hawbaker Personnel Employees
UNUM Life Insurance (LTC, LTD, STD & Life Ins)	\$686,160.81	\$596.14	\$0.35 UNUM Life Ins. Co.
Employee Assistance Program	\$36,486.52	\$31.70	\$0.02 ESI - Employee Service EAP
Additional Costs that support Plan	<u>\$1,122,595.50</u>	<u>\$975.32</u>	<u>\$0.57</u> Hawbaker P/S Plan
<b>TOTAL COST OF BENEFITS</b>	<b>\$31,171,137.73</b>	<b>\$27,081.79</b>	<b>\$15.88</b>
			\$1.62 vacation/holiday
<b>TOTAL NUMBER OF FULL TIME EQUIVALENT EMPLOYEES</b>	1151		<u><b>\$17.50</b></u>
<b>COST PER EMPLOYEE PER YEAR</b>	<b>\$27,081.79</b>		

TOTAL NUMBER OF PEOPLE WORKING DAVIS BACON JOBS WITH MORE THAN 40 HOURS OF DAVIS BACON WORK 697

TOTAL HOURS WORKED BY DAVIS BACON EMPLOYEES THAT WORKED MORE THAN 40 HOURS OF DAVIS BACON WORK 1,188,460

TOTAL VACATION/HOLIDAY LIABILTY FOR DAVIS BACON EMPLOYEES LESS THOSE WITH 40 OR LESS DAVIS BACON HOURS \$1,923,931.22

Total Benefit per hour for Davis Bacon Employees = total number of employees working more than 40 hours of Davis Bacon work X benefit cost per year / total hours worked by Davis Bacon employees that worked more than 40 Davis Bacon hours plus vacation and holiday cost per hour

Total Benefit per hour for Davis Bacon Employees = (697 X 27,081.79/1,188,460) + (1,923,931.22/1,188,460)

Total Benefit per hour for Davis Bacon Employees = \$17.50

# Attachment E

**GLENN O. HAWBAKER, INC. BENEFIT ANALYSIS**  
For Calander Year Ended December 31, 2017

BENEFIT	Total Costs		Per Hour Costs	Receiver of Funds
Health Plan Claims	\$26,647,775.00	\$22,225.00	\$13.39	Hawbaker Employee Welfare Benefit Trust
Vision Plan	\$134,443.64	\$112.13	\$0.07	Hawbaker Employee Welfare Benefit Trust
HSA plan contributions by GOH	\$1,007,377.11	\$840.18	\$0.51	GOH EWBT then to Employees HSA accts
Prescription Costs	\$2,945,782.00	\$2,456.87	\$1.48	Hawbaker Employee Welfare Benefit Trust
Admin Fees	\$828,828.98	\$691.27	\$0.42	Hawbaker Employee Welfare Benefit Trust
Patient Advocate Service	\$47,808.60	\$39.87	\$0.02	Hawbaker Employee Welfare Benefit Trust
GOH Benefits Personnel Wages	\$457,490.57	\$381.56	\$0.23	Hawbaker Personnel Employees
UNUM Life Insurance (LTC, LTD, STD & Life Ins)	\$604,496.53	\$504.17	\$0.30	UNUM Life Ins. Co.
Employee Assistance Program	\$36,398.53	\$30.36	\$0.02	ESI - Employee Service EAP
Additional Costs that support Plan	\$1,154,053.70	\$962.51	\$0.58	Hawbaker P/S Plan
<b>TOTAL COST OF BENEFITS</b>	<b>\$33,864,454.66</b>	<b>\$28,243.92</b>	<b>\$17.01</b>	
			\$1.64	vacation/holiday
<b>TOTAL NUMBER OF FULL TIME EQUIVALENT EMPLOYEES</b>	1199		<u><b>\$18.65</b></u>	
<b>COST PER EMPLOYEE PER YEAR</b>	\$28,243.92			

TOTAL NUMBER OF PEOPLE WORKING DAVIS BACON JOBS WITH MORE THAN 40 HOURS OF DAVIS BACON WORK 784

current calculation includes GOH & HE

TOTAL HOURS WORKED BY DAVIS BACON EMPLOYEES THAT WORKED MORE THAN 40 HOURS OF DAVIS BACON WORK 1,301,536

TOTAL VACATION/HOLIDAY LIABILITY FOR DAVIS BACON EMPLOYEES LESS THOSE WITH 40 OR LESS DAVIS BACON HOURS \$2,132,647.36

Total Benefit per hour for Davis Bacon Employees = total number of employees working more than 40 hours of Davis Bacon work X benefit cost per year / total hours worked by Davis Bacon employees that worked more than 40 Davis Bacon hours plus vacation and holiday cost per hour

Total Benefit per hour for Davis Bacon Employees = (697 X 27,081.79/1,188,460) + (1,923,931.22/1,188,460)

Total Benefit per hour for Davis Bacon Employees = \$17.50