



Kira Strong, Rebuild Executive Director  
City of Philadelphia  
One Parkway Building  
1515 Arch Street, Mezzanine Level  
Philadelphia, PA 19102

October 12, 2021

Maria N. Gonzalez, President  
HACE  
167 W. Allegheny Ave., Suite 200  
Philadelphia, PA 19140  
[mgonzalez@hacecdc.org](mailto:mgonzalez@hacecdc.org)

**RE: Rivera Recreation Center and Mann Older Adult Center Project –  
Notice of Failure to Comply with Rebuild Site Wage and Working Condition Requirements**

Dear Ms. Gonzalez:

The City of Philadelphia Labor Standards Unit ("LSU") has determined that Diplomat Demolition ("Diplomat"), a subcontractor to Aireko Abroad, LLC ("Aireko") has failed to comply with the Rebuild Site Wage and Working Condition Requirements on the above-listed Rebuild project (the "Project"). Specifically, the LSU audit (attached as Exhibit A) determines that Diplomat owes the following amounts in fringe benefit adjustments for work performed from 6/1/21 to 8/20/21:

- \$ 5,412.80 to Edgar Escobar
- \$ 5,253.12 to Jose Escobar
- \$ 5,575.36 to Pedro Garduno
- \$ 5,774.48 to Raul Garduno
- \$ 4,829.18 to Allen Chamberlain
- \$ 791.04 to Javier Flores
- \$ 3,293.92 to Sankara Boureima
- \$ 997.20 to William Upson
- \$ 1,393.84 to Anthony Biello
- \$ 149.70 to Ben Gonzalez
- \$ 2,747.36 to Steven Monvil
- \$ 2,828.00 to Gregory Peine
- \$ 202.32 to Wes Balderston
- \$ 606.72 to Sean Buckery

City of  
Philadelphia



Diplomat's total shortfall is \$39,855 for the fourteen workers on this Project. As the Project User, HACE is ultimately liable for any deficient payments under HACE's Grant Agreement with PAID dated August 20, 2019 (as amended, the "Grant Agreement").

Under Section 4.7 (Rebuild Site Wages and Working Conditions) of the Grant Agreement, the Project User is responsible for causing all individuals performing construction or related work on the Project to be paid the Rebuild Site Wage and given Rebuild Site Working Conditions, as those terms are defined in the Grant Agreement and Rulebook. The Project User is also responsible for passing these contractual requirements on to its contractors, including Aireko and any subcontractors of HACE's contractor. Accordingly, LSU has requested that Rebuild withhold payment in an amount equal to the fringe benefit shortfall.

Within 10 calendar days from the date of this letter, HACE and Aireko shall cause Diplomat to provide restitution to the workers identified above which shall be in the form of checks from Diplomat to each affected worker as a wage in lieu of fringe. LSU will distribute the checks and obtain a release (attached as Exhibit B) from each worker in favor of the City, PAID, HACE, Aierko and Diplomat. If the restitution is not made by Diplomat by this deadline, payment will be made directly to the affected workers out of the withheld funds in order to remedy this ongoing violation. See Section 4.7 (Rebuild Site Wages and Working Conditions) of the Grant Agreement; see also Section VIII(3)(e) (Rebuild Site Wages and Working Conditions – Remedies) of the Rulebook.

Thank you for your ongoing cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "K Strong".

Kira Strong, Executive Director of Rebuild, City of Philadelphia

cc: Harry Tapia ([htapia@hacecdc.org](mailto:htapia@hacecdc.org))  
Randell Y. Torres Rivera ([rtorres@aireko.com](mailto:rtorres@aireko.com))  
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**EXHIBIT B**  
**Check Release**

## Diplomat Demolition & Construction

Name	Starting week	Ending week	Classification	Fringe Rate	Rate Paid	Difference	Hours worked	Amount Owed
Edgar Escobar	6/1/2021	7/20/2021	Laborer	27.07	7.17	19.90	272	5412.8
Jose Escobar	6/1/2021	8/24/2021	Laborer	27.07	8.83	18.24	288	5253.12
Pedro Garduno	6/1/2021	7/20/2021	Laborer	27.07	2.18	24.89	224	5575.36
Raul Garduno	6/1/2021	7/20/2021	Laborer	27.07	2.18	24.89	232	5774.48
Allen Chamberlain	6/15/2021	7/20/2021	Laborer	27.07	1.72	25.35	190.5	4829.175
Javier Flores	7/6/2021	7/13/2021	Laborer	27.07	2.35	24.72	32	791.04
Sankara Boureima	7/20/2021	8/24/2021	Laborer	27.07	2.85	24.22	136	3293.92
William Upson	7/20/2021	8/10/2021	Laborer	27.07	2.14	24.93	40	997.2
Steven Monvil	8/10/2021	8/24/2021	Laborer	27.07	2.54	24.53	112	2747.36
Ben Gonzalez	8/17/2021	8/17/2021	Laborer	27.07	2.12	24.95	6	149.7
Anthony Biello	8/17/2021	8/24/2021	Laborer	27.07	2.18	24.89	56	1393.84
Wes Balderston	8/24/2021	8/24/2021	Laborer	27.07	1.78	25.29	8	202.32
Greg Peine	8/10/2021	8/24/2021	Laborer	27.07	1.82	25.25	112	2828
Sean Buckley	8/24/2021	8/24/2021	Laborer	27.07	1.79	25.28	24	606.72
							Total	39855.035