



FOR IMMEDIATE RELEASE:

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**ATTORNEY GENERAL SCHWALB ANNOUNCES \$600K+ WAGE THEFT
SETTLEMENT BARRING CONSTRUCTION COMPANY FROM DOING
BUSINESS IN DC**

*Settlement With Prestige Drywall Extends OAG's Protection of Workers & Leveling
of Playing Field for Law-Abiding Businesses*

WASHINGTON, DC – Attorney General Brian L. Schwalb today announced that Prestige Drywall, a construction company that operates in the District of Columbia, will pay over \$600,000 in restitution to harmed workers and penalties to the District as part of a wage theft settlement with the Office of the Attorney General (OAG). The settlement resolves OAG's investigation into allegations that Prestige Drywall extensively misclassified workers as independent contractors instead of employees—depriving them of overtime pay, sick leave, and other employment protections and benefits they were lawfully entitled to receive. Under the terms of the settlement, the company will also be barred from doing business in the District of Columbia for five years.

“This settlement will compensate more than 200 construction workers who, due to Prestige’s misclassification practices, were unlawfully deprived of overtime pay and benefits they had earned,” said AG Schwalb. **“Companies that misclassify workers enrich themselves at the expense of their workers and create for themselves an unfair competitive advantage over their law-abiding competitors. Wage theft and improper misclassification of employees is illegal, and my office will continue to aggressively enforce the law, stand up for DC workers, and ensure all companies compete on a level playing field.”**

Prestige Drywall is a Virginia corporation that provides drywall installation services on construction projects in the District of Columbia and neighboring states. An investigation by OAG revealed that Prestige Drywall, from 2020 to 2023, employed more than 200 construction workers that it misclassified as independent contractors. OAG alleged that the company directly contracted with dozens of misclassified workers, procured the services of additional misclassified workers through subcontracts with other companies, and deprived these workers of more than \$40,000 in overtime pay. Prestige Drywall cooperated with OAG’s investigation and agreed to take corrective action to come into compliance with District law.

Misclassification is a form of wage theft that reduces costs for companies at the expense of workers. When companies improperly classify their employees as independent contractors, these workers are deprived of rights and benefits they are legally entitled to as employees, including minimum wage, overtime compensation, and paid sick leave. Illegal misclassification also enables companies to shift their own tax burden to the workers they improperly classify as contractors, and it deprives the District of tax revenue, unemployment insurance premiums, and workers’ compensation contributions. District construction companies that misclassify workers also undermine fair competition and harm law-abiding competitors, [unlawfully avoiding at least 16.7%](#) in labor costs.

To resolve OAG’s wage theft investigation and allegations that the company violated District law, Prestige Drywall must:

- **Pay \$359,665 to workers:** Each of the 200+ misclassified construction workers employed by Prestige Drywall will receive a payment of \$1,000 in restitution stemming from alleged misclassification and paid sick leave violations. Workers who were deprived of overtime pay will receive additional restitution payments stemming from these alleged violations. Under the terms of the settlement, Prestige Drywall will conduct a claims process that notifies eligible workers of the settlement and distributes restitution payments.
- **Pay \$244,975 in penalties:** Prestige Drywall will pay penalties to resolve the District’s allegations.

- **Stop doing business in DC for five years:** Critically, under the terms of the settlement, Prestige Drywall is barred from doing business in the District of Columbia for five years. This debarment covers all District of Columbia projects, including those funded by the District of Columbia government, as well as private projects.
- **Take compliance measures:** Prestige Drywall will implement measures to ensure prospective compliance, such as implementing a certified payroll system, conducting audits of subcontractor payroll, and submitting to annual reporting to the District.

The full settlement agreement is available [here](#).

This matter was handled by Assistant Attorney General Sarah Levine, Assistant Section Chief Randy Chen, and Section Chief Graham Lake.

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 secured over \$18 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](#). OAG also released a [report](#) about how worker misclassification hurts workers, undercuts law-abiding businesses, and cheats taxpayers. Last September, OAG released a [Labor Day report](#) highlighting efforts to protect DC workers. [Click here](#) for more information about OAG's legal victories standing up for workers' rights.

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), led by Attorney General Brian L. Schwalb, works to protect and defend District residents, enforce District laws, and provide legal advice to DC government agencies. Visit oag.dc.gov to learn more.

