



NEW JERSEY DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

Robert Asaro-Angelo, Commissioner
media@dol.nj.gov | 609.984.2841

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NJDOL Issues 10 Stop-Work Orders in Strategic Enforcement Initiative to Address Drywall Worker Exploitation

TRENTON – The New Jersey Department of Labor and Workforce Development (NJDOL) issued 10 stop-work orders -- including eight in a single day -- to a 1st tier drywall subcontractor SamPaul Contracting, Inc., and nine of their 2nd tier subcontractors, installing drywall at The Enclave at Raritan, a luxury apartment community, as part of an ongoing strategic enforcement initiative focused on the drywall industry.

Investigators from NJDOL’s Wage and Hour Division hand-delivered a stop-work order to SamPaul Contracting Inc. of Millstone Township, at the Raritan worksite, while notices were also hand-delivered and sent via regular and certified mail to JMR Construction L.L.C. of North Brunswick, Ariel Drywall Corp. of Plainfield, Drywall Express L.L.C. of Plainfield, Soft Contractor Corp. of North Brunswick, Green Master Contractor Corp. of New Brunswick, Maximum Construction Corp. of Elizabeth, Blue Contractor Corp of Elizabeth, LV Drywall, Inc 122 Lafayette Place, Plainfield, NJ. of and ALM Drywall Inc. of Plainfield.

Violations among the 10 employers included: unpaid wages/late payment; failure to properly classify employees; improper classification of construction workers; failure to pay minimum wage; failure to obtain required insurance; records violations; failure to pay earned sick leave; failure to keep proper earned sick leave records; and hindrance of the investigation.

“Stop-work orders have proven to be an effective tool in protecting workers, with many employers coming into compliance with the law at the mere receipt of the notice,” said Labor Commissioner Robert Asaro-Angelo. “With more than 100 stop-work orders – and

counting – issued over the past five years, we’re using this power judiciously while safeguarding the well-being of workers and the business community.”

SamPaul Contracting Inc. was hired by general contractor March Associates of Wayne to install drywall at the Raritan project. March Associates could be liable if a subcontractor fails to pay its assessment.

The Enclave at Raritan is a residential development with a connector bridge to a local fitness center, and is in its final phase of construction. The Stop-Work Orders were issued on May 4. None of the contractors have appealed their stop-work orders and all are no longer working at the Enclave site. Work has resumed on the job site, but not by any of the companies that were issued stop-work orders.

The Wage and Hour Division has identified misclassification – the illegal practice of classifying an employee as an independent contractor – as being prevalent in the drywall industry, and the construction industry-at-large, as an unlawful cost-saving measure, often pointing to the presence of further workers’ rights violations.

Stop-work orders are one way to drive compliance of labor laws in the construction industry, immediately halting worker exploitation, with the order lifted only after employers prove their employees are paid on the books while receiving proper pay and earned sick leave. With the Division’s strategic enforcement initiative involving the drywall industry, NJDOL seeks to effect change up to the highest point on the construction ladder, encouraging general contractors to ensure they are hiring drywall subcontractors who pay their workers on the books as employees.

NJDOL has the power to immediately halt work at any public or private work site – both construction and non-construction sites – when an investigation finds evidence that an employer has violated any state wage, benefit or tax laws.

NJDOL recently announced a first-of-its-kind enhanced compliance agreement with drywall subcontractor Donald Drywall L.L.C. of Lakewood after multiple violations were found at a worksite in Harrison in a separate case.

For more information on New Jersey’s wage and hour laws, visit myworkrights.nj.gov.