



**pennsylvania**  
DEPARTMENT OF GENERAL SERVICES

June 12, 2015

**Via Certified Mail**

Mr. Steve Cioppa  
Phase One Development Corp.  
137 Monica Drive  
Pittsburgh, PA. 15239

**Re: Violation Notice/Warning Letter  
Public Works Employment Verification Act  
Project: Contract No#: DGS 537-12.1  
Philipsburg State General Hospital Demolition**

Dear Mr. Cioppa:

This correspondence shall serve as official notice that, as a result of an investigation or audit conducted by the Department of General Services, Phase One Development Corp. ("Phase One") has been found to be in violation of Section 5(1) of the Public Works Employment Verification Act (the "Act"). The details of the violation are as follows:

The Act requires every public work contractors and subcontractors to utilize the federal E-Verify Program ("EVP"), operated by the United States Department of Homeland Security, to verify the employment eligibility of new employees hired on or after January 1, 2013.

The Act was effective January 1, 2013, and all public works contractors are required to comply with the Act prior to the award of a public works contract. By letter dated May 14, 2015, the Department requested Phase One to provide specific information establishing compliance with the Act. A review of the documentation submitted reveals that Phase One was awarded a public works contract by the Department of General Services on June 30, 2014. According to the information submitted in response to the audit, Phase One hired a total of approximately five (5) employees after the award of the contract. Although Phase One submitted a Public Works Employment Verification Form acknowledging that it was in compliance with the Act as of May 30, 2014, Phase One did not enroll into EVP until May 20, 2015 and did not initiate verification of the 5 new employees until May 21, 2015. Therefore, it is the Department's conclusion that Phase One did not utilize the EVP system to verify new employees in accordance with the Act and is in violation of Section 5(1) of the Act.

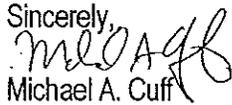
This is Phase One's first violation under the Act. As required by Section 5(D) (1), this first violation warning letter will be posted to the Department's publicly accessible website. If Phase One fails to comply with the Act or commits subsequent violations thereof, Phase One may be subject to civil penalties as well as debarment by the Department as provided for in Section 5.

If Phase One wishes to appeal this determination, you must submit a written request for an administrative hearing setting forth all of the facts upon which the appeal is based within ten (10) calendar days of the date of this letter to the Deputy Secretary for Public Works, Department of General

Services, 3<sup>rd</sup> Floor Arsenal Building, 18th and Herr Streets, Harrisburg, PA, 17125. A filing fee of \$100.00, in the form of a certified check or money order payable to the Commonwealth of Pennsylvania Department of General Services, must be enclosed with the request.

Please refer to the Department's web site at [www.dgs.state.pa.gov](http://www.dgs.state.pa.gov) for additional information on the requirements of the Act as well as the appeal procedures to be followed if Phase One requests an administrative hearing. Your cooperation with the Department in complying with the Act is appreciated.

Sincerely,



Michael A. Cuff

Public Works Employment Verification Manager

cc: Elizabeth O'Reilly, Deputy Secretary for Public Works  
Herb Pfuhl, Director, BPSAS  
Kristen A. Lopko, Assistant Counsel