



June 2, 2016

Via Certified Mail

Mr. Thomas J. Morris
State Pipe Services, Inc
7587 Franklin Road
Cranberry Township, PA 16066

**Re: Violation Notice/Warning Letter
Public Works Employment Verification Act
Project: Internal Sectional Repair Spot Lining
Township of Upper St. Clair**

Dear Mr. Morris:

This correspondence shall serve as official notice that, as a result of an investigation or audit conducted by the Department of General Services, State Pipe Services, Inc ("State Pipe") has been found to be in violation of Section 5(1) of the Public Works Employment Verification Act (the "Act"), 43 P.S. §§167.1, *et seq.* The details of the violation are as follows:

The Act was effective January 1, 2013, and requires every public works contractor and subcontractor 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. Public works contractors and subcontractors must be in compliance with the Act prior to the award of the contract. An employee hired after the award of the public works contract must be verified within 5 business days of his or her start date.

By letter dated April 25, 2016 the Department requested State Pipe provide specific information establishing compliance with the Act. A review of the documentation submitted reveals that State Pipe was awarded a public works contract by the Township of Upper St. Clair on December 8, 2015. According to the information submitted in response to the audit, State Pipe hired a total of approximately four (4) employees after the award of the contract. State Pipe submitted a Public Works Employment Verification Form acknowledging that it was in compliance with the Act as of November 8, 2015, prior to the award of the contract; however, State Pipe did not enroll into EVP until May 12, 2016 and did not initiate verification of the four new employees hired on or after January 1, 2016, within five business days after the employee's start date. Therefore, it is the Department's conclusion that State Pipe did not properly enroll into nor utilize the EVP system to verify new employees in accordance with the Act and is in violation of Section 5(1) of the Act, 43 P.S. § 167.5(1).

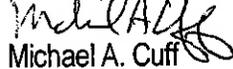
This is State Pipe's first violation under the Act. As required by Section 6(d)(1) of the Act, 43 P.S. § 167.6(d)(1), this first violation warning letter will be posted to the Department's publicly accessible website at www.dgs.pa.gov. If State Pipe fails to comply with the Act or commits subsequent violations

thereof, State Pipe may be subject to civil penalties as well as debarment by the Department as provided for in Section 6 of the Act.

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 Procurement, Department of General Services, 6th Floor, Forum Place, 555 Walnut Street, Harrisburg, PA, 17101. 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, www.dgs.pa.gov, for additional information on the requirements of the Act and the appeal procedures to be followed if State Pipe 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: Janice Pistor, Chief, Strategic Support & Audits Division
Mary W. Fox, Assistant Counsel