

Nassau County
Office of the Comptroller



Limited Audit of microMEDIA® Imaging Systems, Inc.'s
Compliance with the Nassau County Living Wage Law
2012 through 2014

GEORGE MARAGOS

Comptroller

May 13, 2015

NASSAU COUNTY
OFFICE OF THE COMPTROLLER

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Introduction

Background

A limited Living Wage compliance audit was performed of the Blanket Purchase Order (“BPO”) number BPNC07000345 under the “Health & Human Service Imaging Project” between microMEDIA® Imaging Systems, Inc. and Nassau County (“County”). The objective of this audit was to determine whether microMEDIA® was in compliance with the Living Wage Law¹ (“Law”) and the related Rules.² To accomplish our objective, we reviewed microMEDIA®’s payroll records and other pertinent reports. The review period was January 1, 2012 through July 10, 2014.

The matters in this report have been discussed with the officials of microMEDIA®. On March 23, 2015, we sent a draft report to microMEDIA® for their response. Their response was received on April 15, 2015. Their response, and our auditor’s follow-up are included at the end of this report.

¹ Nassau County Living Wage Law, Title 57.

² Rules of the County Comptroller and Rules of the County Executive.

Findings and Recommendations

Audit Finding:

(1) microMEDIA® Assignment of the Contract to a Third Party Was Not in Compliance with the Terms of the County Agreement

At the time of the audit, December 2014, the auditors became aware that microMEDIA® sold its assets and assigned the obligations of the BPO to Smooth Solutions, Inc. (“Smooth Solutions”), a New Jersey based company in July 2014. According to the Nassau County Department of Social Services (“DSS”) officials, microMEDIA® did not obtain consent from the County prior to assigning the agreement to Smooth Solutions. Without formal notice, Smooth Solutions acquired the employees performing the scanning services at DSS without a contract with Nassau County. In addition, the terms of the County Agreement with microMEDIA® categorically state, the rights and obligations of this agreement may not be in whole or any part be assigned, transferred or disposed of, amended, waived, or subcontracted, without prior written consent.

In January 2015, the Comptroller’s office met with DSS officials, including its legal counsels, and attorneys from the County Attorney’s office. It was established that the assignment or subcontracting of the BPO to Smooth Solutions was a material breach of contract; however, steps would have to be taken to ensure continuity of the DSS project. DSS officials stated that they would like the two companies to agree to continue until the time of the next Request for Proposal bids.

Audit Recommendation:

We recommend that the Department of Social Services as Administrator of the contract, collaborate with the County Attorney’s office and take necessary actions.

Audit Finding:

(2) Hourly Rates Paid to Employees Were Less than the Rates Mandated by the Law

We reviewed microMEDIA®’s individual Employee Payroll History Reports for the 39 employees assigned to work on the Department of Social Services Project at DSS. The Law mandates employers to pay the Living Wage rate and either provide employees with health benefits or pay an amount no less than the Benefit Supplement rate.

Exhibit I shows the Living Wage Law rates in effect for our audit period.

Findings and Recommendations

Exhibit I

LIVING WAGE LAW RATES

<u>EFFECTIVE DATES</u>		<u>HOURLY RATES</u>		
		<u>RATE WITH HEALTH BENEFITS</u>	<u>BENEFIT SUPPLEMENT</u>	<u>RATE WITHOUT HEALTH BENEFITS</u>
<u>FROM</u>	<u>TO</u>			
1-Aug-11	31-Jul-12	\$12.90	\$1.71	\$14.61
1-Aug-12	31-Jul-13	\$13.11	\$1.80	\$14.91
1-Aug-13	31-Jul-14	\$13.35	\$1.86	\$15.21

Our review found that 38 employees were paid less than the effective Living Wage rate from January 1, 2012 through July 10, 2014. We noted that these employees were underpaid a total of \$461,466, with 20 (53%) of the 38 underpaid by at least \$10,000 and five (13%) by over \$20,000 each.

Exhibit II below summarizes the underpayment of wages owed to employees.

Exhibit II

WAGES OWED TO EMPLOYEES

<u>Year</u>	<u>Number of Employees Underpaid</u>	<u>Amount of Underpayment</u>
2012	29	\$ 166,385
2013	34	192,814
2014	27	102,267
TOTAL		\$ 461,466

Audit Recommendations:

microMEDIA® should:

- a) compensate the 38 employees for the wages owed of \$461,466 and provide proof of payment to the Comptroller's Office with supporting calculations; and
- b) review the updated Living Wage rates effective every August 1st to ensure that employees are paid the accurate rate in a timely manner.

Findings and Recommendations

Audit Finding:

(3) Compensated Time Off Policies are not in Compliance with the Living Wage Law Resulting in Employees being Denied Mandated Days Off

We reviewed microMEDIA®'s Employee Handbook and Payroll data to determine if its Compensated Time Off policies and procedures were in compliance with the Law. Our review found that 14 employees were underpaid a total of approximately \$3,846 in compensated time off accruals.

microMEDIA® did not maintain records of employee compensated time off accruals and utilization. The auditors had to calculate the compensated days for each employee and compare the days to the payroll records and found the underpayment of approximately \$3,846 owed to employees. We also noted that microMEDIA®'s employment policy stated that only employees who work more than 30 hours per week will be eligible for vacation, and employees hired prior to January 1, 1989 who work more than 30 hours per week will be eligible for holiday pay. This policy is not in compliance with the Law that states, "Full-time employees shall accrue such leave at a rate of one day per month of full-time employment. Part-time employees who work twenty or more hours per week shall accrue such leave in increments proportional to the rate of accrual for full-time employees."

Audit Recommendations:

We recommend that microMEDIA®:

- a) revise its Employee Handbook to comply with the Law;
- b) maintain appropriate records of compensated time off accrual and payments for each employee; and
- c) compensate the 14 employees for their compensated time off accruals and provide proof of payment to the Comptroller's Office.

microMEDIA®'s Response to Draft Living Wage Report



MY DIRECT DIAL IS: 631-247-4614
MY EMAIL ADDRESS IS: JEFFREY.SCHLOSSBERG@JACKSONLEWIS.COM

Representing Management Exclusively in Workplace Law and Related Litigation

Jackson Lewis P.C. 58 South Service Road Suite 250 Melville, New York 11747 Tel 631 247-0404 Fax 631 247-0417 www.jacksonlewis.com	ALBANY, NY ALBUQUERQUE, NM ATLANTA, GA AUSTIN, TX BALTIMORE, MD BIRMINGHAM, AL BOSTON, MA CHICAGO, IL CINCINNATI, OH CLEVELAND, OH DALLAS, TX DAYTON, OH DENVER, CO DETROIT, MI	GRAND RAPIDS, MI GREENVILLE, SC HARTFORD, CT HOUSTON, TX INDIANAPOLIS, IN JACKSONVILLE, FL LAS VEGAS, NV LONG ISLAND, NY LOS ANGELES, CA MEMPHIS, TN MIAMI, FL MILWAUKEE, WI MINNEAPOLIS, MN MORRISTOWN, NJ	NAPA, CA NEW ORLEANS, LA NEW YORK, NY NORFOLK, VA OMAHA, NE ORANGE COUNTY, CA ORLANDO, FL OVERLAND PARK, KS PHILADELPHIA, PA PHOENIX, AZ PITTSBURGH, PA PORTLAND, OR PORTSMOUTH, NH PROVIDENCE, RI	RALEIGH-DURHAM, NC RAPID CITY, SD RICHMOND, VA SACRAMENTO, CA SAINT LOUIS, MO SAN DIEGO, CA SAN FRANCISCO, CA SAN JUAN, PR SEATTLE, WA STAMFORD, CT TAMPA, FL WASHINGTON, DC REGION WHITE PLAINS, NY
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April 15, 2015

VIA EMAIL (jgreene1@nassaucountyny.gov)
AND FIRST CLASS MAIL

Ms. JoAnn F. Greene
Director of Field Audit
Office of the Nassau County Comptroller
240 Old Country Road
Mineola, New York 11501

Re: Limited Audit of microMEDIA Imaging Systems, Inc. 2012 through 2014 Compliance with the Nassau County Living Wage Law

Dear Ms. Greene:

We represent microMEDIA Imaging Systems, Inc. (“Company”) in connection with the limited Living Wage compliance audit performed by the Nassau County Office of the Comptroller (“Comptroller”) of the Blanket Purchase Order (“BPO”) number BPNC07000345 under the “Health & Human Service Imaging Project” (“Project”) between the Company and Nassau County (“County”). This letter is in response to your letter dated March 23, 2015 outlining the findings and recommendations of the Comptroller in connection with that compliance audit.

The following are the Company’s responses to each of the audit findings:

Response to Audit Finding (1) and Recommendations

In early 2014, the Company determined that it could not profitably maintain its production facility in Lake Success, New York. As a result, on or about July 1, 2014, the Company sold its assets to Smooth Solutions, Inc. (“Smooth Solutions”) and Smooth Solutions assumed responsibility for all production. On or about August 1, 2014, all individuals who performed work on the Project with Nassau County Department of Social Services (“DSS”) were employed by Smooth Solutions, however, the Company retained all other vendor responsibilities for DSS. The Company has been working, and will continue to work, closely with DSS and Smooth Solutions to ensure continuity of the DSS project. The Company, Smooth Solutions and DSS have agreed to increase the pricing structure in the BPO to allow the Company to implement the current Nassau County Living Wage and to comply with the Comptroller’s findings going forward.



Attorneys at Law

Response to Audit Finding (2) and Recommendations

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For the reasons set forth below, the Company believes that it is eligible for and plans to request a retroactive waiver from the requirements of the Nassau County Living Wage law for the duration of the BPO, including the initial term and each extension thereof. Based on the Compensation Ratio Test attached to the "Request for Waiver of the Provisions of the Nassau County Living Wage Law" form, the Company has determined that the highest paid employee of the Company earned a salary and/or received fringe benefits, which cumulatively when calculated on an hourly basis, was less than six times the lowest wage or salary paid by the Company. In fact, the Company only has two executives and neither of them has taken a salary since 2009. For the audit period from 2012 through 2014, the highest paid employee earned an annual salary of \$188,308, or approximately \$34.61 per hour while the lowest paid employee earned an annual salary of \$48,353, or approximately \$9.00 per hour. The ratio of the highest paid employee to the lowest paid employee is only 3.84, well below the required amount.

Although a request for a waiver must be made within one month of the County's execution of the contract, requests can be submitted later if the Living Wage Waiver Review Officer determines that the contractor has established a reasonable excuse for the delay in filing. See Rules of the County Executive: The Nassau County Living Wage Law, Miscellaneous Laws Title 57 § 4(b). The Company was unaware of its obligations under the Living Wage Law until it received an audit letter from the Comptroller dated on or about December 18, 2014. While the Company acknowledges its responsibility for complying with all county, state and federal guidelines, the Company notes that the Living Wage law has been poorly promulgated within the County. The Company has never received any County directives or updates on the Living Wage Law throughout the entire term of the BPO. Significantly, the BPO specifically mentions compliance with several laws including the New York State Workers' Compensation Law, Local Law No. 14-2002, Local Law No 19-2003, and HIPAA, as well as other laws related to conflicts of interest, discrimination and disclosure of information. However, there is no mention at all in the BPO to the Living Wage Law. In addition, when the Company bid for the Project in 2007, the Living Wage Law had just recently gone into effect.

Further, because the Company was unaware of its obligations under the Living Wage Law, the Company reduced the price per image and/or did not implement the escalation clause that was set forth in the BPO, saving the County approximately \$2.2 million. Specifically, the BPO provided that the price per image would be \$.156 for the first two years, \$.164 for years three and four, and \$.176 for year five. From on or about August 17, 2009 to February 16, 2011, the Company reduced the price from \$.156 to \$.130, saving the County approximately **\$286,851**. From on or about February 28, 2011 to April 17, 2011, the Company again reduced the price from \$.156 to \$.1235, saving the County approximately **\$21,577**. From on or about April 17, 2011 to May 15, 2011, the Company did not implement the BPO escalation of \$.164 and instead kept the price per image at \$.1235, saving the County approximately **\$53,863**. From on or about May 15, 2011 to April 17, 2012, the Company again did not implement the BPO escalation of \$.164 but, in fact, reduced the price per image to \$.107, saving the County approximately **\$427,018**. Finally, from on or about April 17, 2012 to March 31, 2015, the Company again did not implement the BPO escalation price of \$.176, remaining at \$.107, and saving the County

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Office of Nassau County Comptroller
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jackson lewis
Attorneys at Law

approximately **\$1,435,156**. Indeed, the Company reduced its price per image by as much as 39.2%.¹ The Company would not have been able to offer this savings to the County had the requirements of the Living Wage Law been applied. In fact the Company had losses in 2012, 2013 and 2014. As we understand, the Company today has a negative net worth of over \$1 million and is unable to pay \$461,466, which the Comptroller determined is the amount of underpayment of wages owed to employees.

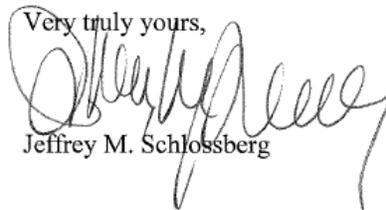
The Company has provided a valuable service to the County at a price far below what the County and the Company agreed to in the original BPO. Had the Company been aware of the Living Wage Law it would not have extended these price reductions to the County. Although the Company did not pay the monies directly to the employees as required by the Living Wage Law, the Company paid more than sufficient monies to the County in the form of savings. Thus, the monies saved by the County should be used to apply toward the Company's Living Wage Law obligations. By any analysis – whether through the Waiver process or otherwise – equity dictates that the County should not have it both ways. Reaping the savings and enforcing the Living Wage Law under these circumstances would be highly inequitable.

Response to Audit Finding (3) and Recommendations

As stated above, on or about July 2014 the Company sold its assets to Smooth Solutions and on or about August 2014 all individuals who worked for the Company (with the exception of two executives) became employees of Smooth Solutions. The Company agrees, however, that it will revise its Employee Handbook to comply with the Nassau County Living Wage Law as well as maintain appropriate records of compensated time off accrual and payments for each employee going forward. Since the Company believes that it is eligible for and plans to request a retroactive waiver from the requirements of the Nassau County Living Wage law, the Company does not believe it is required to compensate the 14 employees identified by the Comptroller for their compensated time off accruals.

* * *

Thank you for your assistance and consideration with this matter. We request an Exit Conference on behalf of the Company. Please do not hesitate to contact us if you have any questions.

Very truly yours,

Jeffrey M. Schlossberg

JMS:bc
4821-3794-4355, v. 2

¹ From on or about April 17, 2012 to March 31, 2015, the Company reduced the price per image from \$.176 to \$.107, which is a difference of \$.069 or 39.2%.

Audit Finding (1)

microMEDIA®'s Assignment of the Contract to a Third Party Was Not in Compliance with the Terms of the County Agreement

Audit Recommendation:

We recommend that, as Administrator of the contract, the Department of Social Services collaborate with the County Attorney's office and take the necessary actions to correct this situation.

Auditor's Follow Up:

microMEDIA® and Smooth Solutions together submitted a joint document dated March 3, 2015 agreeing to extend the microMEDIA® blanket purchase order ("BPO") until December 31, 2015 and this document attested that both companies will implement the Living Wage Law.

Audit Finding (2)

Hourly Rates Paid to Employees Were Less than the Rates Mandated by the Law

Audit Recommendations:

microMEDIA® should:

- a) compensate the 38 employees for the wages owed of \$461,466 and provide proof of payment to the Comptroller's Office with supporting calculations; and
- b) review the updated Living Wage rates effective every August 1st to ensure that employees are paid the accurate rate in a timely manner.

Auditor's Follow Up:

microMEDIA®'s response that it was not aware of the County's Local Law requiring Nassau County Living Wage rates be paid to employees working under contracts with the County is irrelevant, as microMEDIA®'s President signed the contract with the County in 2008, which clearly states that the vendor will comply with all local laws. In addition, their statement that it is not mentioned at all in the BPO is false, as the contract with Nassau County specifically includes an Appendix L (see Appendix A to this report, which contains the cover page of the County blanket purchase order and Appendix L to the contract), which clearly states:

Auditor’s Follow Up to microMEDIA®’s Response to Draft Living Wage Report

- *On page 1 of 5, reference to microMEDIA®’s agreement to comply with the Nassau County Living Wage Law;*
- *On Page 2, item 2, the Chief Executive Officer, listed as Joseph Wise, agreed on behalf of microMEDIA® to comply with the Nassau County Living Wage Law;*
- *On page 4, item 5, the Chief Executive Officer, listed as Joseph Wise, agreed to permit access to work sites and to supply payroll records to County representatives for the purpose of monitoring compliance with the Living Wage Law; this page also contains the signature of Joseph L Wise on the line listed as Chief Executive Officer dated March 19, 2008;*
- *Page 5 of the document is the notarization of his signature Joseph L. Wise, also dated March 19, 2008; and*
- *Details about the Nassau County Living Wage have been posted on Nassau County’s website (the Comptroller’s Office page) since 2007, along with other information for County vendors.*

microMEDIA® employees working at the Department of Social Service (“DSS”) scanning case file documents, did not receive the Nassau County Living Wage. As noted below, these employees were underpaid a total of \$461,466, with 20 (53%) of the 38 underpaid by at least \$10,000 and five (13%) by over \$20,000 each.

See the chart showing underpayment by year and the number of employees affected below.

WAGES OWED TO EMPLOYEES

Year	Number of Employees Underpaid	Amount of Underpayment
2012	29	\$ 166,385
2013	34	192,814
2014	27	102,267
TOTAL		\$ 461,466

* See Appendix B for a listing of monies owed by employee

microMEDIA®, who has received over \$5.8 million in payments from the County, states the County should pay these monies to the employees based on the fact that they feel that microMEDIA® pricing saved the County money. They further stated that they intend to seek a retroactive waiver to the Living Wage Law, under the provision that their highest paid employee

Auditor's Follow Up to microMEDIA®'s Response to Draft Living Wage Report

is not earning six times more than their lowest paid earner³. However, they listed a salary of \$48,353 as that of their lowest paid employee. After comparing that amount of \$48,353 with payroll records, auditors discovered that the salary amount actually represents two and one half years' salary (audit period) for one individual. The waiver eligibility form states it must be supported with the latest W-2 copy (which represents an annual salary). As per W-2s, the 2013 salaries for the employees who were underpaid range from the lowest, \$12,449, to the highest, a Scanning Supervisor earning \$29,682. The average salary of all these full-time employees was \$17,891.

Therefore, we reiterate our position that microMEDIA® was aware of the Living Wage Law as far back as 2008, when it acknowledged this provision in the notarized BPO. Furthermore, ignorance of the law is no excuse. As our limited audit recommends, microMEDIA® should immediately make payment of the back wages to these 38 employees. Failure to do so in a timely manner may result in additional fines and penalties under the law.⁴ The new company employing these employees (Smooth Solutions) should also adhere to the local law as well and pay the Living Wage rates.

Audit Finding (3)

Compensated Time Off Policies are not in Compliance with the Living Wage Law Resulting in Employees being Denied Mandated Days Off

Audit Recommendations:

We recommend that microMEDIA®:

- a) revise its Employee Handbook to comply with the Law;
- b) maintain appropriate records of compensated time off accrual and payments for each employee; and
- c) compensate the 14 employees for their compensated time off accruals and provide proof of payment to the Comptroller's Office.

Auditor's Follow Up:

The Living Wage Law requires employers to adhere to compensated time off policies in the law. "Full-time employees shall accrue such leave at a rate of one day per month of full-time

³ Nassau County Living Wage Law," Nassau Co. Misc. Laws, Title 57, § 9 a.[a](1). (2007) as amended.

⁴ Nassau County Living Wage Law," Nassau Co. Misc. Laws, Title 57, § 7(d)(iv)1. (2007) as amended.

Auditor's Follow Up to microMEDIA®'s Response to Draft Living Wage Report

employment. Part-time employees who work twenty or more hours per week shall accrue such leave in increments proportional to the rate of accrual for full-time employees.”⁵

microMEDIA® states Smooth Solutions will revise its Employee Handbook to comply with the Nassau County Living Wage Law and maintain records of compensated time off accrual and payments for each employee going forward. However, microMEDIA®'s belief that it is not required and is unwilling to compensate the 14 employees the \$3,846 in leave time due them, is not in compliance with the Nassau County Living Wage Law.

In light of the response received from microMEDIA®, the Comptroller's Office is referring this matter to the County Attorney, with a recommendation that they:

- 1) enforce microMEDIA®'s payment of back wages to these employees working at DSS;*
- 2) deny a retroactive exemption from the County Living Wage Law; and*
- 3) consider immediate cancelation of this contract for breach.*

⁵ Nassau County Living Wage Law,” Nassau Co. Misc. Laws, Title 57, § 3(b) (2007) as amended.

Appendix A

2.0



BLANKET PURCHASE ORDER
County of Nassau
 STATE OF NEW YORK
OFFICE OF PURCHASING

The following blanket order ID number **MUST** appear on all packages, invoices, claims, and correspondence.

BLANKET PURCHASE ORDER

 BPO ID: BPC07000345 PRINT DATE: 03/26/2008 PAGE: 01

TO CONTRACTOR:
 113181827
 MICROMEDIA IMAGING SYSTEMS, INC.
 1579 MARCUS AVENUE

 LAKE SUCCESS NY 11042-

SHIP TO:
 AS SPECIFIED ON INDIVIDUAL ORDERS

PLEASE REFER ALL QUESTIONS
 CONCERNING THIS ORDER TO:
 KRAUS, GERALD 13936
 (516) 571-3936

ITB ID	F.O.B. POINT	EXPIRATION DATE	EFFECTIVE DATE	DISCOUNT TERMS
	DESTINATION	04/15/2010	04/16/08	2%/10 NET 30

TERMS:

TITLE: GO FORWARD IMAGING & QUALITY ASSURANCE PROJECT #NCHHS2007-01

 AUTHORITY: NEW YORK STATE CONTRACT #CMB664A; GROUP #73012; AWARD #
 8960275-E.1 AND MINI BID #NCHHS2007-01 DATED 09/11/2007
 *ELECTRONICALLY SCAN DOCUMENTS OF THE HHS DEPARTMENTS IN ACCORDANCE
 WITH THE PROJECT DEFINITION, WHICH IS ATTACHED HERETO AS ENCLOSURE 1A,
 AND WITH THE CONTRACTOR'S PROPOSAL, AND WHICH IS INCORPORATED HEREIN
 BY REFERENCE, IN ITS ENTIRETY, AND WHICH IS ATTACHED IN RELEVANT PART
 AS ENCLOSURE 1B FOR THE HHS IMAGING PROJECT.

ITEM	COMMODITY ID	MAX QUANTITY	U/M	UNIT COST
1	920-34		EA	.1560

MEDIA/DATA FILE CONVERSION SERVICES

HEALTH & HUMAN SERVICE (HHS) IMAGING PROJECT

ELECTRONICALLY SCAN DOCUMENTS FOR THE HHS DEPARTMENTS IN
 ACCORDANCE WITH THE NASSAU COUNTY'S REQUIREMENTS (AS DESCRIBED IN
 ENCLOSURES (1A) AND (1B) HEREIN) FOR THE HHS IMAGING PROJECT

<< CONTINUED, NEXT PAGE >>

EXCISE AND SALES TAXES: THE PRICES HEREIN SHOULD NOT INCLUDE ANY FEDERAL EXCISE TAXES, OR SALES TAXES IMPOSED BY ANY STATE OR MUNICIPAL GOVERNMENT. SUCH TAXES, IF INCLUDED, MUST BE DEDUCTED BY THE VENDOR WHEN SUBMITTING CLAIM FOR PAYMENT.		
IMPORTANT: READ CONDITIONS ON BACK HEREOF		
WARNING TO VENDOR: Do not deliver goods or render services from a delivery order issued against this blanket order unless those goods or services are authorized in this blanket order. Nassau County will not be responsible for payment of unauthorized items. <u>SEND ALL CORRESPONDENCE FOR ABOVE TO:</u> OFFICE OF PURCHASING 240 OLD COUNTRY ROAD-ROOM 307, MINEOLA, NEW YORK 11501		DIRECTOR OFFICE OF PURCHASING DELIVERY MUST BE MADE WITHIN DOORS OF SPECIFIED DESTINATION

ADPICS GS D/O 2/99

PR-195 B.8/02

Appendix A

Enclosure (5)
BNC07000345

Compliance with Law. (a) Generally. The Contractor shall comply with any and all applicable Federal, State and local Laws, including, but not limited to those relating to conflicts of interest, discrimination, a living wage, disclosure of information, and vendor registration, in connection with its performance under this Agreement. In furtherance of the foregoing, the Contractor is bound by and shall comply with the terms of Appendices EE and U attached hereto and with the County's vendor registration protocol. As used in this Agreement the word "Law" includes any and all statutes, local laws, ordinances, rules, regulations, applicable orders, and/or decrees, as the same may be amended from time to time, enacted, or adopted.

(b) Nassau County Living Wage Law. Pursuant to LL 1-2006, as amended, and to the extent that a waiver has not been obtained in accordance with such law or any rules of the County Executive, the Contractor agrees as follows:

- (i) Contractor shall comply with the applicable requirements of the Living Wage Law, as amended;
- (ii) Failure to comply with the Living Wage Law, as amended, constitutes a material breach of this Agreement, the occurrence of which shall be determined solely by the County. Contractor has the right to cure such breach within thirty days of receipt of notice of breach from the County. In the event that such breach is not timely cured, the County may terminate this Agreement as well as exercise any other rights available to the County under applicable law.
- (iii) It shall be a continuing obligation of the Contractor to inform the County of any material changes in the content of its certification of compliance and shall provide to the County any information necessary to maintain the certification's accuracy.

(c) Records Access. The parties acknowledge and agree that all records, information, and data ("Information") acquired in connection with performance or administration of this Agreement shall be used and disclosed solely for the purpose of performance and administration of the contract or as required by law. The Contractor acknowledges that Contractor Information in the County's possession may be subject to disclosure under Article 6 of the New York State Public Officer's Law ("Freedom of Information Law" or "FOIL"). In the event that such a request for disclosure is made, the County shall make reasonable efforts to notify the Contractor of such request prior to disclosure of the Information so that the Contractor may take such action as it deems appropriate.

R10f5

Appendix A

Appendix L

Certificate of Compliance

In compliance with Local Law 1-2006, as amended, the Proposer/Bidder hereby certifies the following:

- 1. The chief executive officer of the Proposer/Bidder is:

JOSEPH WISE (Name)

1979 MARCUS AVE. LAKE SUCCESS NY 11042
(Address)

[REDACTED] (Telephone Number)

- 2. The Proposer/Bidder agrees to comply with the requirements of the Nassau County Living Wage Law, and with all applicable federal, state and local laws.

- 3. In the past five years, Proposer/Bidder _____ has has not been found by a court or a government agency to have violated federal, state, or local laws regulating payment of wages or benefits, labor relations, or occupational safety and health. If a violation has been assessed by the Proposer/Bidder, describe below:

P2015

Appendix A

4. In the past five years, an administrative proceeding, investigation, or government body-initiated judicial action _____ has has not been commenced against or relating to the Proposer/Bidder. If such a proceeding, action, or investigation has been commenced, describe below:

R3 of 5

Appendix A

5. Proposer/Bidder agrees to permit access to work sites and relevant payroll records by authorized County representatives for the purpose of monitoring compliance with the Living Wage Law and investigating employee complaints of noncompliance.

I hereby certify that I have read the foregoing statement and, to the best of my knowledge and belief, it is true, correct and complete. Any statement or representation made herein shall be accurate and true as of the date stated below.

Josephine, President
Dated *3/19/08* Signature of Chief Executive Officer

R4065

Appendix A

JOSEPH L. WISE

Name of Chief Executive Officer

Sworn to before me this

19th day of March, 2008

Christine Tolvo

Notary Public

Christine Tolvo
Notary Public, State Of New York
04TO6140243
Qualified in Nassau County
Commission Expires January 23, 2010

RSof5

Appendix B

microMedia® Employees Underpayments 2012 - 2014

Employee	2012	2013	2014	Total Owed
Employee 1	\$ 5,512.08	\$ 5,950.72	\$ 3,593.84	\$ 15,056.64
Employee 2	-	1,060.29	4,931.36	5,991.65
Employee 3	6,923.56	7,511.08	4,007.92	18,442.56
Employee 4	2,686.00	5,936.63	3,378.96	12,001.59
Employee 5	5,167.48	11,302.23	5,814.11	22,283.82
Employee 6	375.04	-	-	375.04
Employee 7	6,504.76	3,571.12	-	10,075.88
Employee 8	942.48	-	-	942.48
Employee 9	-	2,894.08	4,473.21	7,367.29
Employee 10	-	1,294.72	5,003.95	6,298.67
Employee 11	7,295.66	8,939.52	3,427.53	19,662.71
Employee 12	4,874.63	4,995.08	1,101.88	10,971.59
Employee 13	-	1,942.08	4,912.32	6,854.40
Employee 14	930.60	-	-	930.60
Employee 15	7,935.32	6,641.67	2,929.78	17,506.77
Employee 16	5,570.06	7,044.10	-	12,614.16
Employee 17	8,838.96	5,988.82	-	14,827.78
Employee 18	7,682.38	9,003.95	3,351.77	20,038.10
Employee 19	5,380.41	7,935.01	699.72	14,015.14
Employee 20	7,842.89	7,567.91	5,550.68	20,961.48
Employee 21	-	1,376.83	4,429.18	5,806.01
Employee 22	10,898.25	4,154.73	-	15,052.98
Employee 23	-	949.62	-	949.62
Employee 24	-	10,100.10	4,930.74	15,030.84
Employee 25	6,810.87	7,360.35	3,686.78	17,858.00
Employee 26	6,422.70	8,839.55	4,931.36	20,193.61
Employee 27	6,691.54	6,114.86	2,917.40	15,723.80
Employee 28	8,233.39	7,129.66	3,544.86	18,907.91
Employee 29	4,495.61	5,978.48	2,745.36	13,219.45
Employee 30	-	3,012.54	-	3,012.54
Employee 31	-	392.65	-	392.65
Employee 32	7,666.12	7,731.71	4,275.67	19,673.50
Employee 33	6,588.12	7,040.29	4,049.76	17,678.17
Employee 34	2,269.20	1,591.61	1,591.60	5,452.41
Employee 35	8,675.74	9,450.28	4,930.84	23,056.86
Employee 36	4,758.12	5,278.79	3,050.08	13,086.99
Employee 37	3,275.45	6,732.48	4,006.73	14,014.66
Employee 38	5,137.85	-	-	5,137.85
	<u>\$ 166,385.27</u>	<u>\$ 192,813.54</u>	<u>\$ 102,267.39</u>	<u>\$ 461,466.21</u>