

United States Senate

WASHINGTON, DC 20510

March 7, 2018

Phebe N. Novakovic
Chairman and Chief Executive Officer
General Dynamics Corporation
2941 Fairview Park Drive
Falls Church, VA 22042

Dear Mrs. Phebe Novakovic:

We are writing in regards to numerous allegations of serious labor violations at the call centers General Dynamics Information Technology operates under its contract with the Centers for Medicare and Medicaid Services (CMS). Our respective offices recently met with GDIT employees from multiple CMS call centers and were deeply disturbed to hear reports of wage theft and unfair labor practices at these worksites. We were especially startled that these may not be isolated instances, but may in fact reflect systemic and repeated labor violations by GDIT.

As a federal service contractor, GDIT is bound by law to pay its employees the prevailing wages established under the Service Contract Act. However, we understand that four complaints from four separate worksites have been filed recently with the U.S. Department of Labor Wage and Hour Division, which provided evidence that GDIT misclassifies its call center agents at lower classifications than their job duties merit. Furthermore, as reported in the *New York Times* on January 30, the Communications Workers of America (CWA) alongside hundreds of GDIT call center agents, have called for an investigation into systemic wage theft at all of GDIT's CMS contact centers—potentially impacting tens of thousands of current and former employees.

Our offices heard directly from GDIT contact center agents about the complexity of their responsibilities, and the specialized training, terminology, and subject-matter knowledge that their jobs require. We were dismayed to learn that these workers were classified in job categories intended for the most routine and repetitive work, as opposed to higher level designations that would entitle them to higher locally prevailing wages and fringe benefits.

GDIT employees also reported to our offices that GDIT misinformed them about their rights as federal service-contract workers. For example, they stated that GDIT has claimed repeatedly, and falsely, that it would be futile for them to seek improved wages. This includes multiple reports of GDIT managers telling employees that it would take “an act of Congress” to raise their wages—despite the SCA plainly allowing employees to bargain collectively for higher wages if they have union representation.

GDIT's record of labor violations lends credence to the workers' reports of SCA misclassification and unfair labor practices. According to the Department of Labor, GDIT and its acquired companies have agreed to pay almost \$4 million in back wages since 2007 for wage

theft at its call centers, including for SCA misclassification and failure to pay prevailing wages.¹ And in January, we understand that the National Labor Relations Board issued a formal complaint against GDIT for threatening and coercing employees during a union drive with CWA—including telling employees that their wages would not increase absent an act of Congress.

We take this history of labor abuses and allegations of ongoing violations at GDIT's call centers very seriously. As a federal contractor you are not only entrusted with taxpayer dollars, but you bear the responsibility of the wellbeing of your employees who are supporting and advising the families, business owners, students, and hardworking Americans on vital healthcare decisions. We expect GDIT to take this very seriously. We urge GDIT to refrain from any actions that would impede employees' freedom to come together in the workplace to bargain for living wages and adequate working conditions.

Given the severity of the allegations at hand, we request that GDIT comment in a timely fashion, on what actions it is taking to ensure compliance with wage and hour laws while our offices contemplate a response to the Department of Labor and any other agencies who work on behalf of American workers. We will be monitoring the situation to ensure that workers who are seeking to exercise these rights are not subject to unlawful retaliation, intimidation, or coercion.

Sincerely,


BERNARD SANDERS
United States Senate


ELIZABETH WARREN
United States Senate


JEFFREY A. MERKLEY
United States Senate

cc:

S. Daniel Johnson
Executive Vice President, Information Systems and Technology

Amy Gilliland
President, General Dynamics Information Technology

¹ This includes back wages that Vangent, Inc. (acquired by GDIT as of 2011) agreed to pay employees.