



CHAMPIONING BETTER GOVERNMENT PERFORMANCE

OSIG NEWS

Office of the State Inspector General • P.O. Box 1151 • Richmond, VA 23218

News Release Contact:

Kate Hourin – 804-625-3276

Email: kate.hourin@osig.virginia.gov

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OSIG and OAG INVESTIGATION RESULTS IN INDICTMENTS

It is the first time worker misclassification charges were brought by the Office of Attorney General's new Worker Protection Unit, and the Office of the State Inspector General was part of the investigation that resulted in indictments against two drywall subcontractors working on the new Virginia General Assembly building.

GTO Drywall LLC and Richmond Drywall Installers Constructors Inc. each face 10 counts of felony embezzlement for allegedly misclassifying their employees as independent contractors to avoid paying state taxes. The Richmond Metropolitan Multi-jurisdiction grand jury handed down the indictments.

"Our agents worked diligently with the Office of Attorney General to bring these criminal indictments to fruition," said State Inspector General Michael C. Westfall.

Worker misclassification involves improperly identifying workers as independent contractors when they are really employees. This way, employers avoid paying payroll taxes on these individuals and avert the costs of covering the employees with benefits such as workers' compensation and unemployment insurance.

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Established in 2012, the Virginia Office of the State Inspector General manages the State Fraud, Waste and Abuse Hotline; conducts investigations and performance audits of state agencies; provides training and standards for the commonwealth's internal audit programs; and conducts inspections and reviews of Virginia Department of Behavioral Health and Developmental Services-run facilities and programs.